

A man and a woman, both dressed in white, are walking along a sandy beach. The man, on the left, is pointing towards the ocean with his right hand. The woman, on the right, is smiling and looking towards the man. They are both wearing sunglasses. The background shows a clear blue sky and the ocean waves breaking on the shore.

The 5 Biggest Mistakes Made by Most Medicare Beneficiaries

(and how YOU can avoid them)



SENIOR
ADVISORS

1 Not enrolling in Part B when you are supposed to.

1. You need to enroll in Medicare Part A and Part B during the 3 months before you are 65, unless you or your spouse are working for a company with 20 or more employees and you have that company's group health insurance. If the company has more than 20 employees, you can wait until closer to retirement or losing that group coverage.

2. Not enrolling in Medicare Part B when you are eligible will result in a 10% penalty per year and will remain for the rest of your life. There will also be a delay until you can enroll, the Medicare open enrollment period is January 1st to March 31st. The Part B effective date will be July 1st.

3. When you are over 65 and on COBRA you need Medicare Part B. Medicare is primary when you are not actively at work. The previous penalties will apply if you wait until COBRA runs out.

4. When you are on a retiree plan from a former employer, and you are not actively at work, Medicare is primary and Part B is needed. The above penalties would apply.

5. If you are on Social Security Disability and are eligible for Medicare there are different rules. If you or your spouse are working for a company with less than 100 employees and you are on the company's group insurance plan you will need Part B, because Medicare will be primary. If the company has more than 100 employees you can wait to get Part B when you lose the group coverage.

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2 Not analyzing your prescription drug card.

This mistake could cost you thousands of dollars. There are close to 30 drug cards available in each state, all having different formularies, co-pays and premiums.

You could choose a card that doesn't cover all of your medication. You might choose an inexpensive premium which could cost more at the pharmacy, instead of the higher premium plan with lower total cost.

The best place to analyze this is at **www.medicare.gov**. You need to do this every year during open enrollment (10/15-12/7) due to the changes the cards make every year and your medications changing.



3

Not knowing the difference between Advantage Plans & Supplement Plans.

1. Enrolling in a Medicare Advantage plan you will be assigning your Medicare benefits to the insurance company-usually HMO type plans that require referrals and you must use their network. Advantage plans usually come with a prescription drug card. The plans co-pays will change every year. If you become sick you could experience an out-of-pocket of \$6700 per calendar year. You can only change Advantage plans during the open enrollment (10/15-12/7) or annual disenrollment (1/1-2/14) periods.

2. Staying with Original Medicare, a Supplement and a Prescription Drug plan allows you to have the freedom to choose any doctor that accepts Medicare without referrals. This also allows you to get a drug card that is tailored to your needs. The best Supplemental plan is Plan F and pays 100% for most of your medical care-no co-pays, no deductibles.

3. Medicare Advantage Plans are generally less expensive and may include additional benefits such as dental, hearing aids, eye glass and gym memberships. The drug plan that comes with it may be one that doesn't meet your needs, which could cost you thousands of dollars at the pharmacy, negating the savings of the extra benefits and lower premiums. Also Skilled Nursing Facilities prefer working with Original Medicare & Supplement plans rather than Advantage plans because it is easier for them to get approval for services from Medicare.



4 Not Analyzing your retiree coverage.

Assuming that your retiree coverage is the best choice without exploring different options may end up costing you more money in the long run. This is especially true if you are paying for all or part of your retiree coverage and you have co-pays for doctors and hospitalizations.

A Supplement plan may be less expensive and have better coverage.



5 **Selecting a plan based on what your friends & relatives have.**

This is most important when choosing a drug card. Choosing the plan that your neighbor has or because you saw an ad could be a huge mistake. If you don't analyze the plan with your medications, you might choose a card with a lower premium, which could end up costing much more at the pharmacy.

Some Supplement plans are guaranteed renewable for life while other plans, like Association plans, can be cancelled.



For more information or an
evaluation of your current
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