Your Complete 2026 Medicare Guide

Understanding Your Options as You Approach 65

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Thank you for contacting us. This guide combines the most important information you need to understand Medicare and make the best coverage decisions for your situation. Think of it as your reference as you navigate your options.

Medicare can feel overwhelming at first, but the framework is straightforward once you understand the layers — and we're with you every step of the way.

How Medicare Works

Medicare is a federal health insurance program for eligible adults 65 and older, and for those under 65 with a qualifying disability. It has four main parts, plus an optional supplement layer:

Part A	**Hospital Insurance** — Covers inpatient hospital stays, skilled nursing care, hospice, and home health care.
Part B	**Medical Insurance** — Covers doctor visits, outpatient procedures, and preventive care like flu shots and screenings.
Part C	**Medicare Advantage** — Combines Parts A, B, and usually D in one private plan, often with added benefits.
Part D	**Prescription Drug Coverage** — Standalone drug plans available for those on Original Medicare.
Medigap	**Medicare Supplement** — Private plans that fill the gaps left by Original Medicare (deductibles, coinsurance, excess charges).

Original Medicare: Parts A & B

Parts A and B together form the foundation of Medicare — often called “Original Medicare.” Think of them as the first two layers of clothing before you head outside. They satisfy the government’s minimum coverage requirements, though most people add additional layers to fill the gaps.

Part A — Hospital Insurance

Covers	Hospitalization, skilled nursing care, hospice, and home health care. Full coverage for the first 60 days after a $1,736 deductible. Days 61–90: $434/day. Days 91–150: $868/day. Beyond 150 days: you pay all expenses.
Premium	No premium if Medicare taxes were withheld from your paycheck for at least 10 years. Otherwise, a monthly premium applies.
When to Enroll	Starting 3 months before your 65th birthday. You may enroll up to 3 months after turning 65, though sooner is recommended.
How to Enroll	If you receive Social Security benefits, you are automatically enrolled and coverage begins the 1st of the month you turn 65. Otherwise, visit www.ssa.gov/medicare/sign-up.
Employer Coverage	If your employer has more than 20 employees, your coverage is likely “creditable” and you may defer Part A enrollment until retirement. Confirm with your HR team.

Part B — Medical Insurance

Covers	Outpatient care and doctor visits: check-ups, X-rays, blood tests, simple procedures, and preventive services like flu shots. After a $283 annual deductible, Part B covers 80% — you pay 20%.
Premium	If your individual income is $109,000 or less (or $218,000 joint), the monthly Part B premium is $202.90. Higher incomes result in higher premiums. See the full income chart at www.medicare.gov.
When to Enroll	The same 7-month window as Part A: 3 months before through 3 months after your 65th birthday.
How to Enroll	Automatic if collecting Social Security; otherwise visit www.ssa.gov/medicare/sign-up.
Employer Coverage	If your employer coverage is creditable, you may delay Part B without penalty. Important: delaying without creditable coverage results in permanent financial penalties.

Understanding the Gaps in Original Medicare

Parts A and B are a strong foundation, but they leave meaningful gaps. Most people add at least one more layer of coverage:

- Part A Deductible — The $1,736 deductible resets each time you've been out of the hospital for 60 days. Multiple hospitalizations in a year can add up quickly.
- Part B Coinsurance — You're responsible for 20% of all covered charges after the deductible. For major procedures or ongoing care, 20% can be a very large number.
- Excess Charges — Some providers charge more than Medicare's approved amount. The difference is your full responsibility.
- No Prescription Drug Coverage — Original Medicare does not cover most prescription drugs. Failing to enroll in a qualifying drug plan can result in government fines.
- No Foreign Travel Coverage — Original Medicare does not cover care outside the U.S., with very limited exceptions.

Your Three Coverage Options

Once Parts A and B are in place, you have three ways to fill the gaps. Here's how each one works:

Option 1: Medigap (Medicare Supplement)

Medigap plans — also called Medicare Supplement plans — are offered by private insurers and pick up costs after Original Medicare pays. For example, if Part B covers 80% of a service, a Medigap plan can pay the remaining 20%.

- Plan benefits are standardized by the government — Plan G from Carrier A provides the same coverage as Plan G from Carrier B. Premiums differ between carriers.
- Plan G is currently the most comprehensive Medigap option for new Medicare enrollees.
- With Medigap, you can see any doctor or specialist who accepts Medicare — no referrals or network restrictions.
- Medigap covers only one person per policy. Spouses each need their own plan.
- Medigap does not include prescription drug coverage — you'll also need a separate Part D plan.
- Monthly premiums vary by carrier, location, age, gender, tobacco use, and health history. Compare multiple carriers before enrolling.
- Under certain circumstances (such as when first enrolling at 65), insurers cannot deny coverage or charge more due to pre-existing conditions.

Option 2: Medicare Advantage (Part C)

Medicare Advantage plans are an all-in-one alternative to Original Medicare, administered entirely by private insurers. When you enroll, CMS assigns your Original Medicare benefits to your chosen plan — you're still receiving your full Medicare entitlements, just through a private insurer.

- Most plans bundle Parts A, B, and D together — no separate drug plan needed.
- Many plans include extra benefits not covered by Original Medicare: dental, vision, hearing, fitness programs, and wellness resources.

- Out-of-pocket maximums typically range from $1,000 to $8,850 per year, after which the plan covers all covered expenses.
- Most plans are structured as HMOs (in-network, referrals required) or PPOs (out-of-network available at higher cost).
- All Medicare Advantage plans cover emergency and urgent care worldwide.
- If you enroll at 65 and are unhappy, you have a one-time opportunity to switch to a Medigap plan for any reason during your first year.
- You must continue paying your Part B premium even when enrolled in a Medicare Advantage plan.
- To be eligible, you must reside in the U.S., live in the plan's service area, have Part A, and be enrolled in Part B.

Types of Medicare Advantage Plans

- HMO (Health Maintenance Organization) — Requires a primary care physician who coordinates all care. You must use in-network providers.
- PPO (Preferred Provider Organization) — More flexibility; you can see out-of-network providers at higher cost. Referrals typically not required.
- POS (Point of Service) — An HMO that allows some out-of-network services at in-network cost.
- SNP (Special Needs Plan) — For individuals with chronic illness, limited income, or nursing home residency. Eligibility requirements apply.

Option 3: Standalone Prescription Drug Plan (Part D)

If you choose Original Medicare with a Medigap supplement, you'll also need to enroll in a standalone Part D Prescription Drug Plan. Part D plans are offered by private Medicare-approved insurers and vary in the drugs they cover (their "formulary") and what you pay.

- Drug coverage varies by plan — confirm your current medications are on the plan's formulary before enrolling.
- Plans typically cover common brand-name and generic drugs, but not over-the-counter medicines.
- Most plans have a "coverage gap": after you and the plan spend a combined threshold on drugs, you pay a larger share until an out-of-pocket limit is reached.
- Higher-income enrollees pay an income-related monthly premium in addition to the plan's premium.
- If you have limited financial resources, you may qualify for "Extra Help" — financial assistance from the Social Security Administration.
- You cannot enroll in both a Medicare Advantage plan with drug coverage and a standalone Part D plan.

Medigap vs. Medicare Advantage: Side-by-Side

The right choice depends on your zip code, preferred doctors, prescriptions, health status, and financial priorities. Use this comparison as a starting point, then review the specific plans available in your area.

Feature	Original Medicare + Medigap	Medicare Advantage
Doctor Choice	Any Medicare-accepting provider; no referrals needed	Usually network-based; HMO requires referrals
Premiums	Part B + Medigap premium (higher monthly cost)	Often $0 or low additional premium
Out-of-Pocket Risk	Predictable; Medigap covers most gaps	Annual out-of-pocket max ($1,000–$8,850)
Prescription Drugs	Requires separate Part D plan	Usually bundled in the plan
Extra Benefits	Not included	Dental, vision, hearing, fitness often included
Travel Coverage	Limited foreign coverage; strong domestic	Emergency/urgent care worldwide; in-network best
Best For	Frequent travelers, chronic conditions, broad access	Budget-focused, prefer bundled coverage

How to Compare Total Annual Cost

- Monthly premium × 12 = your annual premium cost
- Add your estimated out-of-pocket expenses based on how often you use healthcare
- For Medigap: Part B premium + Medigap premium + Part D premium + any remaining out-of-pocket costs
- For Medicare Advantage: Part B premium + plan premium (often $0) + copays/coinsurance up to the out-of-pocket max
- We will run a side-by-side comparison for the plans available in your area at your plan comparison appointment

Frequently Asked Questions

Q: When can I enroll in Medicare?

A: Your Initial Enrollment Period is a 7-month window: the 3 months before your 65th birthday, the month of your birthday, and the 3 months after. If you receive Social Security, you are automatically enrolled. Otherwise, enroll at www.ssa.gov/medicare/sign-up.

Q: Can I keep my employer coverage and delay Medicare?

A: If your employer has more than 20 employees, your employer coverage is likely "creditable," and you can delay Parts A and B without penalty until you near retirement. Confirm with your HR team. Do not delay without creditable coverage — it results in permanent penalties.

Q: Can I change plans if I'm unhappy with my choice?

A: Yes. During the Annual Election Period (October 15 – December 7 each year), you can switch Medicare Advantage or Part D plans. New coverage begins January 1. There is also an Open Enrollment Period January 1 – March 31 during which you can switch MA plans or return to Original Medicare.

Q: Do Medicare Advantage plans cover travel?

A: All MA plans cover emergency and urgent care worldwide. For non-emergency services, you typically pay more if providers are out of network. Choosing a plan with a large national network helps reduce costs when traveling.

Q: Can I enroll in a Medicare Advantage plan and a standalone Part D plan?

A: No. If your MA plan includes drug coverage, you must use that plan's coverage. Enrolling in a standalone PDP will automatically disenroll you from the MA plan and return you to Original Medicare.

Q: What is the star rating system for Medicare Advantage plans?

A: The Centers for Medicare & Medicaid Services (CMS) rates each MA plan from 1 to 5 stars based on quality and member outcomes. Five stars is excellent. Ratings are updated annually and can help you compare plan quality beyond just cost.

Key Dates & Enrollment Windows

Time Frame	Event
3 months before 65th birthday	Initial Enrollment Period opens — enroll in Parts A & B
Month of 65th birthday	Coverage begins on the 1st (if on Social Security, auto-enrolled)
Up to 3 months after 65th birthday	Enrollment window closes — late enrollment may mean permanent penalties
Oct 15 – Dec 7	Annual Election Period — switch or enroll in Medicare Advantage or Part D plans
January 1	New plan coverage begins if you switched during the Annual Election Period
Jan 1 – Mar 31	Open Enrollment Period — one-time election to switch MA plans or return to Original Medicare

Tips to Get the Most from Your Coverage

Making the Most of Your Medical Benefits

- Stay in network — if you have an HMO or PPO, your plan negotiates lower rates with in-network providers. Going out of network costs more.

- Use preventive services — get covered immunizations, screenings (mammograms, prostate tests, etc.), and annual wellness exams. Finding problems early is almost always better and less expensive.
- Check for fitness benefits — many MA plans include gym access or fitness programs at no additional cost.
- Look for telehealth options — plans with online visit coverage let you see a doctor or mental health provider 24/7, wherever you travel.

Maximizing Your Drug Coverage

- Use preferred pharmacies — preferred pharmacies offer lower copays than standard pharmacies for covered drugs.
- Ask about preferred alternatives — if your doctor prescribes a drug on the nonpreferred list, ask whether a preferred or generic option works just as well.
- Check mail-order savings — mail-order pharmacies often offer lower pricing, and many plans offer a reduced copay for a 3-month supply.
- Explore manufacturer assistance programs — some drug manufacturers offer financial assistance. Visit www.medicare.gov/pap to see if programs exist for your medications.
- Review your plan annually — drug formularies and premiums change each year. What worked best last year may not be the best option this year.

Your Next Steps

Based on what we've discussed, here's what we recommend:

1. **Confirm your enrollment window** — mark your calendar for 3 months before your 65th birthday.
2. **Verify your employer coverage** — ask your HR team whether your current plan is "creditable" for both Part A and Part B.
3. **List your current prescriptions and preferred doctors** — we'll use these to match you with the right plan.
4. **Schedule your plan comparison appointment** — we'll run the numbers on the Medigap and Medicare Advantage plans available in your area and present your best options.

About Our Services

- Our services are provided at no cost to you. We are compensated by insurance carriers when you enroll in a plan through us.
- We put your interests first — if our analysis shows the best plan for you is one we don't directly work with, we will still help you enroll.
- We do not offer every plan available in your area. Contact Medicare.gov or call 1-800-MEDICARE for complete information on all your options.

Questions? We're here to help.