



Medicare: Questions & Answers

GETTING STARTED

What You Need To Know About Your Medicare Enrollment and Plan Decisions

Making sense of all the Medicare enrollment periods, rules, and plan options can be overwhelming. Understanding Medicare prior to your enrollment is crucial to finding the right plan and avoiding lifelong penalties.

By doing your research ahead of time, you will enjoy the benefits of being in the right plan for you, penalty-free, throughout retirement.

Medicare Q&A: Medicare Enrollment & Costs

What is Medicare? Medicare is health insurance provided by the American government for seniors who are age 65 and older and for others who qualify due to specific disabilities.

What type of coverage will you get from Medicare?

Medicare has two parts: Part A and Part B.

- **Part A** covers inpatient services, such as your hospital room, meals, lab services, medications you receive in the hospital, hospice care, and stays at a skilled nursing facility.
- **Part B** is your outpatient coverage, which helps cover doctor's visits, durable medical equipment, mental health services, some vaccinations, ambulance rides, and more.



As of late 2024, over **68 million** Americans are enrolled in Medicare.

1 statista.com

Will you automatically be enrolled in Medicare? If you are already taking Social Security benefits at least four months before turning 65, you will be auto enrolled in Medicare Part A and Part B when it gets close to your birthday month. However, if you are not receiving Social Security benefits four months before you turn 65, then you will need to enroll in Medicare during your Initial Enrollment Period.

What is the Initial Enrollment Period (IEP)? The Initial Enrollment Period (IEP) begins three months before your 65th birthday, includes your birthday month, and ends three months after your birthday month.

When will your Medicare start once you enroll in Part A & Part B? If you enroll in Medicare within the first three months of your IEP, then your Medicare should start on the first of your birthday month. However, if you enroll in Medicare during your birthday month, your Medicare will become active one month after your birthday.

Medicare Coverage Start Date

If you sign up for Medicare during this time:	Your coverage will become active on:
The month you turn 65	1 month after you enroll
1 month after you turn 65	2 months after you enroll
2 months after you turn 65	3 months after you enroll
3 months after you turn 65	3 months after you enroll
During the General Enrollment Period	The first of the month after you enroll.

Source: U.S. Centers for Medicare & Medicaid Services, as of 2/1/2023

22%

Medicare's share of U.S. healthcare expenditures in 2023

2 kff.org.

When you retire past 65 years old, how long do you have to enroll in Medicare? If you enroll in Medicare within the first three months of your IEP, then your Medicare should start on the first of your birthday month. However, if you enroll in Medicare during your birthday month, your Medicare will become active one month after your birthday.

If you have COBRA, do you need Medicare? COBRA is not considered creditable coverage for Parts A and B. Medicare is also primary when you have both COBRA and Medicare. Therefore, you will want to enroll in Part A and Part B as soon as possible, and not later than eight months of losing active employer coverage.

What happens if you do not enroll in Medicare? If you fail to enroll in Medicare, you may be charged late enrollment penalties for Part A and Part B. If you pay a monthly premium for Part A (most people don't), your Part A premium will increase by 10%, and you will pay this penalty for double the number of years you delayed Part A.

The Part B penalty is different and affects far more people. If you delay your Part B enrollment and do not have a source of creditable coverage, you will be charged a 10% late enrollment penalty for each year you were not enrolled in Part B and should have been. You will pay this penalty for as long as you are enrolled in Medicare Part B.

If you missed your Initial Enrollment Period, can you still enroll in Medicare? If you miss your IEP and do not have a special enrollment period due to having creditable coverage, you will have to wait until the General Enrollment Period (GEP) to enroll in Medicare Part A and Part B. The GEP runs from January 1 through March 31 every year.

What is a Special Enrollment Period for enrolling in Medicare? If you continue to work past the age of 65 and you have large employer insurance, you can delay enrollment into Medicare to save those monthly premiums. Once you retire, you are given an eight-month Special Enrollment Period (SEP) that begins on the day your group coverage ends. During the SEP, you can enroll in Medicare Part A and Part B without being charged a penalty.

Once you are enrolled in Medicare, you may also become eligible for other SEPs in certain circumstances. These pertain to selecting other coverage. For example, if you are enrolled in a Medicare Advantage plan or Part D drug plan, and you move to a new state, you will lose access to your current plan selection

Therefore, you will open a two-month SEP window to make changes to your plans. These periods are also referred to as a Special Enrollment Periods, and there are many scenarios that create them.

How much are Medicare premiums? Medicare premiums typically increase yearly due to inflation. If you've worked 10 years (40 quarters) in the United States and paid FICA payroll taxes, you won't have a premium for Part A. However, if you worked for 30 to 39 work quarters, you'll pay \$285/month for Part A. If you worked 29 quarters or less, your monthly Part A premium is \$518/month in 2025.

When setting your Part B premium, the Social Security office pulls your IRS tax returns from 2 years prior to determine what you will pay for Part B. If your income 2 years ago was less than \$106,000, you will pay the standard Part B premium of \$185.00 in 2025.

However, in 2025 if your income was more than \$106,000 in 2023, you will pay the standard Part B premium plus an Income Related Monthly Adjustment Amount (IRMAA).

Medicare 2025 Part B premiums based on income (IRMAA)

\$106,000 or Less	\$212,000 or Less	\$112,000 or Less	185.00
Above \$106,000 & up to \$133,000	Above \$212,000 & up to \$266,000	N/A	\$259.00
Above \$133,000 & up to \$167,000	Above \$266,000 & up to \$334,000	N/A	\$370.00
Above \$167,000 & up to \$200,000	Above \$334,000 & up to \$400,000	N/A	\$480.90
Above \$200,000 & less than \$500,000	Above \$400,000 & less than \$750,000	Above \$106,000 & less than \$394,000	\$591.90
\$500,000 or above	\$750,000 & above	At \$394,000 & above	\$628.90

Source: U.S. Centers for Medicare & Medicaid Services, as of 11/1/2024

If you do not have 40 quarters, but your spouse does, will you have to pay Part A premium? When you apply for Medicare, you will get premium-free Part A through your spouse's work credits if he or she is at least 62 years old and you have been married for at least one year.

Is there a maximum out of pocket with Original Medicare? No, you will not have a maximum out of pocket with Original Medicare. Medicare generally provides coverage for any medically necessary treatment for injuries and illnesses. However, you will pay 20% coinsurance for all Part B care, with no cap on how much you might spend. This is why people purchase additional coverage such as Medigap or Medicare Advantage.

Federal Employee Health Benefits (FEHB) Program for Retirees, TRICARE For Life (TFL), and Veterans Benefits

If you are a federal retiree and have an FEHB healthcare plan, do you need Medicare? FEHB is not creditable coverage for Part A and Part B. So, failing to enroll in Medicare during your Initial Enrollment Period would result in a late penalty if you did choose to enroll down the road.

That said, you have options for your coverage with FEHB and should choose whichever is most cost-effective based on premium costs and out-of-pocket cost sharing.

Do you still need Medicare Part A and Part B if you have Tricare for Life?

TFL functions as a supplement, or wraparound, for people who are enrolled in Medicare Parts A and B. What this means is that Medicare will be your primary insurance and TFL will pay secondary.

Does the VA count as creditable coverage for Medicare? No, the VA is not considered creditable coverage for Medicare Part A and Part B. Therefore, you must enroll in Medicare or you will be charged a late enrollment penalty. However, the VA is creditable coverage for Medicare Part D prescription drug coverage.

Medicare Part D

What is Medicare Part D? Medicare Part D provides your prescription drug coverage through the Medicare program. However, unlike Medicare Part A and Part B, Medicare Part D is sold by private insurance carriers. Most Medicare beneficiaries have about 6 Medicare Part D plan options available in their zip code.

When should you enroll in Medicare Part D? Your first chance to enroll in a Medicare Part D plan is during your Initial Election Period. Your IEP starts three months before your Part A effective month and ends three months after. For example, if your Part A starts June 1, your IEP starts March 1 and ends September 30. However, if you have creditable drug coverage past 65, then you may be able to delay Part D without penalty.

What is creditable coverage for Medicare Part D? There are various forms of creditable coverage for Part D. The most common forms are employer coverage (large and small) and VA drug benefits. If you continue to have creditable drug coverage past age 65, you can delay Medicare Part D without gaining a late enrollment penalty later.

18.5%

Percentage of Americans covered by Medicare in 2024.

3 statista.com.

When can you change Part D plans? Medicare Part D plans usually change from year to year, as can your prescriptions. Therefore, you may want to change Part D plans each year to meet your new drug needs. However, generally, you only have one chance to switch Part D plans each year. The Annual Election Period begins on October 15 and ends on December 7 every year. During this period, you can enroll in, drop, or change Medicare Part D plans and Medicare Advantage plans.

What are the three payment stages for a Part D drug plan? Every Part D drug plan has three payment stages. As you fill covered prescriptions, you will move throughout the stages. The stages are Deductible, Initial Coverage, and Catastrophic Coverage.

Deductible Stage

During the Deductible stage, you will pay the full price for your prescriptions until you satisfy your plan's deductible. The maximum allowed Part D deductible in 2025 is \$590. Plans can set their deductibles lower and/or only apply the deductible to specific tiers.

Initial Coverage Stage

Once you've met your Part D deductible, you will move into the Initial Coverage stage. During this stage, you will pay a copay or coinsurance for your covered medications. Once you and your plan have paid \$2,000 for the year for covered medications, you will move into the next payment stage.

Catastrophic Coverage

As of 2024, the Catastrophic stage cost-sharing has been eliminated. In this stage, your plan will cover your medications at 100% for the remainder of the calendar year. This change is a result of the new [Inflation Reduction Act](#).

Medicare Supplement Plans

What is a Medicare Supplement (Medigap) plan? Medigap insurance plans are plans that help cover the gaps that Original Medicare leaves you responsible for. These plans are purchased through an insurance company. However, all 10 plans are standardized. This means one Plan G has the same coverage as another Plan G. You will pay an additional premium to have this plan, but in return this plan will be secondary to Original Medicare and will cover the gaps leaving you with little out of pocket.

Can you change your Medigap plan at any time? You can change your Medigap plan at any time during the year. There is no election period or timeframe that you must wait for. However, when you want to change you may have to answer a series of health questions if you are outside of your initial Open Enrollment window for Medigap. This varies by state.

How often do rates go up on a Medigap plan? It depends on the type of Medigap plan rate you have (attained-age, community-rated, or issue-age). Some plans go up once per year on your anniversary or birthday, while others may go up twice a year on both your anniversary and birthday.

Medicare Advantage Plans

What is a Medicare Advantage plan? A Medicare Advantage plan, also known as Part C, is a type of Medicare plan that is through a private insurance company. You still have Medicare Part A and Part B; however, you will be receiving all of your benefits through your Medicare Advantage plan.

Most Medicare Advantage plans offer care through a network of doctors and hospitals. There are copays and coinsurance with these plans and a max out of pocket so the amount you spend in a year does have a cap to it. Most of these plans will also bundle drug coverage as well. Some plans even provide additional benefits such as dental, vision, hearing, and gym memberships.

What is the difference between a Medicare Advantage plan and a Medigap plan? Medigap plans help cover the “gaps” that Medicare does not cover. For example, Medicare Part B will only cover 80% of your Medicare-approved services. Therefore, leaving you responsible for payment for the remaining 20%. A Medigap plan will help cover the 20% for you. You can go anywhere in the United States, as long as the provider accepts Medicare, it has to accept your Medigap plan. You also do not need a referral to see a specialist.

Medicare Advantage plans are another alternative for Medicare and are sold through private insurance companies. These plans work differently than Medigap. You will opt to receive all of your Medicare benefits (Part A, Part B, and Part D) through the carrier. Medicare Advantage plans may offer you additional dental, vision, and hearing benefits.

When can you change Medicare Advantage plans? There are a few different election periods you can use to change a Medicare Advantage plan. The first is the Annual Election Period, which is from October 15 to December 7 of each year. You can change from one Medicare Advantage plan to another, apply for a Medicare Advantage plan if you do not have one, or switch from a Medicare Advantage plan to Original Medicare with a Part D plan.

If your doctor does not accept your Medicare Advantage plan, can you use your Original Medicare? No, you cannot use Original Medicare when you have a Medicare Advantage plan. You agree to receive all your Medicare benefits through your Medicare Advantage plan. If your doctor does not accept your plan, you will be paying completely out of pocket for that service.

Do you need to keep paying your Part B premium when you have a Medicare Advantage plan? Yes, even though you are getting all of your benefits through your Medicare Advantage plan, you must keep your Medicare Parts A and B which means you have to continue to pay your Part B premium.



In 2023, 49% of all Medicare beneficiaries were enrolled in Medicare Advantage Plans.

4 kff.org.



We Speak Medicare[®], so you don't have to.

ABOUT BOOMER BENEFITS[®]

The Medicare Experts

Founded in 2005, Boomer Benefits[®] is an award-winning insurance agency in the business of helping people understand Medicare in simple, plain terms that everyone can understand.

Our co-founder, Danielle Kunkle Roberts, is a recognized Medicare insurance expert often referenced by top media outlets such as Forbes, CNBC, MarketWatch, and NPR.

Unmatched Customer Service

Our policyholders get free lifetime access to our Client Service Team to help with problems, concerns, denied claims, Medicare appeals, pharmacy exceptions, and benefits questions.

No Strings Attached

Our no-strings-attached approach is why so many beneficiaries have chosen to work with our unmatched team. We are committed to providing legendary service from beginning to end.

How much does it cost to use Boomer Benefits[®]? Our service is 100% free to you and your clients. We are paid by the insurance companies that your clients ultimately choose. Our policyholders also get free lifetime access to our Client Service Team to help with problems, concerns, denied claims, Medicare appeals, pharmacy exceptions, and benefits questions.



Your Dedicated Medicare Expert

Gabe Gutierrez

Licensed Insurance Agent & Medicare Expert

Clients of Archford have a dedicated contact at Boomer Benefits, Gabe Gutierrez. Gabe is available to help you compare Medigap and Medicare Advantage plans in your zip code, and provide guidance on finding the right Part D plan for your prescriptions.

Phone:

682-255-0122

Email:

GGutierrez@boomerbenefits.com

Book an Appointment Here:

<https://boomerbenefits.com/archford>