



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.

1 Missing 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 in which 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 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 August 4th, you'll be eligible to enroll in Medicare starting May 1st. You'll then have until November 30th to complete your enrollment.

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 between January 1 and March 31.)

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.

2 Not Knowing 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 health care. Part A doesn't have a monthly premium.*

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 and the premium will vary. For those with an annual income below \$87K/year (\$174K/year for couples), the current premium is around \$144.60 per month.

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 + 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 must be purchased separately from other Medicare plans. You can choose from multiple Part D plans.

3 Choosing the Wrong Part D Coverage

Medicare Part D is prescription drug coverage, so there are many things to consider when choosing the right plan. Don't pick whatever plan your spouse has. 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.

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



4 Not Getting 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 add unpredictability to your budget.

Also, if you have specific health needs that fall outside of Original Medicare’s coverage, you’ll need to consider purchasing a Medicare plan, like Medicare Advantage. Here are some services Original Medicare does NOT cover:

- **Prescription Drugs**
- **Long-Term Assisted Living Care**
- **Dental Care (including dentures)**
- **Cosmetic Surgery**
- **Acupuncture Services**
- **Most Hearing Care (including hearing aids)**
- **Routine Foot Care**
- **Most Eye Care**

5 Overlooking Medicare Advantage Plans

Original Medicare (Parts A and B) will offer basic coverage, but it will also leave gaps. In order 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 plans bundle 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 hearing, vision, and dental coverage. They may offer member perks, such as fitness reimbursements and travel coverage. 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 versus a Medicare Supplement plan.

*Individuals with Medicare Advantage still pay their Part B premium.

6 Incurring Late Enrollment Penalties

Be aware: if you miss the IEP or SEP windows, you may incur penalties. For example, if you enroll late in Medicare Part B, there will be a 10% penalty fee for each 12-month period you delayed enrollment. This fee is added to your monthly premium and is permanent. This is often referred to as a “lifetime penalty.”

7 Delaying Enrollment Because You’re Still Working

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 less than 20 full-time employees, then Medicare still requires you to enroll during your IEP window (when you turn 65). If you don’t enroll, you may incur penalties.

8 Thinking Medicare Is Free

Chances are, you’ve been paying into Medicare your whole working life. So it makes sense to assume Medicare is 100% free. The reality is that 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 Assuming Medicare Supplement Is the Best Option

Medicare Supplement Insurance (also known as Medigap) is offered by private insurance companies to people with Medicare Parts A and B. They're 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 consolidate your benefits like Medicare Advantage plans do, so you'll be paying for Medigap separately from your Medicare and Part D premium. Before you lock yourself into Medicare Supplement, take a closer look at alternatives like Medicare Advantage.

Medicare Advantage plans usually have lower premiums, some as low as \$0 a month, allowing you to pay only for services you use. With Medicare Supplement, you pay higher monthly premiums whether you use your coverage or not.

10 Missing Out on 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 those with lower income and resources. Applying for one of these programs could enable you to get more coverage than you originally thought. For more information on these and other assistance programs, visit www.Medicare.gov. You should also consider lower-cost Medicare Advantage plans. Some plans start as low as \$0 a month.

Did You 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 essentially leaving benefits on the table if you don't enroll.

Health Alliance Northwest is a Medicare Advantage Organization with a Medicare contract. Enrollment in Health Alliance Northwest depends on contract renewal. Health Alliance Northwest complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. Spanish: ATENCIÓN: Si habla español, servicios de asistencia lingüística, de forma gratuita, están disponibles para usted. Llame 1-877-750-3350 (TTY: 711). Chinese: 注意：如果你講中文，語言協助服務，免費的，都可以給你。呼叫 1-877-750-3350 (TTY: 711). Other providers are available in our network.

H3471_20_83571_C MDMKHA20-WACageinprsleadmagnetpdf-1119