

6 Medicare mistakes to avoid

With millions of enrollees, Medicare is a massive federal health program that touches nearly everyone. If you're not enrolled or planning on joining, you probably have a loved one or friend taking part. If so, then you've already heard some of the horror stories about problems, oversights, and miscalculations that leave folks with too little coverage, or painfully high premiums. With so much bad information out there, I'd like to outline a few of the common mistakes and pitfalls I've seen clients struggle with over the years.

1. Missing your initial enrollment period

For most enrollees, Medicare eligibility begins at the start of the month in which you turn 65. Guidelines provide for a 7 month enrollment window; 3 months prior, the month you turn 65, and 3 months after. If you miss that enrollment period, you may have to wait until the next General Enrollment period, and you may have to pay a penalty.

Enrolling in Medicare is usually an opt-in process. You can visit www.SSA.gov to find the local Social Security Office and enroll in person, or you can enroll online at www.SSA.gov. Please note however, that if you're receiving your Social Security retirement check when you first become eligible for Medicare, you'll be enrolled and receive your Medicare ID card automatically.

2. Enrolling in Medicare Part B when you don't need it

If you have group health coverage through your employer (or through your spouse's employer), and that employer has 20 or more workers, you can delay enrollment into Medicare Part B until employment ends. In this scenario, there are no penalties or waiting periods for delayed enrollment. And, since there's a monthly premium for Part B, you could be paying for something you don't need (if you have both Part B and employer group health coverage). [Go here](#) for details.

3. Failing to enroll in Part B when you have COBRA or retiree medical coverage

Even though COBRA looks like a straightforward continuation of your former employer's group health plan, federal rules make COBRA coverage a secondary payer to Medicare. This means you could have a significant, uncapped out-of-pocket exposure for any medical bills if you haven't signed up for Part B. You may have penalties and a waiting period for enrollment, too.

Retiree plans have a variety of rules and regulations that make one-size-fits-all guidance impossible. For many retiree plans, Medicare is your primary payer. For some, Medicare isn't even necessary. When planning for your retirement, reach out to your employer HR department or union health and welfare fund administrator as early as possible to review their written rules and guidelines. It's a good idea to review coverage costs against market alternatives such as Medi-Gap plans, too.

4. Skipping Part D coverage

Part D drug insurance plans should not be viewed as optional coverage. If you miss your initial enrollment opportunity, you'll not only have a late entry premium penalty when you join, but you'll have to wait until next January for coverage. With all the expensive break-through drugs coming into the market, you could have some difficult choices to make if you're without a Part D plan.

5. Choosing cheap over good when buying Medicare insurance products

Maintaining our health in retirement should be one of our most important goals. When we're choosing Medicare insurance plans, we need to put quality ahead of cost. Medicare Advantage plans with insufficient provider networks or high out-of-pocket exposures, drug plans with small formularies and poor customer service, MediGap plans from insurers with questionable financial stability are all hard-to-spot deficiencies that can leave us regretting our buying decisions.

6. Trying the D-I-Y approach

In taxes, law and finance, we know that well informed decisions are easier when we hire a professional CPA, attorney or financial planner. In much the same way, utilizing a Medicare specialist insurance broker will prove helpful and keep you out of do-it-yourself traps. Your broker is your advocate and will support their recommendations with well-reasoned explanations, plain language consumer resources, and transparent cost information. Look for the same professional criteria from your broker as you would the rest of your advisor team—experience, reputation, transparency and knowledge.

Getting the best available health coverage out of your Medicare enrollment shouldn't be like peeling an onion, with layer after layer of tear-inducing effort that leaves you with nothing but a mess to clean up. Plan ahead, know your rights, rely on your experts and you'll find the right path to great coverage in your retirement.



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