

Health Alliance™

10 Common Medicare Mistakes

This guide is designed to help you understand how Medicare works so you can start making it work for you. Here are 10 common mistakes people make when signing up for Medicare and how to avoid them.

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1 Don’t miss your enrollment window.

Many people believe Medicare enrollment is automatic or happens when Social Security benefits begin. This isn’t always true. In most cases, you must enroll in Medicare on your own when you become eligible. There are some special circumstances that can mean you won’t need to enroll, but we’ll cover those below.

So when should you enroll?
You can begin enrolling in Medicare three months before the month of your 65th birthday. This is called the Initial Enrollment Period (IEP). Beginning at this time, you have seven months to enroll in Medicare. For example, if your birthday is May 4, you’ll be eligible to enroll in Medicare starting February 1. You’ll then have until August 31 to complete your enrollment.

Special Circumstances

In some circumstances, you may not need to enroll in Medicare during your IEP.

- If you’re already receiving Social Security (disability benefits, for example) when you turn 65, you’ll automatically be enrolled in Medicare (both Parts A and B).
- If you choose to remain on an employer-provided insurance plan, you may not have to enroll when you turn 65. However, once you’re no longer on your employer’s plan (or your spouse’s plan), you have a set amount of time to enroll (SEP).
- For Parts A and B, the SEP is eight months after your employer coverage ends.



Types of Medicare Enrollment Periods

IEP = Initial Enrollment Period
Occurs when you age into Medicare.

SEP = Special Enrollment Period
Occurs while still covered by employer coverage or when you lose employer coverage.

GEP = General Enrollment Period
Occurs every year from January 1 to March 31.

2 Know the parts of Medicare.

Medicare Part A: Hospital Coverage

Medicare Part A covers inpatient hospital, skilled nursing and hospice care. In some cases, it may also cover home healthcare. Part A doesn't have a monthly premium if you (or your spouse) have worked the minimum number of quarters required by law.

Medicare Part B: Medical Coverage

Part B covers services like outpatient care, doctor's office services and durable medical equipment (DME). It also covers preventive services like flu shots and wellness visits. Part B is not free. You can review the premium at medicare.gov.

Medicare Part C: Medicare Advantage

Medicare Advantage plans, or Part C plans, are plans from private companies that take the place of Original Medicare (Parts A and B). You can also choose a plan with prescription drug coverage.

Medicare Part D: Prescription Drug Coverage

Medicare Part D is prescription drug coverage that's purchased separately from other Medicare plans. You can choose from multiple Part D plans.



3 Choose the right Part D coverage for your situation.

Don't automatically pick whatever plan your spouse has – be sure to evaluate all your options. Not all plans cover all drugs, so it's important to base your Part D coverage on the drugs **you** need, your pharmacy of choice and how much you'll pay out of pocket.

4 Get enough Medicare coverage for your needs.

Medicare Parts A and B are considered "Original Medicare." Enrolling in Original Medicare will cover many of your immediate and preventive healthcare needs. However, did you know that Original Medicare will only pay 80% of any covered service? That leaves you on the hook for the other 20%. This can add up and make your budget harder to predict.

Also, if you have specific health needs that fall outside of Original Medicare's coverage, you'll need to think about purchasing a plan like Medicare Advantage.



Services Original Medicare Doesn't Cover

- Prescription drugs.
- Most hearing care (including hearing aids).
- Long-term assisted living care.
- Routine foot care.
- Dental care (including dentures).
- Most eye care.

5 Don’t overlook Medicare Advantage plans.

Original Medicare (Parts A and B) will offer basic coverage, but it will also leave gaps. To fill those gaps, you should look at either Medicare Advantage or Medicare Supplement (Medigap) plans. Supplement plans are purchased in addition to Original Medicare and must be paid for separately.

Medicare Advantage bundles your Medicare parts into a single plan (and a single bill*). And because Medicare Advantage plans are offered by private insurance companies, they may include coverage for additional health services and offer exclusive member perks. These additional benefits and perks vary by plan, so be sure to take a close look at all the benefits Medicare Advantage can offer you compared to a Medicare Supplement plan.

6 Avoid late enrollment fees.

Be aware: If you miss the IEP or SEP windows, you may have late fees. For example, if you enroll late in Medicare Part B, there will be a 10% fee for each 12-month period you delayed enrollment. This fee is added to your monthly premium and is permanent.



*Individuals with Medicare Advantage still pay their Part B premium, which is required for all Medicare plans.

7 Know what to do if you work beyond age 65.

If you decide to work beyond age 65 and are still covered by your employer's health plan, you technically don't have to enroll in Medicare. However, there are some exceptions. If you work for a company with fewer than 20 full-time employees, Medicare still requires you to enroll during your IEP window (when you turn 65). If you don't enroll, you may have late fees.

8 Remember: Medicare isn't free.

Chances are, you've been paying into Medicare your whole working life. So you might think Medicare is 100% free. In reality, Medicare is split into several parts, and only Part A is free.* It's important to know all the various parts of Medicare, as well as how they may affect your enrollment decisions.



*Only if you (or your spouse) have worked the minimum number of quarters required by law.

9 Medicare Supplement isn't always the best option.



Medicare Supplement (also known as Medigap) is offered by private insurance companies to people with Medicare Parts A and B. These plans are designed to cover the costs Original Medicare doesn't, including copayments, coinsurance and deductibles.

However, Medigap plans have some limitations. For example, they won't cover prescriptions (you still need to enroll in Medicare Part D separately). They also don't bundle your benefits like Medicare Advantage plans do, so you'll be paying for Medigap separately from your Medicare and Part D premiums. Before you decide to enroll in a Medicare Supplement plan, take a closer look at other options, like Medicare Advantage.

Medicare Advantage plans usually have lower premiums, so you may only pay for the services you use. With Medicare Supplement, you pay higher monthly premiums whether you use your coverage or not.

10 Take advantage of Medicare assistance programs.

If cost is a primary factor in your Medicare enrollment decision, be sure to research all the assistance programs that exist for people with lower incomes and resources. Applying for one of these programs could allow you to get more coverage than you originally thought. For more information on these and other assistance programs, visit medicare.gov. You can also consider lower-cost Medicare Advantage plans that allow you to budget for additional coverage and assistance programs.

Good to Know

If you're a veteran, you can have both Medicare and Veterans Affairs (VA) benefits. It might be a good idea too. Medicare will allow you to receive care outside of the VA system. And because Medicare Part A has no monthly premium, you're leaving benefits on the table if you don't enroll.



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Health Alliance™ Medicare is a HMO plan with a Medicare contract. Enrollment in Health Alliance Medicare depends on contract renewal.

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