

# *Making the Switch to Medicare*



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# Making the Switch to Medicare.

If you're approaching the age of 65, transitioning to Medicare is one of the most important steps you'll take. Since the process can seem confusing or overwhelming, making the right choices is crucial when you consider how important a role your healthcare coverage plays in meeting your long-term financial goals and retirement income needs.

## Medicare Basics

Medicare is a federal health insurance program primarily for people 65 and older. It consists of different "parts" that cover various healthcare services:

### Medicare Part A (Hospital Insurance)

Covers inpatient hospital stays, skilled nursing facilities, hospice care, and some home health care

### Medicare Part C (Medicare Advantage)

An alternative to Original Medicare (Parts A and B) that adds benefits like prescription drugs, vision, dental, and wellness programs.

### Medicare Part B (Medical Insurance)

Covers outpatient care, doctor visits, preventive services, and medical supplies.

### Medicare Part D (Prescription Drugs)

Helps cover the cost of prescription medications.

## When and How To Enroll

Your Initial Enrollment Period starts three months before and ends three months after your 65th birthday. Missing it can lead to late penalties for Parts B and D.

If you're already on Social Security, you'll be auto-enrolled in Parts A and B. Part A is usually premium-free; Part B has a monthly premium deducted from your benefits.

There's also a General Enrollment Period from January 1 to March 31 each year to update your coverage.

## Choosing a Plan

Choosing the coverage option that best suits you will depend on several factors, including:

- **Healthcare Needs:** Do you have chronic conditions requiring frequent medical visits or medications?
- **Doctor Preferences:** Do your preferred doctors and hospitals accept Medicare or specific Medicare Advantage plans?
- **Budget:** Consider monthly premiums, deductibles, and out-of-pocket costs.
- **Prescription Drugs:** If you take medications, you might want to compare Medicare Part D plans to find the best coverage.
- **Additional Benefits:** As noted, some Medicare Advantage plans include extras like dental, vision, and hearing care.

## Transitioning from Employer Health Insurance

If you're retiring at 65 or later with good employer coverage, you may qualify for a Special Enrollment Period to delay Medicare without penalties. If your spouse is still working, compare their plan with Medicare – considering age, cost, and coverage – to see which offers better value.

## What About VA Benefits?

If you or your spouse is a veteran, you may qualify for VA healthcare benefits along with Medicare. Using both can help reduce out-of-pocket costs, as each may cover services the other doesn't.

### Common Pitfalls to Avoid:

- **Late Enrollment:** Can lead to penalties and limited options.
- **Not Comparing Plans:** May result in poor coverage and surprise costs.
- **Skipping Part D:** Can be expensive if you miss or choose the wrong plan.
- **Ignoring Future Needs:** Risks gaps in long-term care coverage.
- **Missing the Big Picture:** Overlooks how Medicare fits into your retirement income strategy.

## — Get the Help You Need

For more basic information about transitioning to Medicare, you can visit Medicare.gov or find a Medicare counselor through your State Health Insurance Assistance Program.

And, as with all important decisions regarding your retirement, we recommend discussing your options with a financial advisor who specializes in retirement income. Contact us today to help ensure you're making the switch to Medicare in a way that aligns with your broader financial strategy and gives you the best chance of achieving your goals and enjoying the kind of retirement you've worked hard for and deserve!



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