

Ten Important Things to Know Before Enrolling in Medicare

1 Original Medicare isn't enough. Medicare has a lot of parts and can be confusing. Few people realize that the coverage offered by Original Medicare, known as Parts A and B, is limited to hospital insurance and medical insurance. This covers around 80 percent of your medical costs, which leaves the other 20 percent up to you. That means an unexpected illness or injury could put your savings at risk. Before signing up for Original Medicare, look into options like Medicare Advantage plans or Medicare supplements to help you cover what Original Medicare doesn't cover.



2 Prescription drug coverage isn't automatic. Original Medicare doesn't include prescription drug coverage, and prescription drugs can account for a large portion of your out-of-pocket costs. That's why many people choose to join a Medicare Advantage plan that includes Part D prescription drug coverage or sign up for a Medicare Part D prescription drug plan through a private company.

3 Part C offers comprehensive plans with extras. One of Medicare's greatest features is its flexibility. With many available options, you can choose how you receive your Medicare benefits. One popular option, Medicare Part C, known as Medicare Advantage, combines your Part A, B and D coverage for a more comprehensive plan. These plans are unique in that they often offer dental, vision and other extra benefits as well. Premiums for these plans vary based on the coverage included, but many plans offer \$0 premiums.

$$\begin{array}{r} A \\ + B \\ + D \\ \hline C \end{array}$$

4 Medicare supplements can be expensive.

Medicare supplements are one way to help reduce your additional out-of-pocket medical expenses not covered by Original Medicare. However, they can be expensive. They have monthly premiums of about \$155 on average. Premiums can be lower or significantly higher depending on age, location, health status and many other factors. It's also worth noting that supplements don't offer prescription drug, hearing, vision or dental coverage. As a result, in addition to your monthly Original Medicare Part B premium, you'll be paying separate premiums for your Medicare supplement and prescription drug coverage. All these premiums can add up—while still leaving you without vision, dental and hearing coverage.



5 Having a good personal physician is important.

As we age, it becomes more and more important to have a physician who can help us manage our health and wellness. Establishing a trusted relationship with an internal medicine or family medicine doctor will help you maintain your health or manage chronic conditions. If you already have a primary care doctor whom you trust and have established a solid relationship with, make sure they accept the insurance plan you choose. If you think you might prefer a different primary care doctor, use this opportunity to make a change.



6 Not all plans offer out-of-network coverage.

When choosing how to receive your Medicare benefits, it's important to consider your lifestyle. For the occasional traveler, most Medicare plans cover emergency or urgent care. However, if you spend large amounts of time away from home and have specialists who you need to see on a regular basis while out of town, you'll want to make sure the plan you choose covers those costs.



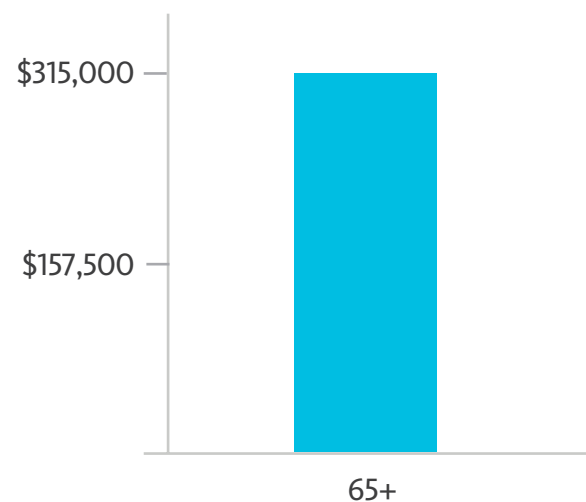
7 Medicare isn't free.

Many assume that Medicare is free. While most enrollees get Medicare Part A for no cost, Part B has a premium that varies depending on your income. In most cases, the premium amount is deducted directly from your Social Security check. In addition, this premium doesn't cover prescription drugs. When signing up for Medicare benefits, look into exactly how much all your premiums will be and pick the right option for your budget.

8 Now's the time for great coverage.

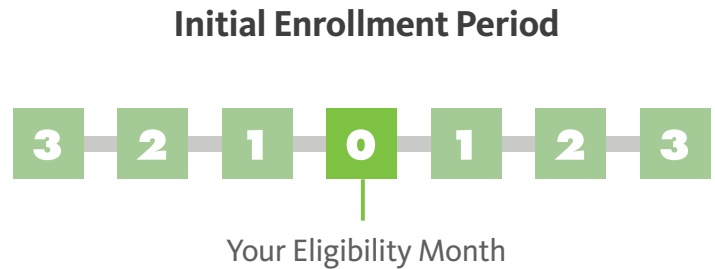
According to Fidelity Investments' 2023 Retiree Health Care Cost Estimate, an average 65-year-old couple can expect to pay \$315,000 on health care expenses throughout retirement. That's why now is the right time to investigate plans and make sure that you have all the coverage you need to enjoy your retirement and minimize out-of-pocket spending.

Estimated Total Health Care Expenses



9 Sign up for Medicare on time.

Medicare does put emphasis on signing up when you're first eligible. When you turn 65 or otherwise become eligible for Medicare, enrollment windows open, but some of these windows close quickly. If you wait too long, you may have fewer choices or face penalties and higher premiums. The initial enrollment period is a seven-month window that begins three months before your 65th birthday and ends three months after your birthday month. You can enroll in Parts A, B, C and/or D during that time.



10 Long-term care isn't covered.

While Medicare covers 80 percent of health care expenses, it generally doesn't cover long-term care (*also known as custodial care*). Under certain conditions, Medicare will pay for a skilled-nursing facility or home health care, but Medicare doesn't cover services that help you with daily activities such as dressing and bathing. With Original Medicare alone, those costs must be paid out of pocket. If you have concerns about these potential costs, you might want to investigate purchasing a long-term care insurance policy.

