Five Things You Must Know When You Are Turning 65

Description

Turning 65 is a whirlwind.

You may be retiring or thinking about retiring soon, and youâ??re probably getting hounded with emails and mail about Medicare and what you should do about it.

If youâ??re trying to figure it all out on your ownâ?¦ wellâ?¦ you donâ??t have to.

Our agents are ready to give you a hand at absolutely no cost to you whenever youâ??re ready.

But, if youâ??re just starting to get a feel for your new responsibilities, here are 5 things that all 65ers need to know.

default watermark

5. Enroll in Medicare Part A and Part B.

When you turn 65, Medicare is officially available to you. Youâ??ve been paying into it for long enough, so why not reap its benefits?

Part A cover inpatient care, and itâ??s completely free. No monthly premium for you.

Part B covers outpatient care, and itâ??s monthly premium, as of 2017, is $134. Note: that cost is higher if you make more than $85,000 per year (or $170,000 per year as a household).

If youâ??re on group coverage, and youâ??re still working, you need to weigh your options. You can read more about that here: https://65medicare.org/should-you-keep-your-group-insurance-when-you-

turn-65.

Hereâ??s what your timeline looks like:

â?? 3 months before you turn 65, your birthday month, and 3 months after you turn 65.

If you miss this 7-month window, youâ??re going to be hit with some late enrollment penalties.

Hereâ??s how to sign up, straight from Medicare.gov:

- Apply online at Social Security. If you started your online application and have your re-entry number, you can go back to Social Security to finish your application.
- Visit your local Social Security office.
- Call Social Security at 1-800-772-1213 (TTY: 1-800-325-0778).
- If you worked for a railroad, call the RRB at 1-877-772-5772.
- Complete an Application for Enrollment in Part B (CMS-40B). Get this form and instructions in Spanish. Remember, you must already have Part A to apply for Part B.

default watermark

You can choose to opt out of Medicare Part B if you want, but you should discuss it with your agent first.

4. Look into Medicare Part C (Medicare Advantage).

CONCERNS OF SENIORS	MEDICARE SUPPLEMENT	MEDICARE ADVANTAGE
Restrictive Network of Doctors and Hospitals	NO	YES
Co-Payments to Providers	NO	YES
Up to $6,700 Yearly Out-of-Pocket Costs	NO	YES
Health Plan Decides What Test and Procedures are Approved for You	NO	YES
Can Your Plan Be Cancelled?	NO Can't be cancelled as long as premiums are paid	YES Plans are approved yearly and can be dropped
Ability to Travel the Country and Use **ANY** Doctor or Hospital	YES	NO
Is Pre-Certification Required for Some Treatments?	NO	YES Penalties can apply if pre-certification not done
MAYO Clinic Included?	YES	NO

Medicare Advantage is an alternative to Medicare and Medigap plans. It often has a very low monthly premium, but it also comes with its downsides.

The first problem is the limited network. There are a lot of doctors that donâ??t accept Medicare Advantage. It could leave you with either no doctors in your area, or a doctor thatâ??s not your favorite.

Also, the premium may look like a good sticker price, but thereâ??s still hefty deductibles and co-pays. Weâ??ve seen those range anywhere from $3,000-$7,000.

Medicare Advantage *can* be a good option for those in large cities. Large cities often have more doctors to choose from.

If youâ??re in a smaller city, you may not have any doctors, meaning youâ??ll have to drive a distance to see a doctor.

Itâ??s always best to weigh your options (Read our Medicare Advantage vs. Medigap article), so donâ??t rule anything out until you check out your own situation and your own network of coverage.

3. Sign up for Medicare Part D.

Medicare Part D, also called a prescription drug plan, or PDP for short, helps a lot of people save money on drug costs.

The dilemma here is that many turning 65 arenâ??t on any prescriptions yet. Why then would you pay a monthly premium for drug coverage that you donâ??t need?

default watermark

Great question, and hereâ??s the answer: For every month you delay signing up for Part D, you receive a 1% penalty on the premium.

We realize that may sound a little confusing, so hereâ??s an example.

If you had signed up for Part D when you turned 65, letâ??s say your monthly premium wouldâ??ve been $50.

For each month you delay signing up, your monthly premium goes up by $0.50. So, by the end of the year â?? 12 months later â?? your premium has gone up to $56. Now, youâ??re not paying that premium yet, but when you do sign up for Part D, that penalty will go into effect.

If you had signed up for Part D, your premium wouldâ??ve stayed at $50.

Itâ??s often a choice that takes time to make. If you end up needing prescriptions and you donâ??t have a Part D plan in placeâ?¦ well, we all know how expensive prescriptions are. Itâ??s a gamble â?? are you willing to take the risk? And the penalty?

2. Choose a Medigap plan.

Medicare does cover a good portion of your medical expenses, but youâ??re still left behind with a nice chunk of risk.

To put things simply, Medicare covers about 80% of your medical expenses. A Medigap plan picks up that other 20%. Thatâ??s a generalization, and itâ??s more complicated than that, but thatâ??s the simple way of putting it.

To â??fill in the gaps of Medicare,â?• many will buy a Medigap plan. This is also called a Medicare Supplement.

You can buy a policy of your choice up to 6 months after you enroll in Medicare Part B. After that â?? you guessed it â?? penalties.

One of our agents can help you choose a plan that fits your budget.

default watermark

1. Consider long-term care insurance.

Long-term care insurance is a big decision to make, and it definitely shouldnâ??t be made in haste. However, as time goes on, your ability to even purchase it starts to decrease.

Long-term care is only available to those that can pass the rigorous health questions. As we get older, that becomes less likely, and some carriers even cap off the age you can apply right around 65.

Also, the other you get, the more expensive it gets. After the age of 65 or so, long-term care insurance starts to become very pricey, often more than many are willing to pay.

Long-term care itself is extremely expensive â?? it can be around $100,000 a year in many cases â?? so if youâ??re interested in getting some insurance coverage, you ought to start thinking about it now.

_____

65Medicare.org is a leading, independent Medicare insurance agency for people turning 65 and going on Medicare. We have worked with 10,000+ Medicare-eligible individuals over the last 10+ years, assisting with understanding and comparing the plans. You can get a list of Medigap quotes in your area. Or, if you have any questions about this information, you can contact us online or call us at 877.506.3378.

Category

1. Going on Medicare
2. Medicare Part D
3. Medigap Plans

Date Created

June 20, 2017
Author
65medicare

default watermark