



Your Small-Town Doctor of Financial Planning Says:

Avoid Costly Medicare Mistakes

As you may know, once you turn age 65, Medicare (Parts A and B) generally becomes your primary source of health insurance. Health insurance is a vital element in your financial wellbeing and common mistakes related to Medicare can be extremely costly. You need to be aware of the key decisions you must make and when you need to enroll.

If Medicare is expected to become your primary source of health insurance, you need to enroll during what is called the “Initial Enrollment Period” (“IEP”): That is, beginning the three months before your 65th birthday month and ending three months after your 65th birthday month. (If your birthday is on the first of the month, for these purposes, assume your birthday is the last day of the prior month.)

You do not need to enroll in Medicare during the IEP if you meet all of the following conditions, or if your spouse meets the following conditions and you are covered under your spouse’s plan:

1. You are working,
2. You are covered under your employer’s plan, AND
3. Your employer has 20 or more employees.

Please note that you can still enroll in Medicare if you are age 65 and these conditions apply, but it is your choice. If any of these conditions no longer apply—for example you have left your employer or retired—the exception no longer applies, and you must enroll in Medicare within the subsequent 8 months (the “Special Enrollment Period”).

It is important to enroll in Medicare on time to avoid higher premiums and/or a gap in coverage. Thus, in general we recommend that you have all your Medicare pieces in place by your 65th birthday month, or if the exception applies, by the first month after it no longer applies (eg., the first month after you retire).

It is also important that you make appropriate decisions for your supplemental coverage to help minimize your out-of-pocket medical costs through retirement. In addition to applying for Medicare A and B, it is highly recommended that you obtain supplemental insurance (such as Medigap or Medicare Advantage, or retiree coverage if available) and prescription coverage (such as Medicare Part D).

There are many other facts about Medicare you need to know as you enter the Medicare world. As part of our holistic financial planning process, The Kelly Group can help guide you through your Medicare

decisions. In addition, among the slate of courses The Kelly Group team teaches at Harford Community College is a course on Medicare Planning, scheduled for Wednesday, September 13, 6:00 pm to 8:00 pm. For more information on this and our other courses, as well as our financial planning and wealth management services, please reach out to The Kelly Group.



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