

## Medicare Open Enrollment begins October 15. Read this to be ready.

With its alphabet soup of plan names, it's easy to just give up and pick a coverage plan with the hope that it provides the protection you need, when you need it.

However, picking the right Medicare plan may be one of the most consequential choices you make in retirement. Good news, you have an opportunity to revisit and refine your choice during the open enrollment period between October 15<sup>th</sup> and December 7<sup>th</sup> every year.

### First, a refresher on Medicare.

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#### Part **A** Hospital Coverage

Also includes some benefits for skilled home care, hospice, and the first 100 days of Skilled Nursing Care.

Most of our clients won't have to pay any premiums for part A.

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#### Part **B** Medical Coverage

Covers outpatient health care visits, outpatient surgery, diagnostic testing, durable medical equipment and ambulance services.

Premiums are \$148.50 in 2021 with surcharges for higher income.

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#### Part **C** Medicare Advantage

Private plans that contract with Medicare to provide Medicare Part A and B benefits.

Some bundled plans cost the same as standard Part B premiums.

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#### Part **D** Prescription Drug Coverage

Optional Prescription drug plans for those on Medicare. These private plans are available as stand-alone or with Medicare Part C.

Premiums vary with income; the national average is \$40 a month.

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## Medigap

Private policies to cover expenses not covered under Part A or Part B that follow standardized forms designated with letters A through N.

Any Medigap policy designated with a particular letter provides a specific set of benefits regardless of which company issues it.

## Next, determine your priorities.

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Before you go shopping, think about what's important to you. Ask yourself which of these criteria are most important to you and consider your options.

**Overall affordability** Keeping premiums low might expose you to dramatic spikes in years where you need more healthcare. Bundling of benefits could be cheaper than buying them separately.  
**Consider:** Medicare Advantage plans (HMO or PPO)

**Plan flexibility** Some coverage options use provider networks (e.g. like HMOs or PPOs) that can limit treatment options or access to specialists.  
**Consider:** Original Medicare with supplemental plans

**Worst-case scenario protection** With some options there's no limit to the amount a client can owe in a particular year. Others cap the owed amount. The lower the maximum amount, the higher premiums are likely to be.  
**Consider:** Medigap Plans

**Cost predictability** If unexpected medical bills would lead to real financial or psychological hardship, the predictability of costs may be more important than saving money.  
**Consider:** Medigap Plans

## Shopping for the right policy

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Once you've identified your priorities and have an idea of the types of policies that fit your needs go to [Medicare.gov](https://www.medicare.gov) for tools to choose the specific insurers and policies to use. Keep in mind that:

- Having a list of your current medications will help
- Coverage cost varies by location
- Free help is available – contact the State Health Assistance Insurance Program

## **Get Ready, Medicare Open Enrollment is October 15 – December 7**

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For those newly eligible (or already enrolled) for Medicare, you can make changes to your Medicare Advantage Plan (Part C) or Medicare prescription drug coverage (Part D) from October 15<sup>th</sup> to December 7<sup>th</sup>. Changes take effect next year.

Here's a list of just some of the changes you can make:

- Switch from Original Medicare to a Medicare Advantage Plan (or vice versa)
- Change to a different Medicare Advantage Plan
- Switch from a Medicare Advantage Plan without drug coverage to a Medicare Advantage Plan with drug coverage (or vice versa)
- Join (or drop) a Medicare drug plan
- Switch from one Medicare drug plan to another Medicare drug plan

### **Don't worry, help is available:**

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Visit the official U.S. Government website [Medicare.gov](https://www.Medicare.gov) to learn more. California Health Advocates, through their Health Insurance Counseling & Advocacy Program (HICAP), is the leading Medicare education non-profit in California. You should consult with [HICAP](#) before enrolling in Medicare.