



Navigating Medicare

Medicare is government-sponsored medical insurance coverage. It is made up of several different parts—Part A, Part B, Part C and Part D. Financial Wellness coaches can help you maximize the value of these benefits as you begin your Medicare enrollment journey.

Different Parts of Medicare

	Part A	Part B	Part C	Part D
Premiums	Free (for most)	Vary based on individual's income	May vary based on the network and plan selected	Based on individual's income and the plan selected
Coverage	In-patient hospital-related services and emergency care	Doctor visits and services	All the benefits of Parts A and B. May also include prescription coverage, vision, dental care	Prescription drug benefits
Considerations		Higher income earners pay more	Part C replaces Parts A, B and frequently D in one plan	Higher income earners pay more

Coverage may impact your eligibility to contribute to a health savings account (HSA) if you're also covered under a high-deductible health plan through your employer

Choosing the best path for you: “bundled” vs. “unbundled”

Bundled

Enrolling in one plan that covers these various expenses.

Enroll in a Part C Plan to replace Parts A and B (and frequently D)

Retirees who maintain a second residence or travel frequently may prefer the “unbundled” path, depending on your care network

Purchasing Medigap coverage is not permitted with this approach

Unbundled

Enrolling in the different parts of Medicare separately.

Enroll in Parts A, B, and D

There will be gaps in your coverage because “Original Medicare” (Parts A and B) covers approximately 80% of reasonable and customary expenses

Fill the coverage gap by purchasing a Medigap policy or using an employer-sponsored retiree medical plan (if available)

Medigap: Private plans that supplement Medicare but are not technically part of the government program. The price depends on the individual plan selected.

When to enroll

Initial Enrollment Period (IEP)

Seven-month period that begins three months prior to your 65th birthday and runs through the end of the third month after your birthday month. For example, if your birthday is in April, your IEP begins in January and ends in July. If you do not enroll during this time, you could incur a permanent late enrollment penalty.

General Enrollment Period (GEP)

Annual enrollment for Medicare runs from January 1 to March 31 each year. Working with a Financial Wellness coach can help you feel more confident in your Medicare enrollment.

Special Enrollment Period (SEP)

If you are age 65 or older, working for an employer with 20 or more employees, and are still covered under your employer’s group health plan, you may be eligible for a SEP.

This eight-month period may be available outside your IEP to avoid permanent late enrollment penalties. If eligible, you should begin your SEP prior to losing your employer group coverage to avoid gaps in health insurance coverage.

For more information, visit www.medicare.gov.*



Medicare mistakes to avoid

1. Putting off enrollment

- You should sign up during your initial enrollment period to avoid a late enrollment penalty. Speak with a Financial Wellness coach before enrolling if you plan to work after your 65th birthday

2. Assuming Medicare will cover all expenses

- Part A hospital coverage includes deductibles which you must cover
- Part B physician's coverage pays 80% of expenses, leaving you to pay the remaining 20%
- Part D prescription coverage requires copays and/or coinsurance
- Medigap coverage may allow you to avoid paying for these costs out-of-pocket, but does come at the cost of a premium
- A previously funded HSA can be used to pay these expenses

3. Not researching premiums

- Premiums are based on your income—the higher your income, the higher your premiums will be

4. Enrolling in any Medicare while you have active HDHP/HSA coverage

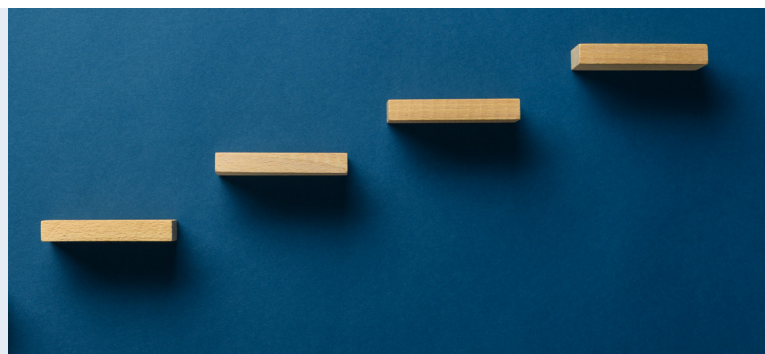
- If you are currently enrolled in a High Deductible Health Plan paired with an HSA, enrolling in Medicare at age 65 could cause a problem with your eligibility to contribute to an HSA
- Medicare enrollment is automatic if you are collecting Social Security prior to turning age 65
- While you can no longer contribute to an HSA if you're covered under Medicare you can continue to use your HSA balance to pay Medicare expenses
- If you don't stop making HSA contributions once you've enrolled in Medicare, there may be tax consequences

5. Assuming decisions can be changed in the future

- With Medigap, in most states there is no automatic right to change that coverage from year-to-year
- In many states, changes to a Medigap policy may be problematic if made after the initial Medigap open enrollment period

A Financial Wellness coach can help you understand what's available to you, and walk you through navigating medicare enrollment while considering your full financial life.

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