



The Consumer's Guide to Medicare's Enrollment Periods

Turning 65 marks a significant milestone, bringing a sense of accomplishment for those with an eye on retirement and important healthcare coverage decisions. As many individuals approach this age, enrolling in Medicare becomes crucial in securing comprehensive health insurance for the years

ahead. Navigating the transition to Medicare can be complex, with various parts and options to consider, deadlines to meet, and potential penalties for late enrollment. Understanding the process and making informed choices is essential to ensuring that you or your loved ones are fully prepared for this new chapter in life.

Understanding Your Enrollment Options

This guide offers a comprehensive overview of the various Medicare enrollment periods. While some of these periods may apply to you once or not at all, others repeat annually, enabling you to modify your coverage as your healthcare needs change. Staying informed is crucial to prevent coverage gaps and lifelong penalties for missing important enrollment deadlines.

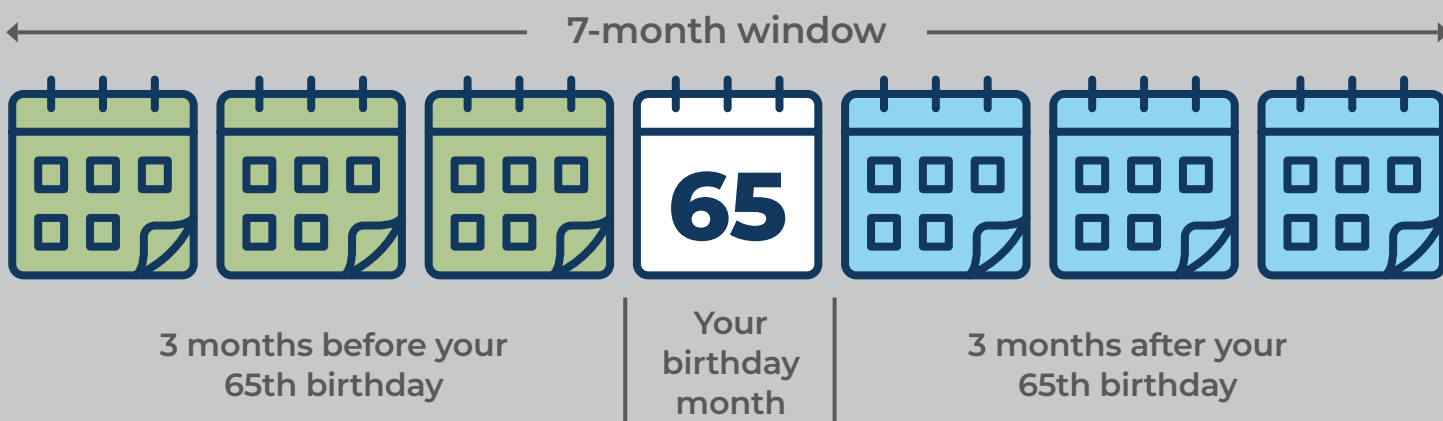
Medicare Eligibility Before 65

Although this guide primarily addresses Medicare enrollment for those age 65 and older, there are specific circumstances where individuals under 65 may also be eligible. For example, you may qualify for Medicare if you have a disability, end-stage renal disease (ESRD), or amyotrophic lateral sclerosis (ALS, also known as Lou Gehrig's disease).¹

The Initial Enrollment Period (IEP)

The Medicare Initial Enrollment Period (IEP) is a seven-month window during which you can enroll in Medicare. It starts three months before the month of your 65th birthday and extends three months after. For instance, if your birthday falls on June 15, your IEP begins on March 1 and ends on September 30.²

The Initial Enrollment Period



Will I automatically be enrolled in Medicare?

If you receive Social Security or Railroad Retirement Board (RRB) benefits at least four months before you turn 65, you will automatically be enrolled in Parts A and B when you turn 65. If you live in Puerto Rico, you will only be enrolled in Part A and must sign up for Part B.³ You will receive your red, white, and blue Medicare card by mail about three months before you turn 65. If you receive Social Security income benefits, your Part B premiums will be deducted from your Social Security benefit payment. If you are not receiving Social Security or RRB benefits, you must sign up for Medicare to avoid lifelong late enrollment penalties for Part B. You will be billed separately for your Part B premium. You may delay signing up for Medicare Part B during a Special Enrollment Period if you have creditable health coverage through an employer. If you were automatically enrolled and have creditable coverage, you may opt out of Medicare Part B but not premium-free Part A unless you pay a premium. Contact SSA for additional information.

You should also enroll in Part D during your Medicare IEP to avoid any gaps in coverage and late enrollment penalties.



Two Paths to Medicare Coverage

Before enrolling, you should explore the two paths to Medicare coverage – Original Medicare and Medicare Advantage, also known as Part C.

The primary difference between Original Medicare and Medicare Advantage lies in how they deliver healthcare coverage and the additional benefits they may offer. Original Medicare, which includes Part A (Hospital Insurance) and Part B (Medical Insurance), covers hospital stays, doctor visits, preventive services, and outpatient care. However, it does not include prescription drug coverage (Part D), which must be purchased separately. With Original Medicare, you can see any doctor or specialist who accepts Medicare without needing referrals. Still, you'll generally pay a monthly premium for Part B, deductibles, and coinsurance. There's no out-of-pocket maximum, so costs can accumulate if you require extensive medical care. To help cover out-of-pocket expenses, you can purchase a Medigap (Medicare Supplement) policy.

On the other hand, Medicare Advantage (Part C) bundles Part A, Part B, and often Part D into a single plan, typically offering additional benefits not covered by Original Medicare such as dental, vision, hearing, and wellness programs. Some plans may also include services like transportation for medical appointments. Medicare Advantage plans generally operate as HMOs or PPOs, meaning you may need to use a network of doctors and get referrals to see specialists. While these plans often have lower out-of-pocket costs and a yearly limit on expenses, they may also restrict your choice of healthcare providers. Additionally, you cannot purchase a Medigap policy if you choose Medicare Advantage. You can learn more about Medicare and Medicare Advantage [here](#).

Special Enrollment Periods (SEP)

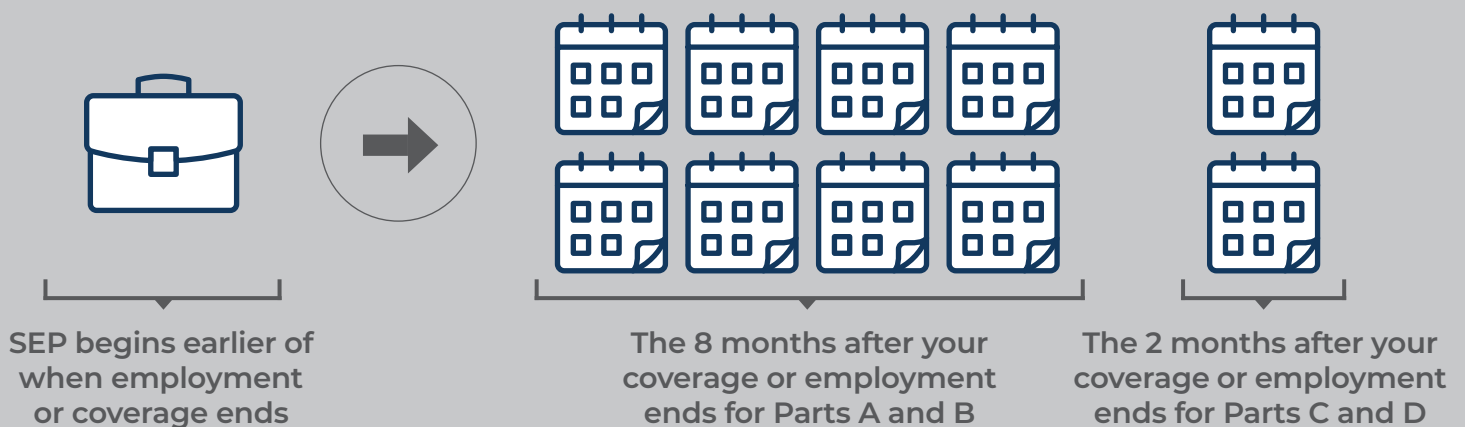
Special enrollment periods (SEP) are periods outside of normal enrollment periods, such as the initial enrollment period or the general enrollment period, during which you can enroll without a late enrollment penalty. SEPs are generally triggered by certain events.

You qualify for a Part B SEP if you or your spouse have job-based health insurance through a current employer or union with 20 or more employees. Federal Employee Health Benefits (FEHB) is also creditable coverage for active employees. The SEP allows you to sign up for Medicare Part B any time while you're still covered by this group health plan or during the eight-month period that begins the month after the employment or the coverage ends, whichever comes first. Coverage starts on the first day of the month following enrollment.

Effective beginning in 2023 and later years, a new Part B SEP is available if you missed another enrollment period due to exceptional circumstances such as a federal, state, or local government-declared emergency area, misinformation from an employer causing delayed enrollment, or release from incarceration. For more information, [click here](#).⁴

Certain types of coverage do not qualify you for a SEP, so you must enroll during your initial enrollment period to avoid penalties. These include COBRA, retiree coverage, TRICARE for retired service members and their families, and private or marketplace health insurance plans.

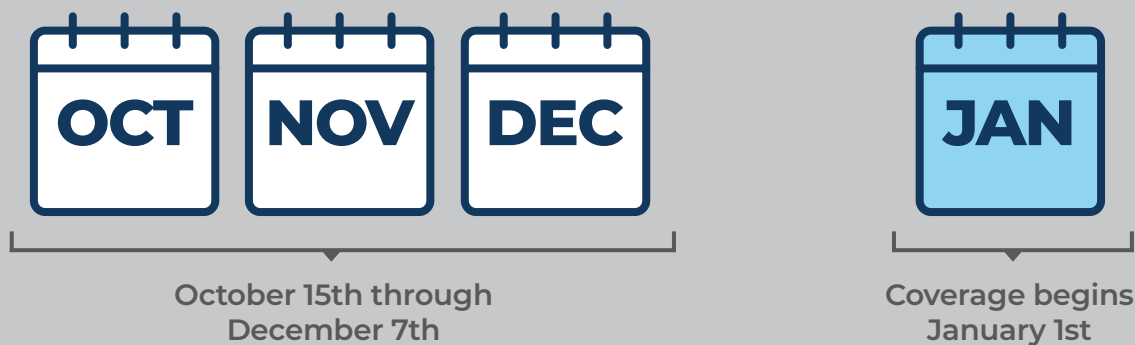
The SEP for Part C and D is only two months after losing creditable coverage. If you go 63 days or more without coverage, you may pay a penalty. For more information about Special Enrollment Periods, [click here](#).⁵



Annual Enrollment Period (AEP)

Medicare's Annual Enrollment Period (AEP), or Fall Open Enrollment, occurs each year from October 15 to December 7. Changes to coverage become effective the following January 1. During the AEP, you can switch from Original Medicare to a Medicare Advantage Plan (Part C) or vice versa, change from one Medicare Advantage Plan to another, enroll in, change, or drop a Medicare Part D (Prescription Drug) Plan, or return to Original Medicare and potentially purchase a Medigap policy. However, Medigap may involve medical underwriting unless guaranteed issue rights apply.

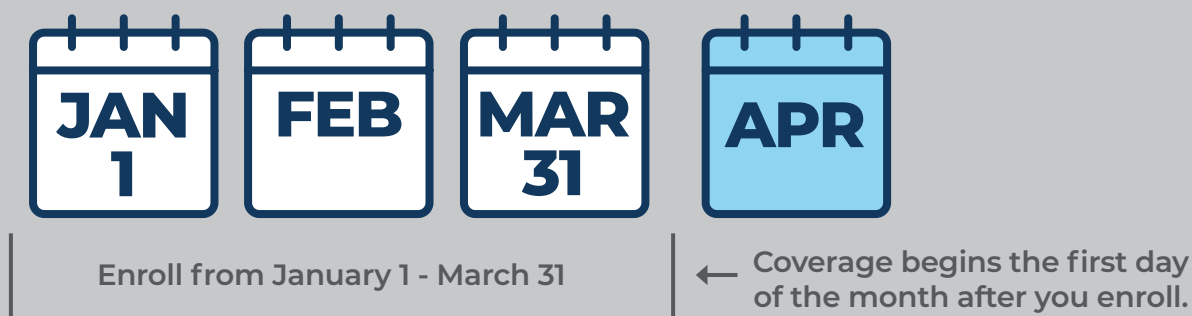
When is the Open Enrollment Period?



To prepare for making any election changes during the AEP, you should review your existing coverage to ensure it still meets your healthcare needs, including changes to your prescription drugs, budget, or providers who may have fallen out of network if you are enrolled in a Medicare Advantage Plan. Comparing available plans using the [Medicare Plan Finder](#)⁶ is also crucial, especially to assess costs, coverage, and any benefits offered by other Medicare Advantage or Part D plans in your area. It's important to pay particular attention to prescription drug coverage and review drug tiers or cost changes. Consulting with a financial professional specializing in Medicare may provide further clarity if needed. Enrollees can make informed decisions that best align with their healthcare needs during the Annual Enrollment Period by gathering all necessary information, including current plan details, a list of medications, and preferred healthcare providers.

General Enrollment Period (GEP)

Each year, the Medicare General Enrollment Period (GEP) is when individuals who missed their Initial Enrollment Period (IEP) or did not qualify for or missed a Special Enrollment Period can sign up for Medicare Part A and/or Part B. This period lasts from January 1 to March 31, and coverage begins on the first day of the following month after enrolling.⁷ Enrolling during the GEP is crucial for those who missed their IEP because failing to sign up during their initial window can result in lifelong late enrollment penalties.





Medigap Open Enrollment Period

If you have Original Medicare, it's important to consider getting a Medicare Supplement (Medigap) policy to help with the out-of-pocket costs not covered by Medicare. The Medigap Open Enrollment Period starts on the first day of the month you're 65 or older and enrolled in Medicare Part B. It lasts for six months and is the ideal time to purchase a Medigap policy because, during this period, insurance companies cannot refuse coverage or charge higher premiums due to pre-existing conditions or health issues.⁸ This is often called guaranteed issue rights.

It's important to understand that, unlike other Medicare enrollment periods that occur annually, the Medigap six-month open enrollment period happens only once, triggered by your enrollment in Part B. While

you can still apply for a Medigap policy later, you may face higher costs for the same coverage or have fewer options available because guaranteed issue rights generally apply only during the first six months. After this period, you could also be denied coverage if you don't meet the medical underwriting requirements.

Medicare Advantage (Part C) Open Enrollment Period (MA-OEP)

The Medicare Advantage Open Enrollment Period (MA OEP) occurs each year from January 1 to March 31, specifically for individuals already enrolled in Medicare Advantage plans. During the MA-OEP, you may switch to another MA plan (with or without drug coverage) or drop your existing MA plan and return to Original Medicare (Parts A and B). If you return to Original Medicare, you can enroll in a standalone Medicare Part D (prescription drug) plan.

Unlike the Annual Enrollment Period, during the MA-OEP, you cannot switch from Original Medicare to a Medicare Advantage Plan, nor can you enroll in or switch standalone Medicare Part D plans if you're not leaving a Medicare Advantage Plan. The MA OEP is intended to provide those already in a Medicare Advantage Plan with an additional opportunity to adjust if their current plan does not meet their needs, rather than a comprehensive period for all beneficiaries to change their Medicare coverage.⁹ Changes to your enrollment become effective on the first of the month following the month you enroll.



Annual MA OEP - January 1st through March 31st

Timing is Everything

Enrolling in Medicare on time is crucial to avoid significant financial penalties affecting your healthcare costs for the rest of your life. If you miss your Initial Enrollment Period (IEP) or do not qualify for a Special Enrollment Period (SEP), you may face late enrollment penalties for Medicare Part B and Part D. The penalty for late enrollment in Part B is an additional 10% on your monthly premium for every 12 months you were eligible but did not enroll. This penalty is permanent and will increase your costs for as long as you have Part B. For Part D (Prescription Drug Coverage), the penalty is calculated as 1% of the national base beneficiary premium for each month you were without creditable drug coverage, and this amount is added to your monthly premium for as long as you have Part D.

In addition to the penalties for late enrollment in Medicare Part B and Part D, there is a penalty for those who are required to pay a premium for Medicare Part A (Hospital Insurance) and do not enroll on time. If you are not eligible for premium-free Part A and you delay your enrollment, you may have to pay a late enrollment penalty. The penalty for Part A is a 10% increase in your monthly premium. This penalty applies for twice the number of years you could have had Part A but didn't enroll. For example, if you were eligible for Part A for two years but did not enroll, you would pay the increased premium for four years.¹⁰

These penalties can add up quickly and are designed to encourage timely enrollment, ensuring that individuals have continuous healthcare coverage. Failing to enroll in Medicare when first eligible not only results in higher costs but can also lead to gaps in coverage, leaving you without essential healthcare services while you are not enrolled. Therefore, understanding your enrollment windows and acting promptly is essential to maintaining affordable healthcare in retirement. When in doubt, work with a knowledgeable financial professional who can help you navigate your Medicare healthcare journey.



¹<https://www.medicare.gov/basics/get-started-with-medicare>

²<https://www.medicare.gov/basics/get-started-with-medicare/sign-up/when-does-medicare-coverage-start>

³<https://faq.ssa.gov/en-us/Topic/article/KA-02125>

⁴<https://www.medicareinteractive.org/get-answers/medicare-health-coverage-options/original-medicare-enrollment/part-b-special-enrollment-periods-for-exceptional-circumstances>

⁵<https://www.medicare.gov/basics/get-started-with-medicare/get-more-coverage/joining-a-plan/special-enrollment-periods>

⁶<https://www.medicare.gov/plan-compare/#/?year=2024&lang=en>

⁷<https://www.medicare.gov/basics/get-started-with-medicare/sign-up/when-does-medicare-coverage-start#>

⁸<https://www.medicare.gov/health-drug-plans/medigap/ready-to-buy>

⁹<https://www.ncoa.org/article/whats-the-difference-between-medicares-open-enrollment-period-and-medicare-advantage-open-enrollment>

¹⁰<https://www.medicare.gov/basics/costs/medicare-costs/avoid-penalties>