

Common Mistakes When Enrolling in Medicare



Learn mistakes to avoid before you enroll in your Medicare plan.

MISTAKE 1:

Not enrolling during your Initial Enrollment Period — and getting hit with late-enrollment penalties.

What to do instead: **Make sure to enroll during Initial Enrollment Period (IEP).**

Your IEP is the seven-month period when you first become eligible for Medicare and can enroll in a plan:

- ✓ Starts three months before the month you turn 65
- ✓ Includes the month you turn 65
- ✓ Ends three months after the month you turn 65

For every 12 months you delay enrolling in Part B, you face a 10% premium increase; for Part D, your premium may be 1% higher if you wait to enroll.

MISTAKE 2:

Not learning the differences between Original Medicare and Medicare Advantage plans.

What to do instead: **Do your research early and reach out to experts that can help.**

Original Medicare is managed by the federal government and consists of hospital coverage (Part A) and medical coverage (Part B). Original Medicare covers many health care services, but it doesn't cover all of your medical expenses or prescription drugs. Medicare Advantage plans cover everything Original Medicare covers plus extra benefits, like vision, hearing and dental services. Many of these plans also include prescription drug coverage.

MISTAKE 3:

Not understanding the varying out-of-pocket expenses with each plan type.

What to do instead: **Learn about a plan's costs before enrollment time.**

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If you've previously had a health plan, you'll probably recognize many of the terms related to Medicare plan costs:

- ✔ **Premium** – A fixed, monthly amount you pay for your Medicare Plan Coverage. While most people get premium-free Part A (if you or your spouse worked for at least 10 years, or 40 quarters, and paid Medicare taxes during employment), you are still responsible for your Part B premium. Most people have their Part B premium deducted automatically from their Social Security.
- ✔ **Copay** – A flat dollar amount (for example, \$10) you pay each time you receive care or fill a prescription.
- ✔ **Coinsurance** – A percentage (for example, 10%) you pay for your care or drugs after you meet your deductible.
- ✔ **Deductible** – The amount you pay for medical costs before your Medicare plan begins to pay its share of your medical costs. Some plans have a separate drug deductible before they start to pay for your prescriptions.

MISTAKE 4:

Not learning the differences between Medicare Advantage plan types, like HMOs and PPOs.

What to do instead: **Find out the differences and advantages of both types of these popular Medicare plans.**

Differences Between PPO and HMO Medicare Advantage Plans

	PPO	HMO
Need to select a primary care doctor?	No	Yes
Must stay in the plan's network?	No, but if you stay in network the copays may be lower	Yes, except in case of an emergency
Coverage for out-of-network care?	Yes, but if you stay in network costs may be lower	No
Referrals needed to see a specialist?	No	Yes

As a general guideline:

- ✔ If *flexibility* and *freedom* to see any doctor are most important to you, a Medicare Advantage PPO plan may be right for you.
- ✔ If having a *consistent point of contact for care* and *cost savings* are most important to you, a Medicare Advantage HMO may be your best choice.

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MISTAKE 5:

Not thinking you can afford Medicare.

What to do instead: **Explore the many savings programs to help make Medicare more affordable for you.**

There are a number of Medicare Savings Programs (MSPs) that can help you with your Part B premium and other associated Medicare costs. And if you meet certain income requirements, you may be eligible for Extra Help, a government program that helps people pay for their Medicare Part D prescription costs.

Medicare Parts A and B and are often paired with a Medicare Part D plan. Most Medicare Supplement plans allow you to choose any doctor, specialist or hospital that accepts Medicare. The benefits provided and premium amounts depend on the plan you choose, your age, tobacco use and county of primary residence.

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