

Preparing for Medicare Enrollment

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It's a few months before you turn 65. You check the mail and find the box overflowing with materials from companies discussing Medicare enrollment, Medicare Advantage plans, and other pharmacy-related plans. The amount of information is overwhelming—how will you possibly sort through it all and figure out what you need to do?

Although many third-party providers offer legitimate products and services, it's often difficult to differentiate between these marketing materials and official mailings from the Centers for Medicare and Medicaid Services. As the Medicare enrollment period approaches, you may be at risk of making poor decisions if you haven't mapped out a plan ahead of time.

Steps to take before you turn 65

To help ensure that you make the best Medicare choices, it's a good idea to check the following items off your list before you turn 65.

Mark your calendar. To avoid missing the enrollment time frame, mark the calendar for your Medicare enrollment period when you turn 64. If you already receive social security or Railroad Retirement Board benefits, you will automatically be enrolled in Part A and Part B coverage on the first day of the month you turn 65. If not, you may enroll during the three months before your 65th birthday or during the three months after you turn 65. If you don't sign up for Part A, Part B, or both when you are first eligible, you can enroll between January 1 and March 31 every year, but you may be required to pay a penalty for late enrollment.

Note the special enrollment period. If you're currently covered by group insurance through an employer or a spouse's employer, you may be able to delay Medicare enrollment; talk to your employer to determine how the group plan coordinates with Medicare. You may sign up without penalty while you are covered by a group health plan or during the eight-month period that begins the month after your employment ends or the coverage ends, whichever comes first. Note that COBRA and retiree health plans are not considered coverage based on current employment and are not eligible for the special enrollment period when that coverage ends.

Research Medigap and Medicare Advantage plans. It's wise to look into how Medigap and Medicare Advantage plans work and decide if either type of plan would benefit you. Here's an overview:

- Sold by private companies, Medigap policies—also called Medicare Supplement Insurance policies—can help pay for some of the health care costs that original Medicare doesn't cover (e.g., copayments, coinsurance, and deductibles). Medigap policies require you to pay premiums, which are standardized according to federal and state laws.
- Much like HMOs or PPOs, Medicare Advantage plans (sometimes called Part C or MA plans) are health plans offered by private companies approved by Medicare. These plans provide Part A (hospital insurance) and Part B (medical insurance) coverage, not Original Medicare. You can search and compare Medicare Advantage plans on the Medicare website at www.medicare.gov/find-a-plan/questions/home.aspx.

Talk to your health care providers. Unfortunately, not all health care providers accept Medicare, which is why it's essential to double-check that your physician does. Also be sure to ask if the provider accepts assignment, which means he or she will accept the Medicare-approved amount as full payment for services. This is important because, depending on the type of Medicare plan you choose to enroll in, some providers may not restrict their fees to the Medicare limit. Another benefit of assignment is that you won't have to pay up front for treatment, file a claim form, and wait for reimbursement. Instead, the health care provider will file your claims, and you will be billed only for your share of the costs, such as the deductible and coinsurance amounts.

To locate doctors near you who accept assignment, you can use Medicare's provider search, available at www.medicare.gov/find-a-doctor/provider-search.aspx.

Seek advice from a trusted resource. When faced with an array of Medicare choices, it's easy to become confused and frustrated with the enrollment process. Unfortunately, many people aren't aware of the decisions they will need to make or the factors they should consider. A knowledgeable financial advisor can answer your questions about Medicare, guide you through the enrollment process, and help you make the most of your benefits. By planning ahead and working with a trusted advisor, you'll pave the way for a smooth transition to Medicare.

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