

5 Medicare Tips for New Retirees

Moving to Medicare from employer health insurance can be a difficult transition. Most employer plans provide limited insurance choices, and companies pay a large, if shrinking share of total health insurance costs. Distinguished Choice Insurance Solutions believes that education and preparation is key to making smart decisions to meet each individual's needs. You may find the following tips helpful while navigating the transition.



1. THERE IS NO FAMILY PLAN IN MEDICARE.

While you can typically cover both you and your spouse through a single workplace plan, each spouse needs to have his or her own Medicare coverage. Odds are that you have differing health and prescription-drug needs, and thus you perhaps should have different Medicare policies as well. Make sure you understand when each of you must sign up for Medicare; that is usually at 65, but it can be later if you are covered by a workplace plan from an employer at which one of you is currently working. And what if you are a retiree whose retiree health plan also covers a younger spouse? If the spouse has not yet turned 65, the plan probably will continue to be that spouse's primary payer of covered health insurance claims. Check to be sure. If children are covered, their options should be understood as well.

2. A CAP ON OUT-OF-POCKET COSTS ISN'T AUTOMATIC.

Most employer plans have annual limits on your out-of-pocket health expenses. By contrast, Original Medicare pays 80% of covered expenses, with no cap on what you might have to pay. This is an area of "unknown" costs that for some beneficiaries can create catastrophic medical bills. Medigap and Medicare Advantage policies have out-of-pocket safeguards. However, if a person has only Original Medicare (Parts A and B) and a stand-alone Part D drug plan, there can be a large fall-off in coverage and increase in your costs when leaving the employer plan.

3. Be strategic in scheduling some procedures.

You should compare your out-of-pocket costs under your employer coverage to what you'll face under Medicare. You may, for example, fare better with Medicare's hospitalization coverage than in a commercial plan or vice versa. This could influence your decision about when to get an elective surgery. Alternatively, if your employer plan has superior protection, it might make sense to use it more heavily before moving to Medicare.

4. Wellness features may be different.

Medicare has a broad range of wellness services at no cost. Employer plans generally offer similar benefits for routine items. However, Medicare's provisions may be superior when it comes to helping people with chronic health issues and more sophisticated care needs. Your benefits department should be able to help you decide whether there are appointments and tests you should have now or hold off until you're enrolled in Medicare.

5. A little research may help limit your drug costs under Medicare.

You have relatively little control over the drugs covered by your employer health plan or what you will have to pay for them. Medicare Part D prescription drug plans, by contrast, are offered by private insurers. Most people can use a Medicare tool to compare the plans offered where they live to find the best fit. Doing your Part D homework might provide better and cheaper coverage than through your employer plan.

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