

Medicare Considerations from The National Association of Insurance Commissioners (NAIC)

As you near the Medicare-eligible age of 65, you will need to decide whether you want traditional Medicare or a Medicare Advantage plan.

Traditional Medicare includes Medicare Part A, hospital insurance, and Part B, doctor bills. Part A is already paid for through contributions made over your working lifetime. Part B requires that you pay monthly premiums – around \$90 per month/per individual – that can be automatically deducted from your Social Security check, if you are already collecting.

As you get ready to enroll in Medicare, you may also want to consider purchasing – at incremental cost – a Medicare supplement or Medigap policy to pay for those medical/hospital expenses and deductibles not covered by Medicare. Medicare supplements or Medigap policies are offered by a number of private insurers that have been approved by Medicare.

Another option is a Medicare Advantage plan. Medicare Advantage plans, which replace the current Medicare + Choice plans, are offered by some private companies that have signed a contract with Medicare. Before purchasing a Medicare Advantage plan, find out which hospitals are in-network and which doctors are included.

There's been a great deal of attention to Medicare's newest offering: the prescription drug benefit known as Medicare Part D. If you're currently receiving Medicare, then you are also eligible for Medicare Part D. To decide whether to enroll, consider the following:

Do some calculations to see whether the plan is likely to save you money. For example, add up what you spent on prescriptions during the past 12 months and see if that amount is greater, or less than, the annualized cost of Medicare Part D – the premiums plus the deductible.

Different private insurers have been approved by Medicare to administer this drug benefit. If you decide to enroll, you'll need to decide which private insurer's plan best suits your needs. Make sure that the plan you select covers a drugstore convenient to you and the specific prescription drugs you take. Also, make sure the plan is legitimate by calling your state insurance department.

If you are currently receiving retiree medical benefits from your former employer, call the company's benefits department to find out how they are handling the new Medicare drug benefit. Recent articles indicate that some companies are considering dropping retiree medical/drug benefits for people who sign up for the new Medicare drug benefit. Calculate which benefits are better for your individual situation.

Keep your eye on some key dates. You can only make changes to your Part D coverage during certain enrollment periods. Check [Medicare.gov](https://www.Medicare.gov) for those dates.