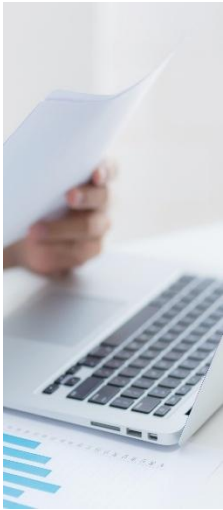


Truths and Myths about Medicare

Truths about Medicare



Medicare and Medigap plans often offer lower, more predictable total costs.

While employer plans are convenient and premiums are payroll-deducted, many employees underestimate:

- Annual total costs and year-over-year increases
- High deductibles and coinsurance
- Rising out-of-pocket maximums
- High copays/costs for expensive medications

Advantages of Medicare:

- Standardized plans and costs in all states
- Regulated pricing across all insurance carriers
- Options that cap out of pocket cost exposure (Medigap Supplements or Advantage Plans)

Often provides broader, more stable coverage long term.

Employer Medical/Rx plans change yearly:

- Employee rates can increase annually
- Deductible, copays, coinsurance increases
- Insurance coverage limits or exclusions
- Rx formulary restrictions, medications requiring approvals or not covered at all

Medicare can provide:

- Nationwide coverage – see any doctors
- More stable plan benefits/coverage
- Guaranteed coverage and renewability

Moving to Medicare when healthy locks in flexibility & long-term value.

Waiting may seem smart — but:

- Health can change suddenly
- Employer plans can deteriorate
- Opportunities (like Medigap enrollment) are time sensitive

Medicare enrollment advantages:

- Broader plan access when first eligible
- Fewer restrictions later
- Better protection if health needs increase

Prescription coverage is often more affordable & transparent.

Employer drug plans can:

- Shift formularies yearly
- Add step therapy or higher tiers
- Increase specialty drug cost sharing

Medicare Part D offers:

- Competitive, regulated plans
- Annual shopping opportunities
- Clear coverage rules and appeals
- Annual out of pocket Rx costs are capped

May offer more choice for providers.

With Original Medicare:

- No PPO networks (see any provider)
- Nationwide acceptance
- Freedom to see specialists without referrals (in most cases)

Employer plans increasingly:

- Offer narrow or restricted networks
- Require prior authorization/pre-approval for more services
- Restrict out of network coverage

Medicare is standardized, and easier to budget for long term.

Employer plans change annually.

Medicare:

- Follows national rules
- Has annual open enrollment
- Allows intentional plan selection
- Offers more stable costs



Truths and Myths about Medicare

Myths about Medicare



If I'm still working and not yet retired, I am required to stay on my employer's medical plan.

Reality:

It is your choice to either enroll in Medicare or stay on the employer plan (or both)

- You do not need to be retired to choose Medicare for your medical/rx coverage
- If your employer plan is not creditable, penalties could apply for not enrolling in Medicare when first eligible
- Delaying Medicare while covered on a non-creditable employer plan may result in higher Medicare penalties later

This is a very common misunderstanding about Medicare and can be costly for some.

Medicare coverage is not as good as having employer coverage

Reality:

Medicare coupled with a Medigap plan may actually provide better or lower cost coverage depending on your situation

- Medigap plans (Medicare supplements, Medicare Advantage and Medicare D) can offer cheaper, more comprehensive coverage depending on what you choose.
- Do your research and make the best decision for you.
- Medicare with a Supplement plan allows you to see any doctor or hospital you choose nationwide

I can delay Part B as long as I want, if I'm working

Reality:

You can delay **only** if the coverage meets Medicare's rules.

You must have:

- Active employment (yours or your spouse's)
- Employer coverage from a qualifying employer
- Creditable coverage
- COBRA coverage is never creditable and may trigger Medicare penalties if chosen in lieu of Medicare

If all criteria is not met, late enrollment penalties apply later.

I can just enroll in Medicare whenever I retire

Reality:

You get a **Special Enrollment Period (SEP)**, but it's limited.

- You have 8 months after:
 - Employment ends, or
 - Employer coverage ends (whichever comes first)
- Missing this window = permanent Part B penalties
- If on a non-creditable plan with the employer or you lose creditable coverage, penalties may apply to Medicare B and D
- Some exceptions may apply, it is best to understand the facts

COBRA or retiree coverage does not extend this deadline.

The Bottom Line

1

Review your current coverage details and understand your Medicare eligibility date and options

2

Compare Medicare plans vs. employer coverage before deciding what is best for you

3

Schedule a no cost, no pressure benefits consultation with Next Level Planning