

# Medicare Enrollment Decision Cheat Sheet



**Step 1:** Determine Your Initial Enrollment Period.

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**Step 3:** Decide Whether You Need Additional Coverage.

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Summary

As you approach age 65, you must make several important decisions regarding Medicare coverage. Deciding which coverage will best meet your needs can be difficult and confusing. This cheat sheet will help you determine:

- When your Initial Enrollment Period takes place
- Whether to enroll in Medicare Part A and B when you turn 65 or are over 65 and planning to retire in six months
- Whether you need additional coverage, such as Medicare Advantage and Medicare Supplement Insurance (Medigap)
- Whether you need Medicare prescription drug coverage (Medicare Part D)
- How to sign up for Medicare Part A and B or opt out of Part B

Even if you have health coverage available to you when you turn 65 or after you retire, you will still need to make decisions regarding Medicare. Failing to enroll on time may subject you to penalties.

This Cheat Sheet provides steps and resources to help guide you through the Medicare enrollment process. It provides a general overview of Medicare and may not address your individual situation or circumstances. If you have specific questions about enrolling in Medicare, visit [Medicare.gov](https://www.medicare.gov) or call 1-800-MEDICARE (1-800-633-4227). You can also contact your employer or the [Social Security Administration](https://www.ssa.gov) (SSA) (1-800-772-1213).



## Step 1: Determine Your Initial Enrollment Period.

You may enroll in Medicare only at certain times. The first time you may enroll is during your “Initial Enrollment Period.” This Initial Enrollment Period is a seven-month window during which you can first sign up for Medicare Part A and Part B. It starts three months before you turn 65 and ends three months after the month you turn 65.

If you miss your seven-month Initial Enrollment Period, you may have to wait to sign up and pay a monthly late enrollment penalty. The penalty increases the longer you wait, and you may have to pay the monthly penalty for as long as you have Part B coverage. If you must pay a Part A premium, also called premium Part A, you may have to pay a late enrollment penalty.



## Step 2: Decide Whether to Enroll in Medicare Part A and Part B.

After determining your Initial Enrollment Period, you need to decide whether to enroll in Medicare Part A and Part B. It's best to make this decision at least three months before your turn 65 or, if you're over 65 and currently working, before you retire.

This section provides a general outline of Medicare Parts A and B to aid you as you make enrollment decisions.

### What Is Medicare Part A?

Most people enroll in Medicare Part A—sometimes called hospital insurance—when they turn 65, even if they receive health insurance through their employer. Medicare Part A helps cover the following:

- Inpatient hospital care
- Skilled nursing facility care
- Hospice care
- Home health care

Some people delay enrolling in Medicare Part A because they contribute to a health savings account or must pay a premium for Part A.

### How Much Does Medicare Part A Cost?

Medicare premiums vary depending on how long you or your spouse worked, when you initially signed up for Medicare and your current income. Most people do not pay a monthly premium for Medicare Part A because if you or your spouse worked and paid Medicare taxes for long enough—typically 10 years—you won't have to pay a Medicare Part A premium. This is called premium-free Part A. If you did not pay Medicare taxes long enough to qualify for premium-free Part A, you could still enroll in Medicare Part A, but you will be required to pay a monthly premium. This is called premium Part A.



## What Is Medicare Part B?

Most individuals need to enroll in Medicare Part B when they turn 65. Medicare Part B helps cover services from doctors and other health care providers, including the following:

- Outpatient care
- Home health care
- Durable medical equipment
- Some preventive care services, like vaccines and cancer screenings

You may be able to delay enrolling in Medicare Part B if you receive health insurance through your or your spouse's employer.

## How Much Does Medicare Part B Cost?

Everyone must pay a monthly premium for Medicare Part B. The premium varies depending on your income and when you enrolled in Part B; however, most people pay the standard premium for Medicare Part B.

### How Can I Calculate My Medicare Part A and Part B Premiums?



If you are at least 64 years and 9 months old, you can estimate your Medicare Part A and Part B premiums by using the [Medicare Eligibility and Premium Calculator](#).

## Should I Enroll in Medicare Part A and Part B if I'm Over 65 and About to Retire?

You should consider enrolling in both Medicare Part A and Part B before you stop working if you're retiring and will not have health coverage. If you're retiring and you're eligible for retiree coverage from your former employer or your spouse's former employer, you should enroll in Medicare Part A and Part B since most retiree insurance requires you to have both Medicare Part A and Part B to obtain coverage. Declining retiree coverage or enrolling in other coverage may prevent you from enrolling in retiree coverage later.

If you will have health insurance through your spouse's employer after you retire, you will continue to have coverage based on "current employment." Having

group health coverage based on current employment may allow you to delay enrolling in Medicare Part A and Part B without being penalized. Before you retire, find out whether you will have group health coverage through your spouse's employer. If you have coverage and your spouse's employer has more than 20 employees, you can delay enrollment in Original Medicare without penalty. However, in the case that your spouse's employer has fewer than 20 employees, you should enroll in Medicare Part A and B because Medicare will be the primary payer for your health coverage. This means it will pay before your spouse's employer insurance.

If your spouse stops working or you lose health coverage from your spouse's employer, you should consider enrolling in Medicare Part A and Part B even if you sign up for the Consolidated Omnibus Budget Reconciliation Act (COBRA) or retiree health coverage. You have eight months to enroll in Medicare once you stop working or your employer coverage ends.

You should consider enrolling in Part A before you stop working if you qualify for premium-free Medicare Part A. In that case, you may decide to delay enrolling in Medicare Part A to avoid a tax penalty. However, if you have a high deductible health plan or a health savings account (HSA), contact your benefits manager to ask whether you should enroll in Medicare Part A before you stop working. Since premium-free Medicare Part A coverage reactively applies for six months, it's important to stop contributing to your HSA six months before applying for Medicare or Social Security benefits.



## Step 3: Decide Whether You Need Additional Coverage.

Medicare Part A and Part B provide health coverage under Original Medicare. However, Original Medicare won't cover all your medical expenses, so you should consider whether you'll need additional coverage. Medicare Supplement Insurance, called Medigap, and Medicare Advantage Plans are types of insurance available to individuals with Medicare Part A and Part B.

This section explores Medigap and Medicare Advantage Plans and their enrollment periods and explains how to purchase this coverage.

### What Is Medigap?

Medigap is a supplemental insurance sold by private companies to help pay for some health costs that aren't covered by Medicare, including copayments and deductibles. If you decide to purchase a Medigap policy, you will still have Original Medicare. Medicare will pay its share of your covered health care costs, and then your Medigap policy will pay its share. With a Medigap policy, you can visit any doctor that accepts Medicare.

To purchase a Medigap policy, you must have both Medicare Part A and Part B. Medigap policies do not cover prescription drugs, so you will need to join a separate prescription drug plan to obtain Medicare drug coverage (Part D). You don't need to purchase a Medicare Advantage Plan if you have a Medigap policy.

The best time to purchase a Medigap policy is during your six-month Medigap open enrollment period. If you are 65 or older, your Medigap open enrollment period will automatically begin the first month you enroll in Medicare Part B and will end six months after the effective date of your Part B coverage. During the open enrollment period, you can purchase any Medigap policy sold in your state regardless of your health conditions. Applying for Medigap coverage after the open enrollment period ends may expose you to the insurance company denying you or charging you

a higher premium based on your health conditions. To find out which companies sell Medigap policies in your area, visit the [Medicare Plan Finder](#) or call your state insurance department.

### What Is a Medicare Advantage Plan?

Medicare Advantage Plans, also called Medicare Part C, are offered by private companies approved by Medicare. These plans include health maintenance organizations (HMOs), preferred provider organizations (PPOs) and Private Fee-for-Service plans. If you purchase a Medicare Advantage Plan, you still have Medicare, but you will receive coverage through the Medicare Advantage Plan, not from Original Medicare.

You must have Medicare Parts A and B to enroll in and maintain a Medicare Advantage Plan. While all Medicare Advantage Plans cover all the benefits available under Original Medicare, these plans can charge different costs and have different rules for obtaining services, such as requiring referrals to see a specialist. Additionally, you must continue to pay your Part B premium while enrolled in a Medicare Advantage Plan. Many Medicare Advantage Plans include Medicare prescription drug coverage and other benefits that Original Medicare doesn't cover.

You can enroll in a Medicare Advantage Plan during a two-month special enrollment period that starts the month you no longer have employer-sponsored health coverage. You can also enroll each year during the fall open enrollment period, which runs from Oct. 15 to Dec. 7. To find out which Medicare Advantage Plans are available in your area, visit the [Medicare Plan Finder](#) or call 1-800-MEDICARE (1-800-633-4227).





## Step 4: Decide Whether You Need Medicare Prescription Drug Coverage.

Medicare Part A and Part B do not cover prescription drugs. You should consider purchasing Medicare prescription drug coverage, or Part D, if you do not have other drug coverage. This is available to anyone enrolled in Medicare Part A or Part B or both.

You can obtain Medicare prescription drug coverage by:

- Enrolling in a Medicare Advantage Plan, like an HMO or PPO
- Joining a standalone Medicare prescription drug plan; if you don't have a Medicare Advantage Plan or you have another type of Medicare health plan—such as some Medicare Cost Plans, some Medicare Private Fee-for-Service Plans and Medicare Medical Savings Account Plans—you can join a separate, standalone drug plan



If you will be eligible for prescription drug coverage from your employer or your spouse's employer, contact the employer to find out if you have creditable coverage, meaning your health coverage is expected to pay as much as the standard Medicare prescription drug coverage. Employers are required to provide this information upon written request. You should consider purchasing Medicare prescription drug coverage if your employer does not have creditable coverage or you decide not to receive prescription drug coverage from your employer.

If you don't have other creditable prescription coverage and you don't sign up for Medicare prescription drug coverage, you may have to pay a late enrollment penalty if you enroll in Part D later. This lifetime penalty increases each year you go without Part D or other coverage. Since you can only enroll during certain times of the year, you may also have a gap in your coverage.

You can enroll in Medicare prescription drug coverage during a two-month special enrollment period that begins the month you no longer have employer-sponsored prescription drug coverage. You can also enroll in drug coverage each year during the fall open enrollment period, which runs from Oct. 15 to Dec. 7.

To learn which Medicare prescription drug plans are available in your area, visit the [Medicare Plan Finder](#) or call 1-800-MEDICARE (1-800-633-4227).



## Step 5: Sign Up for Medicare Part A and Part B (or Opt Out of Part B).

Some individuals are automatically enrolled in Medicare Part A and Part B, while others may only be enrolled if they complete an application with the SSA. Original Medicare coverage starts on the first of the month.

This section outlines enrolling in Medicare Part A and Part B, including whether enrollment can be delayed in certain circumstances.

### Will I Be Automatically Enrolled in Medicare Part A and Part B?

You will automatically start receiving Medicare Part A and Part B benefits on the first day of the month you turn 65 if you're receiving Social Security or Railroad Retirement Board (RRB) benefits at least four months before turning 65. You don't need to do anything to enroll. If your birthday is on the first day of the month, you will start receiving Medicare Part A and Part B benefits on the first day of the prior month.

You will receive a "Welcome to Medicare" package and Medicare card in the mail three months before your 65th birthday. The package explains the Medicare program and coverage options. Contact the SSA if you do not receive your Medicare package and card.

### What Should I Do If I'm Not Automatically Enrolled?

If you do not receive Social Security or RRB benefits at least four months before your 65th birthday, you must apply with the SSA to receive Medicare Part A and Part B. Individuals who want Medicare Part A and Part B coverage to start when they turn 65 should sign up during the three months before their 65th birthday.

You can sign up by applying with the SSA [online](#), visiting your local SSA office or calling 1-800-772-1213. If you worked for a railroad, call the RRB at 1-877-772-5772.

### Do I Need to Do Anything After Enrolling?

After your Medicare Part A and Part B coverage start, you will have health coverage under Original Medicare. Since Original Medicare doesn't cover all health care expenses, you should consider whether you'll need additional coverage. While some people receive additional coverage from their employer or retiree insurance, additional types of health insurance are available to individuals with Original Medicare, including Medigap, Medicare Advantage Plans and Medicare prescription drug coverage. You can enroll in these additional types of insurance only during certain periods, and their enrollment periods vary. Therefore, you should decide what additional coverage you want or need while you are still in your Initial Enrollment Period, as this will provide you with the most options.

### Can I Delay Enrolling in Medicare Part A and Part B?

If you have signed up to receive Social Security benefits and will be receiving them at least four months before you turn 65, you cannot delay Medicare Part A coverage, but you can delay enrollment in Medicare Part B. The only way to delay or opt out of Medicare Part A is to withdraw your original Social Security benefits application and repay any benefits you received. If you don't receive Social Security or RRB benefits at least four months before turning 65, you can delay both Medicare Part A and Part B coverage. To delay, you don't need to do anything when you turn 65.

However, you may have to pay a lifetime late enrollment penalty if you don't enroll in Medicare Part A and Part B when you're first eligible. If you pay a premium for Medicare Part A, the penalty is a 10% increase in your monthly premium for every 12-month period you were eligible for but did not have Part A. You will have to pay the penalty for twice the number of years you were without coverage. For example, if you delayed enrolling in Medicare Part A for two years, you would have to pay the penalty for four years. The lifetime late enrollment penalty for Medicare Part B is a 10% increase in your monthly premium for every 12-month period you were eligible for but did not have Part B. You must pay this penalty for as long as you have Medicare Part B coverage.



If you are eligible for premium-free Medicare Part A, you will not be penalized for delaying enrolling in Part A. If you decide to delay, you can enroll in Part A anytime after you're first eligible. Your Medicare Part A coverage will retroactively apply six months from when you sign up but no earlier than the first month you're eligible to enroll in Medicare.

### ***TRICARE or CHAMPVA Coverage***

You must enroll in both Part A and Part B to keep your coverage if you have TRICARE or CHAMPVA coverage and you're eligible for premium-free Part A. Enrolling in Parts A and B is optional if you're not eligible for premium-free Part A.

### ***Health Insurance Marketplace***

You should enroll in Medicare Part A and Part B when you turn 65 if you're eligible for premium-free Part A and have health insurance from the Health Insurance Marketplace or other private insurance not directly offered by your employer. If you have Marketplace coverage and you're receiving a reduced premium or tax credit, it will stop once your Medicare Part A coverage begins; however, you won't need this coverage once Medicare starts.

### ***Veterans Affairs (VA) Coverage***

You should enroll in Medicare Part A and Part B when you turn 65 if you only have VA coverage. If you also have coverage as described in one of the above scenarios, you should use that situation to decide whether to enroll in Part A or Part B.

### **Can I Enroll in Medicare Part A When I Turn 65 but Delay Joining Part B?**

If you're automatically enrolled in Medicare, you will be enrolled in both Medicare Part A and Part B. If you want to delay your Medicare Part B coverage, you must refuse Part B before your Medicare coverage starts. You can do this by either contacting the SSA or following the instructions that come with your Medicare card. In the event you aren't automatically enrolled in Medicare, you will need to apply with the SSA to receive Medicare Part A.

If you don't choose Medicare Part B when you're first eligible, you may be required to pay a lifetime late enrollment penalty when you do enroll. The lifetime late enrollment penalty for Medicare Part B is a 10% increase in your monthly premium for every 12-month period you were eligible for but did not have Part B. You must pay this penalty for as long as you have Medicare Part B coverage. However, delaying Medicare Part B because you have coverage from your employer or your spouse's current employment may not cause you to pay a late penalty.

If you decide to forgo Medicare Part B during your Initial Enrollment Period, your next opportunity to enroll depends on whether you (or your spouse) are still working and receiving health coverage from that employer. If you (or your spouse) are still working and receive health coverage from that employer, you should begin Medicare Part B coverage as soon as you stop working or lose health coverage from your employer, even if you sign up for COBRA or retiree health coverage from your employer. You have eight months to enroll in Medicare when you stop working or your employer's health coverage ends, whichever occurs first. It's best to contact the SSA before your employer's health coverage ends to avoid a gap in coverage. If you don't enroll in Medicare Part B within eight months of losing coverage based on your current employment, you may have to pay a lifetime late enrollment penalty. You will only be able to enroll during the Medicare General Enrollment Period, which occurs each year from Jan. 1 to March 31, and your coverage will not begin until July, causing a gap in your health coverage. If you or your spouse are not working and do not have employer health coverage and you did not enroll in Medicare Part B during the Initial Enrollment Period, you must wait until the Medicare General Enrollment Period.



## Summary

It's important to understand your Medicare coverage choices if you're nearing age 65 or approaching retirement. Following the steps in this document can help guide you as you make important Medicare enrollment decisions.

For more information, you can contact your local State Health Insurance Assistance Program (SHIP) for free personalized help in deciding which health coverage is right for you. You can obtain the number for your local SHIP by calling 1-800-MEDICARE (1-800-633-4227). You can also receive additional Medicare information by visiting [Medicare.gov](https://www.Medicare.gov), contacting 1-800-MEDICARE (1-800-633-4227) or reviewing the most recent [Medicare & You handbook](#).

Contact us for more information on enrolling in Medicare.

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