

Medicare Enrollment Guide

Medicare has changed significantly over the years, and enrolling today is not as simple as it once was. Here's what you need to know as you approach Medicare eligibility, and how to make the process as smooth as possible.

Why Medicare Enrollment Is More Complex Now

In the past, most people retired and claimed Social Security at age 65, and Medicare enrollment was automatic. Many employers also offered retiree health insurance that worked alongside Medicare, and supplemental Medigap policies were available to cover additional costs. There was no Medicare Part D (prescription drug coverage) or Medicare Advantage, so the process was straightforward and medical bills were usually minimal and easy to manage.

Today, things are different:

- **Medicare enrollment is not automatic** if you aren't already receiving Social Security at 65.
- Many people work past age 65 and stay on employer health plans, which means you'll need to decide when and how to transition to Medicare.
- Fewer employers offer retiree health coverage, and private insurance plays a much larger role.
- There are more choices and more to consider based on your health status, expected health care needs, and financial situation.

Because of these changes, it's important to plan ahead and understand your options.

Understand Medicare Basics

- Medicare Part A: Hospital insurance (covers inpatient care, skilled nursing, hospice, and some home health)
- Medicare Part B: Medical insurance (covers doctor visits, outpatient care, preventive services)
- Medicare Part C: Private plans (Medicare Advantage) that combine Parts A & B, often with additional benefits
- Medicare Part D: Prescription drug coverage

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Choosing Additional Coverage

Once you're enrolled in Medicare Parts A and B, you have two main options for additional coverage:

- **Option 1: Original Medicare + Medigap + Part D (Prescription Drug Plan)**
 - Shop for a Medigap policy and a separate Part D plan at [Medicare.gov](https://www.medicare.gov).
 - Compare plans based on your medications and preferred providers.
 - Medigap Plan G is the most popular and comprehensive option.
- **Option 2: Medicare Advantage (Part C)**
 - Combines hospital, medical, and often drug coverage into one plan.
 - Review plans by benefits, provider networks, and out-of-pocket costs.
 - Use [Medicare.gov's plan finder](https://www.medicare.gov) to compare options in your area.

Tip: Medigap plans, also known as Medicare Supplement Insurance, are private insurance policies designed to help cover some of the out-of-pocket costs not covered by Original Medicare (Parts A and B), such as: copayments, coinsurance, and deductibles. Medigap plans are standardized and labeled by letters (A–N), with each plan offering a different set of benefits. They do **not** cover prescription drugs, long-term care, dental, or vision services.

Tip: You cannot enroll in Medigap or Part D until you have Medicare Parts A and B.

Key Medicare Enrollment Periods

Enrollment Period	When It Happens	What to Know
Initial Enrollment	3 months before, the month of, and 3 months after your 65th birthday	Your first chance to enroll; coverage starts the month you turn 65 or the month after you enroll.

Special Enrollment	After age 65, while covered by an employer plan (yours or your spouse's)	You can switch to Medicare at any time while covered, and up to 8 months after leaving employment.
General Enrollment	January 1 – March 31 each year	For those who missed other periods; coverage starts the month after you enroll and late penalties may apply.

Important: If you're still working and have employer coverage, you may delay Medicare enrollment. However, once you leave your job (or lose coverage), you must enroll promptly to avoid gaps and penalties. **COBRA does not replace Medicare.**

Important: There are specific rules to follow in order to enroll in Medicare without incurring penalties. One key factor is the size of your (or your spouse's) employer: for companies with **20 or more employees**, you can delay Medicare enrollment while covered under an employer plan without penalty. For employers with **fewer than 20 employees**, Medicare generally becomes the primary payer at age 65, and delaying enrollment can result in permanent late enrollment penalties and potential coverage gaps.

Tip: The impact of employer headcount is critical—be sure to confirm your unique circumstances to avoid a permanent increase in your monthly premium.

➤ **Additional resource:** Go to [Medicare Enrollment Penalty Rules Flowchart](#)

How to Enroll in Medicare

- **Where to enroll:** The Social Security Administration handles Medicare enrollment.
 - **Online:** ssa.gov/benefits/medicare
 - **Phone:** 800-772-1213
- **Information you'll need:** Social Security number, place of birth, and current health insurance details.
- **If enrolling after age 65:** You'll need your employer to complete CMS Form L-564 to prove you had continuous coverage and avoid penalties.

Managing Your Medicare Coverage

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- **Open a Medicare account:** After enrolling, set up an account at [Medicare.gov](https://www.Medicare.gov) to track claims, costs, and coverage.
 - **Review drug plans annually:** Drug coverage can change each year. During the annual open enrollment period (Oct. 15 – Dec. 7), review your options and switch plans if needed.
 - **Medicare Advantage plans:** These can be changed once a year during open enrollment if you're dissatisfied with your coverage or provider network.
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Remember:

- Planning ahead is key to a smooth transition to Medicare.
- Enroll on time to avoid penalties and gaps in coverage.
- Review your options carefully each year to ensure your coverage still meets your needs.

If you have questions or want more information, please reach out. Next Play Financial is here to help you navigate this important milestone!

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