

Churchill Management Group

Financial Planning Newsletter

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Planning Around Your Medicare Benefits



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Every day approximately 10,000 baby boomers turn 65. This is a great milestone, but one that can come with some confusion regarding Medicare eligibility, enrollment, and choices for coverage.

There are three main categories of eligibility for Medicare:

1. People age 65 and older (some disabled widows/widowers younger than 65 may be eligible).
2. Generally, those who have been entitled to Social Security Disability for 24 months.
3. Persons diagnosed with permanent kidney failure requiring dialysis or kidney transplant(s).

Enrollment Periods:

The *Initial Enrollment Period* for Medicare is a seven-month period beginning three months before the month of your 65th birthday and ending three months after the month you turn 65.

1. If you apply for Social Security Benefits at age 65, you will be automatically enrolled in Medicare. If you are applying for Medicare before you apply for Social Security benefits, you will need to ask them to bill you for the Medicare premiums, as they are normally deducted from your Social Security Benefits.
2. If you decide not to enroll during *Initial Enrollment* you can also sign up during the *General Enrollment Period* (January 1 through March 31 each year). Keep in mind, there may be a 10% penalty added to the Part B premium for each year that you delay enrolling. The exception may be if you are still working and covered under

your employer's health plan; then you would enroll during a *Special Enrollment Period*.

3. The *Special Enrollment Period* starts when the employer's health plan coverage ceases to be the primary insurance. Retiree medical benefits are not considered primary insurance by Medicare but, when available, act as a supplement.

Did you know you have choices in how you receive your Medicare benefits?

Once you are eligible for Medicare, you will also need to decide if you want Original Medicare or a Medicare Advantage Plan.

1. Original Medicare – in most cases, it is recommended to consider purchasing a Medicare Supplemental (Medigap) Insurance Policy.
2. Medicare Advantage Plan (Part C) – in most cases, you may not be able to purchase a Medigap policy if you make this choice.
3. Medicare Prescription Drug Plan (Part D) - some Medicare Advantage Plans offer drug coverage.

Remember these choices are based on your individual needs. So for a married couple, this could mean that you choose different options for your Medicare and Prescription Drug coverage than your spouse.

Also, it is important to be aware that Medicare does not cover most long-term care (assisted living, memory care or nursing home), except in some cases with strict requirements and for limited time.

For more information you can visit: www.medicare.gov.

You can get personalized health insurance counseling at no cost to you from your local State Health Insurance Assistance Program (SHIP). Please visit www.shipnpr.acl.gov, then select Find a Counselor (on the right-hand side of the page).

It is important to fully understand what makes the most sense for your particular situation regarding these benefits. Consulting with your Churchill financial advisor can help you decide which strategies are best for you.

Sources:

aarp.org and www.medicare.gov

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