



SAFELY NAVIGATE MEDICARE: 10 COMMON MISTAKES TO AVOID

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Medicare has long been one of the most popular public programs in the U.S., but no one ever said it was simple. Navigating the Medicare system can be a daunting and overwhelming task for beneficiaries and can even confuse licensed agents and healthcare providers alike. It's surprisingly easy to make a small mistake which could end up costing you big time.

Without informing yourself on how to enroll in and use the Medicare system, you may risk paying a lot more for your healthcare coverage in the long run. But by being aware of potential pitfalls, you can better prepare yourself and enjoy the benefits of Medicare without any unfortunate surprises. From knowing when to enroll to keeping track of the different out-of-pocket expenses, there's a lot to learn. Start by studying these 10 common Medicare mistakes to make sure you avoid them.

1. NOT SIGNING UP AT THE RIGHT TIME

Unless you're actively receiving Social Security benefits, you won't be automatically enrolled in Medicare – meaning it's up to you to sign up. However, there are specified times for enrolling in different parts of Medicare. If you fail to sign up at the right time, you risk having to wait for months without coverage, or having to pay additional penalty fees for the entire time you have Medicare. There are several different Medicare enrollment periods during which you'll need to enroll or make changes to your coverage:

INITIAL ENROLLMENT PERIOD (IEP)

starts 3 months before your 65th birthday, includes your birthday month, and ends 3 months after your birthday – a total of seven months

During this period, you can enroll in Medicare Part A (hospital insurance) and/or Part B (medical insurance), known as Original Medicare. If you don't sign up during this window, you'll need to wait for one of the other enrollment periods and may have to pay penalty fees.

OPEN ENROLLMENT PERIOD (OEP)

January 1 – March 31

If you miss your IEP, you can still enroll in Original Medicare during this period, but your Part B premiums will likely be higher for the entire duration of your coverage due to penalties. You can also sign up for a Medicare Advantage (MA) plan or Part D prescription drug plan during these months.

ANNUAL ENROLLMENT PERIOD (AEP)

October 15 – December 7

During this period, you can make specific changes to your Medicare Advantage or Part D plan, like switching or disenrolling. Changes made during AEP will be effective on January 1 of the following year.

SPECIAL ENROLLMENT PERIODS (SEPS)

There are a variety of different special exceptions that may allow you to enroll in or change your coverage outside of the previously mentioned enrollment periods, such as moving out of your current plan's service area. For a full list of special enrollment periods, check out [Medicare.gov](https://www.medicare.gov).



LATE ENROLLMENT PENALTIES

Knowing when to sign up for Medicare is essential to avoid costly penalties and ensure you receive the coverage you need.

Medicare has different deadlines for enrollment depending on the type of coverage and situation.

For Part B, which covers doctor visits and outpatient services, you'll likely have to pay an extra 10% on your premiums if you miss your initial enrollment period. The same goes for Part D prescription drug plans, as well as Medicare Supplement (Medigap) plans, which can provide help with your Medicare copays and coinsurance.

You may not have to sign up for a Part D plan when you enroll in Medicare – but if you don't, you'll likely pay higher premiums if you apply during a later annual enrollment period. And, if you don't sign up for Medigap during the Open Enrollment Period, you may be charged more or denied a policy altogether.

Medicare Program	Late Enrollment Penalty
Part A*	Premium increases 10% for twice the number of years you delayed signing up.
Part B	Premium increases 10% each year you delay enrolling and lasts the entire time you have Medicare.
Part D	Penalty is calculated by multiplying 1% of the national base beneficiary premium times the number of months you delayed enrollment.

*Only applies if you don't qualify for premium-free Part A



2. NOT KNOWING YOUR OUT-OF-POCKET COSTS

While your type of Medicare coverage might cover the lion's share of your medical and hospital costs, you may still be responsible for some potentially substantial out-of-pocket expenses.

There are several potential charges that must be considered when using your benefits, such as premiums, deductibles, copayments, and coinsurance. Don't let these costs sneak up on you!

PREMIUMS

Every part of Medicare plans may carry a monthly premium. Even Part A, which covers hospital stays and services, may have a premium for some enrollees, though most are eligible for premium-free Part A. All Part B enrollees need to pay a premium, which can be deducted from Social Security benefits. You may also have to pay a monthly premium for your Medicare Advantage or Part D plan.

DEDUCTIBLES

Before Medicare starts making payments for your healthcare, you may need to pay a fixed deductible. Original Medicare (Parts A & B) have annual deductibles, which Medigap plans can help you pay. Some Medicare Advantage and Part D plans may also have deductibles.

COPAYMENTS

These payments are required when you use specific benefits at the point of service. Your Medicare Advantage plan may have to pay a fixed copayment every time you visit your doctor or use other medical services.

COINSURANCE

Before Medicare starts making payments for your healthcare, you may need to pay a fixed deductible. Original Medicare (Parts A & B) have annual deductibles, which Medigap plans can help you pay. Some Medicare Advantage and Part D plans may also have deductibles.

With Original Medicare, there's no set limit on the amount of out-of-pocket expenses that you can be charged. But some Medicare Advantage plans may have a maximum out-of-pocket cost, meaning if you are charged over that amount, the plan will cover 100% of the covered benefit costs.

Extra Tip: If you have Original Medicare, be sure to check if your provider accepts "Medicare assignment." This means they will accept the Medicare-approved amount as full payment for their services. Some providers only take Medicare as a partial payment and may charge you for the rest!

3. NOT UNDERSTANDING HOW MEDICARE WORKS WITH OTHER INSURANCE

If you enroll in Medicare when you're 65, it will usually be considered your primary insurance, with any other coverage being secondary. This means Medicare will pay first for any covered expenses and pay up to the full limits of its coverage. If you have other primary insurance, Medicare may still make conditional payments, but you'll be on the hook for the recovery of any costs deemed to be the responsibility of your other insurer.

If you or your spouse are currently employed and receiving insurance from their employer, Medicare will be the secondary payer. Retiree coverage, severance benefits, and COBRA aren't considered primary insurance once you turn 65, so be sure you don't end up with coverage gaps and penalties by signing up for Medicare when you can.

4. ASSUMING PLANS ARE “ONE-SIZE-FITS-ALL”

Different people have different needs when it comes to their healthcare coverage, and determining the best Medicare plan for any given individual will depend on their specific medical history and financial situation.

Before enrolling in any Medigap, Medicare Advantage, or Part D plan, make sure you understand all the coverage options available in your area, and ask questions about any additional fees and out-of-pocket costs.

Don't make the mistake of simply taking someone else's recommendation – even close family and friends. What works for them may not be suitable for what you need.

You and your spouse should seriously consider your individual needs before signing up for the same plan. For example, if you both need Part D plans, make sure the different medications the two of you take are covered. Different plans may provide more comprehensive coverage for each of you. Also consider the preferred pharmacies of your different plans to avoid having to run to multiple stores or risk paying more.

Take the time to research all available plan options before signing up and ensure that you are fully informed on both the benefits and costs associated with each plan. If possible, speak to a licensed agent who is experienced with Medicare before making your selection.

5. NOT EXAMINING ALL YOUR OPTIONS

When you're eligible for Medicare coverage, you're not just limited to what Original Medicare covers. You can choose to supplement your coverage with Medigap and Part D plans to help pay for the out-of-pocket expenses and coverage gap left by Parts A & B. Or you can choose to receive your benefits from a Medicare Advantage (or Part C) plan instead.

Whichever route you want to take for your healthcare coverage, you'll then want to do as much research on the different options in your area to avoid making the common mistake of signing up for the wrong plan.

MEDIGAP

If you're looking for a Medicare Supplement plan, examine the available plan types closely, as some may provide less coverage for the same service – or not cover it all. For example, while most plans will cover all your skilled nursing facilities (insurance or copayment, Plans K and L only pay a portion (50% and 75% respectively), while Plans A and B don't provide any coverage for this expense.

MEDICARE ADVANTAGE

As alternatives to Original Medicare, Advantage plans are private insurance that provide the same coverage as Parts A & B but may also offer additional benefits. Make sure you've compared all carrier and plan options in your area before you decide. Check to see if your preferred providers are included in the plan's network and be aware of any limitations or out-of-pocket maximums.

PART D

Before you enroll in any prescription drug plan, compare the costs and formularies of your available options. Not all plans will cover the medication you need, and some may offer discounts on preferred pharmacies close to you.

With so many options in front of you, it can be overwhelming trying to hunt through different benefits guides and formularies to find the best plan for you. **You may want to seek the help of a trustworthy licensed agent who works with Medicare. They can help bring all your options into clear view so you can make the best decision.**

6. NOT PLANNING AHEAD

We all know how fast our health can change, and how much a sudden illness can impact your life and your loved ones. Try to consider your future healthcare needs when you're deciding on your Medicare coverage. Your current medical situation may not always be what it is today, so it's important to choose a plan that will provide adequate coverage should your health change or you need more specialized care.

If you're planning on traveling or moving soon, it's also important to consider whether your chosen plan will cover you in those locations. This can be especially true if you are relocating to another state. Medicare plans vary from state-to-state and there may be restrictions on coverage if you travel outside of your home state.

7. NOT REVIEWING YOUR OPTIONS EVERY YEAR

It's common for enrollees to sign up for a Medicare plan and not think much more of it. However, this can be a costly mistake. Both Medicare Advantage and Part D are private insurance plans that change their prices and benefits every year. Your plan may have been a perfect fit for you last year, but that plan could change, and you could lose coverage. Be sure to look out for the Annual Notice of Change (ANOC), which will provide details about any changes to your plan before they take effect. And if you've gotten any new prescriptions, AEP is a great time to look for a Part D plan that might give you a better deal.

Even if your current plan doesn't change, it's good to review your plan options every year, and the Annual Enrollment Period provides that opportunity. Costs and coverage of Medicare Advantage plans are constantly changing from year to year, so compare as much as you can to find the best option.

8. FALLING VICTIM TO FALSE ADVERTISING AND MEDICARE SCAMS

We've all seen TV commercials with some celebrity spokesperson selling Medicare plans and telling you to "call now!" But this false advertising can lead to costly mistakes, so it's essential to exercise caution before making any decisions. Don't rush into selecting a plan without doing adequate research and speaking with an experienced agent who can help you find the best plan for your individual needs.

It's also important to be aware of scammers that attempt to trick Medicare enrollees into giving up their personal or financial information. Their scams are always getting more convincing, and they can now effectively impersonate professional Medicare agents – or even Medicare itself. Remember: Never reply to any emails, texts, or even phone calls that appear suspicious, and always use your best judgment.



9. NOT TAKING ADVANTAGE OF ASSISTANCE PROGRAMS

Many people overlook the potential savings available to them through Medicare assistance programs. These programs are designed to help reduce out-of-pocket costs and make healthcare more accessible and affordable. These include:

Medicare Savings Programs (MSPs)

These joint federal and state programs help with Part B premium payments and may also provide some Medicare cost-sharing depending on the program. The terms of these programs also vary from state to state. Check out the Medicare Savings Program levels to see if you qualify.

Extra Help

MSPs help those with limited resources and income with their prescription drug costs under Medicare Part D plans. To qualify, you must be within certain income limits and restrictions on resources, like stocks and bonds.



Do you qualify?

Medicare Savings Program	Monthly Income Limit	Resource Limit
Qualified Medicare Beneficiary (QMB)	\$1,235 for individual, \$1,663 for married couple	\$9,090 for individual, \$13,630 for married couple
Specified Low-Income Medicare Beneficiary (SLMB)	\$1,478 for individual, \$1,992 for married couple	\$1,478 for individual, \$1,992 for married couple
Qualifying Individual (QI)	\$1,660 for individual, \$2,239 for married couple	\$9,090 for individual, \$13,630 for married couple
Qualified Disabled & Working Individual (QDWI)	\$4,945 for individual, \$6,659 for married couple	\$4,000 for individual, \$6,000 for married couple
Extra Help	\$21,870 for individual, \$29,580 for married couple	\$16,600 for individual, \$33,240 for married couple

10. TRY TO SIGN UP ON YOUR OWN

A trusted licensed agent who specializes in Medicare can help you understand your options, make informed decisions about coverage, and ensure you find a plan that meets all your needs while keeping your out-of-pocket costs within your budget.

Remember that your agent is here to answer your questions and keep you informed about your coverage options before you enroll or change your plan, so ask away! Here are some questions to ask:

1. What are my out-of-pocket costs with this plan?
2. Does this plan cover my current and future health care needs?
3. How do I get my prescription drug benefits?
4. Is my provider in-network?
5. When can I enroll and when will my coverage be effective?

SOURCES:

<https://www.medicare.gov/basics/get-started-with-medicare/sign-up/when-does-medicare-coverage-start>

<https://www.medicare.gov/basics/costs/help/drug-costs>

<https://www.medicare.gov/supplements-other-insurance/how-medicare-works-with-other-insurance>

<https://www.aarp.org/health/medicare-insurance/info-2019/common-medicare-mistakes.html>

<https://health.usnews.com/health-news/medicare/articles/most-common-medicare-mistakes-and-how-to-avoid-them#link4>

<https://www.kiplinger.com/retirement/medicare/601487/costly-medicare-mistakes-you-should-avoid-making>

Many enrollees try to learn the ins and outs of Medicare by themselves, but that can lead to costly mistakes. It's important to remember that you don't have to go it alone.

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