

Signing up for Medicare

We tell our clients the best birthday present they will ever receive is their Medicare card on their 65th birthday. The sign-up procedure is easy, but there are several potential problems to be aware of.

Folks already receiving Social Security benefits will automatically be enrolled in Part A (hospital and related services). You will also enroll in Part B (doctors' bills and outpatient services) at a cost in 2010 of \$96.50, or more if you have a high income. We recommend you also enroll in a Medicare Supplemental Policy or a Medicare Advantage Policy. If you receive help with the cost of insurance from an employer plan, please consult your plan administrator to discuss your options.

You can apply for Medicare benefits in 10-15 minutes online at the Social Security website. Visit www.socialsecurity.gov and click on "Apply online for Medicare". You will answer a few questions and be amazed at how easy the procedure is.

You will need to purchase a Medicare Supplemental Insurance policy within 6 months of signing up for Medicare to avoid problems with pre-existing conditions - face it you are 65!

All Medicare Supplemental policies are lettered. The lettered plans carry the same basic benefits, so shop around. The plans currently offered are: A-D, F, G, and K-N. The most popular plan is Plan F. Please consult a knowledgeable insurance agent about the proper plan for you to purchase. You will generally do best by picking the lowest, cost "issue age" or "community rated" policy available in your area. [Your agent can explain these terms to you or, if not, your new agent will].

Medicare Supplemental policies do not help with prescription drug plans. You will need a Part D plan to help with the cost of prescriptions. You can review all of the Part D plans in your area online at the Medicare website. You can type in the prescriptions you take and view the cost of each plan along with the pharmacies in your area that participate in the plan.

When Should I Sign Up

You should always sign up for Medicare Part A at age 65. This is free – take advantage of it.

The Medicare Part B sign-up is for the three months prior to 65, the month you turn 65, and the three months after you turn 65. You will want to sign up unless you have employer coverage after you turn 65. Those with employer (or spouse) health coverage

should sign up within 7 months after the employee's coverage ends to avoid increased cost for Part B. The same is generally true for Part D if your employer (including spouse) offers coverage similar to or better than Medicare Part D. You will need an employer letter certifying such coverage is "other credible coverage". You can generally change Part B plans from January 1st to March 31st each year. The change period for Part D plans is November 15th to December 31st of each year. There are exceptions to these rules so visit the Medicare website or call SHIIP (Senior Health Insurance Information Program) at (800) 452-4800 for more details.

Medicare Advantage

You can elect to quit the Medicare system and enroll in a private company plan that offers Part B and/or Part D coverage under the Part C system. Please remember you are leaving the Medicare program to do this. We advise clients Part C plans can be good for the individual, but are not good for our country. This advice may change as new health care laws are implemented. You generally sign up for Part C when you are first eligible for Medicare or during the open enrollment period, November 15th to December 31st. The open enrollment period changes in 2011 to October 15th to December 7th.