

MEDICARE & RETIREMENT PROTECTION CHECKLIST

A Simple, Easy-to-Follow Guide to Protect Your Health and Savings



Navigating Medicare and planning for retirement can feel overwhelming. With so many rules, deadlines, and exceptions, it is easy to make mistakes that could cost you thousands of dollars. This guide is designed to provide you with clarity. We will explore exactly what Medicare covers (and what it does not), the biggest mistakes you must avoid, the basics of long-term care, and smart strategies to protect your savings and your family



TABLE OF CONTENTS

Chapter 1: What Medicare Actually Covers (And What It Doesn't)

Chapter 2: The Biggest Mistakes to Avoid

Chapter 3: Long-Term Care Basics

Chapter 4: Smart Ways to Protect Your Savings and Your Family

A photograph of a man and a woman riding bicycles in a park. The man in the foreground is wearing a white long-sleeved shirt and light-colored pants, smiling. The woman in the background is also riding a bicycle. They are surrounded by lush green trees and foliage.

WHAT MEDICARE COVERS

Understanding the different parts of Medicare is the first step toward securing your health and finances in retirement.

Medicare is divided into four main parts, each serving a distinct purpose.

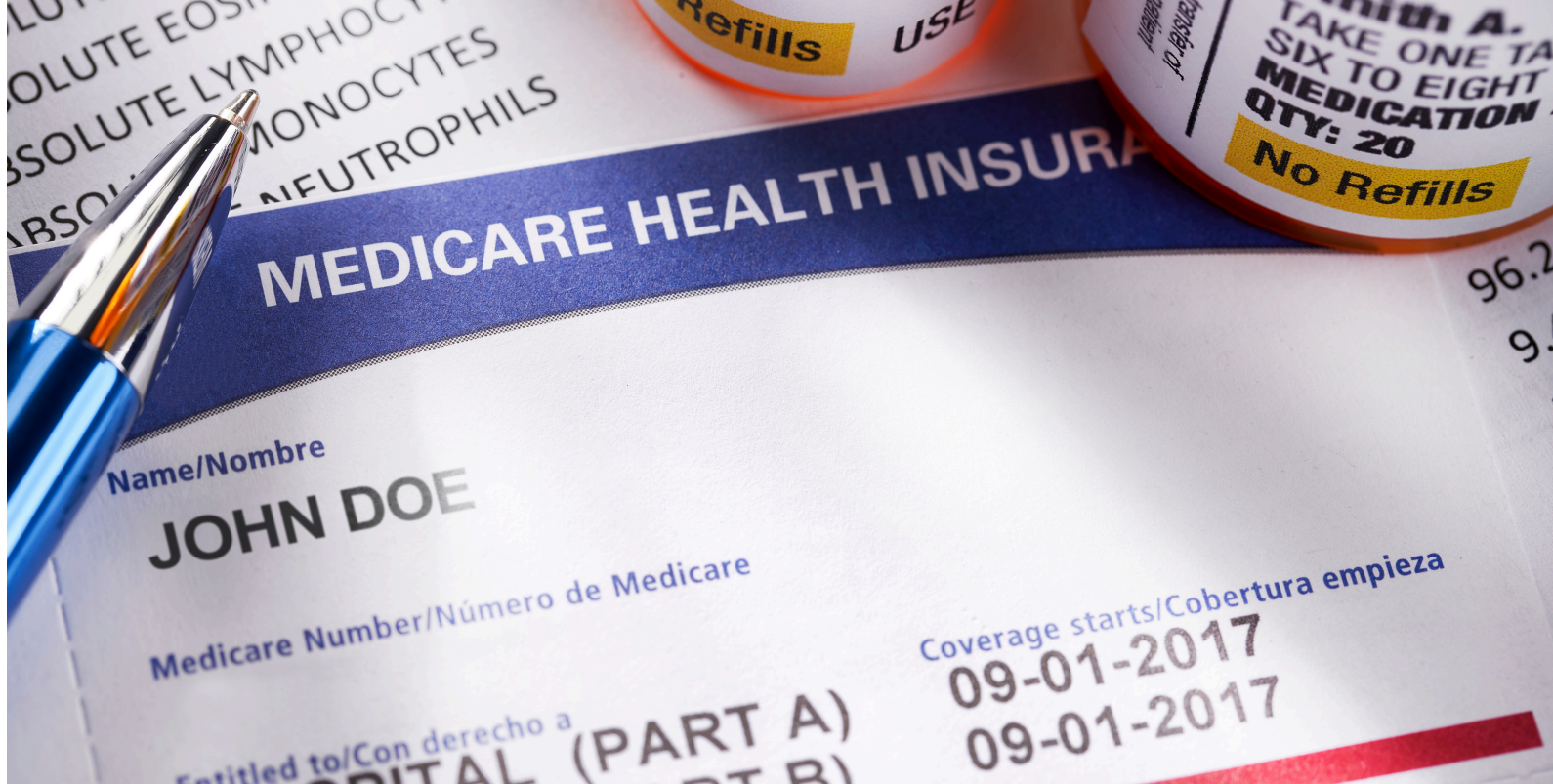
The Four Parts of Medicare

Part A (Hospital Insurance) covers inpatient hospital stays, care in a skilled nursing facility, hospice care, and some home health care. Most people do not pay a monthly premium for Part A if they or their spouse paid Medicare taxes while working.

Part B (Medical Insurance) covers certain doctors' services, outpatient care, medical supplies, and preventive services. Unlike Part A, Part B requires a monthly premium. In 2025, the standard premium is approximately \$185 per month, with an annual deductible of \$257.

Part C (Medicare Advantage) is an all-in-one alternative to Original Medicare (Parts A and B). These plans are offered by private companies approved by Medicare. They bundle Part A, Part B, and usually Part D. Many Advantage plans also offer extra benefits like routine dental, vision, and hearing care, though they often require you to use a specific network of doctors.

Part D (Prescription Drug Coverage) helps cover the cost of prescription medications. Like Part C, these plans are offered by private insurance companies and require a separate premium.



WHAT MEDICARE DOESN'T COVER

A common misconception is that Medicare will pay for all medical expenses in retirement. In reality, Original Medicare leaves several significant gaps:

Service Category	What is NOT Covered
Long-Term Care	Custodial care, such as help with bathing, dressing, and eating in a nursing home or at home.
Dental Care	Routine checkups, cleanings, fillings, and dentures.
Vision Care	Routine eye exams and prescription eyeglasses.
Hearing	Hearing exams and hearing aids
Overseas Care	Most healthcare services received outside the United States.

To fill these gaps, many retirees choose to purchase a Medigap (Medicare Supplement) policy or enroll in a Medicare Advantage plan that includes these additional benefits. Understanding these gaps is essential to avoiding unexpected out-of-pocket expenses.



BIGGEST MISTAKES TO AVOID

Making a mistake during your Medicare enrollment can result in lifetime penalties and coverage gaps. Here are the most critical errors to watch out for.

1. Missing Your Initial Enrollment Period – Your Initial Enrollment Period (IEP) is a seven-month window that begins three months before the month you turn 65, includes your birthday month, and ends three months after. Failing to sign up during this period can trigger a lifetime late enrollment penalty for Part B, adding 10% to your premium for every 12-month period you delayed. This penalty does not go away, you will pay it for as long as you have Medicare.

2. Delaying Sign-Up – When Your Employer Is Small If you continue to work past age 65 and have health insurance through your employer, you might think you can safely delay Medicare. However, if your company has fewer than 20 employees, Medicare becomes your primary insurance. If you do not enroll, your employer's plan may refuse to pay your medical bills, leaving you responsible for the full cost.

3. Misunderstanding the Part D Penalty – Even if you do not take any prescription medications right now, you must enroll in a Part D plan or have "creditable" drug coverage from another source. If you go without creditable coverage for 63 continuous days or more after your Initial Enrollment Period, you will face a permanent penalty of 1% of the national base beneficiary premium for every month you delayed.

4. Failing to Compare Original Medicare and Medicare Advantage – Many retirees choose a plan based on what their friends or family use, rather than evaluating their own specific health needs. Original Medicare offers flexibility to see any doctor who accepts Medicare, but it lacks a cap on out-of-pocket costs. Medicare Advantage plans have out-of-pocket maximums and often include extra benefits, but they restrict you to a network of providers. Failing to compare these options can lead to unexpected bills or restricted access to your preferred doctors.

5. Ignoring the Annual Open Enrollment Period – Medicare health and drug plans change their costs, coverage, and provider networks every year. The Annual Open Enrollment Period runs from October 15 to December 7. Failing to review your coverage annually can result in paying more for premiums or discovering that your necessary medications are no longer covered on your plan's formulary. A quick annual review can save you hundreds or even thousands of dollars each year.



LONG-TERM CARE BASICS

One of the most significant threats to retirement savings is the cost of long-term care. According to recent statistics, approximately 70% of people turning 65 today will need some form of long-term care in their remaining years. Understanding what long-term care involves and how to plan for it is essential.

What Is Long-Term Care?

Long-term care involves a variety of services designed to meet a person's health or personal care needs during a short or long period of time. These services help people live as independently and safely as possible when they can no longer perform everyday activities on their own, such as bathing, dressing, and eating. These everyday tasks are often referred to as Activities of Daily Living (ADLs).

The High Cost of Care

Long-term care is expensive, and Medicare does not cover custodial care. The following table shows the national median costs for the most common types of long-term care in 2025:

Type of Care	Estimated Annual Cost (2025)
Home Health Aide	\$80,080
Assisted Living Facility	\$65,000
Nursing Home (Private Room)	\$112,420

On average, men require 2.2 years of long-term care, while women require 3.7 years. Without proper planning, these costs can rapidly deplete a lifetime of savings. For example, a woman requiring a private nursing home room for 3.7 years could face costs exceeding \$415,000.



OPTIONS FOR FUNDING LONG-TERM CARE

Long-Term Care Insurance: Traditional policies pay a daily or monthly benefit toward care costs. Premiums are most affordable when purchased in your 50s or early 60s, before health issues arise.

Hybrid Policies: These combine life insurance with a long-term care rider. If you never need care, your heirs receive a death benefit. This addresses the common concern of "paying for something I may never use."

Self-Funding: Relying on personal savings and investments to pay out-of-pocket. This requires significant assets and careful financial planning.

Medicaid: A joint federal and state program that helps with medical costs for some people with limited income and resources. Eligibility requirements vary by state and typically require spending down most of your assets first.



PROTECT YOUR SAVINGS AND FAMILY

Protecting your retirement nest egg requires proactive planning. By implementing smart strategies today, you can shield your savings from unexpected healthcare costs and ensure financial stability for your family.

Purchase a Medigap Policy

If you choose Original Medicare, purchasing a Medicare Supplement Insurance (Medigap) policy is one of the most important steps you can take. Medigap policies help pay healthcare costs that Original Medicare does not cover, such as copayments, coinsurance, and deductibles. The best time to buy is during your Medigap Open Enrollment Period, the six-month window that begins the month you turn 65 and are enrolled in Part B. During this period, insurance companies cannot deny you coverage or charge you more due to pre-existing conditions.

Utilize Health Savings Accounts (HSAs)

If you are enrolled in a High Deductible Health Plan (HDHP) before you transition to Medicare, maximizing your contributions to a Health Savings Account (HSA) is a powerful strategy. HSA funds grow tax-free and can be withdrawn tax-free when used for qualified medical expenses, including Medicare premiums (Parts B, C, and D) and out-of-pocket costs. Note that once you enroll in Medicare, you can no longer contribute to an HSA, but you can continue to use the existing funds.

Plan for Healthcare Inflation

Healthcare costs historically rise faster than general inflation. A healthy couple retiring at age 65 in 2025 can expect to spend over \$315,000 on healthcare throughout their retirement. Ensure your financial plan accounts for this inflation by maintaining a diversified portfolio that includes investments designed to outpace inflation over the long term.



Establish a Comprehensive Estate Plan

Protecting your family means ensuring your wishes are legally documented. A comprehensive estate plan should include the following essential documents:

Document	Purpose
A Will or Trust	Dictates how your assets will be distributed after your passing
Advanced Healthcare Directive	Outlines your preferences for medical care if you are unable to make decisions.
Healthcare Power of Attorney	Designates someone to make medical decisions on your behalf.
Financial Power of Attorney	Designates someone to manage your finances if you become incapacitated.

Review Your Coverage Every Year

Your health needs, medications, and financial situation change over time. Make it a habit to review your Medicare plan during the Annual Open Enrollment Period (October 15 – December 7) every year. Compare plans, check that your doctors are still in-network, and verify that your prescriptions are still covered at the best price. A small investment of time each fall can save you significant money.



YOUR NEXT STEPS

Understanding Medicare and planning for long-term care are critical components of a secure retirement. By avoiding common enrollment mistakes, anticipating long-term care needs, and utilizing strategies like Medigap policies and Health Savings Accounts, you can protect your hard-earned savings and give your family peace of mind.

Your Quick-Reference Checklist

- Understand the four parts of Medicare (A, B, C, D) and what each covers.
- Know what Medicare does NOT cover — especially long-term care, dental, and vision.
- Enroll during your Initial Enrollment Period to avoid lifetime penalties.
- If your employer has fewer than 20 employees, do not delay Medicare enrollment.
- Sign up for Part D drug coverage even if you do not currently take prescriptions.
- Compare Original Medicare vs. Medicare Advantage based on YOUR health needs.
- Buy a Medigap policy during your 6-month Open Enrollment window for guaranteed acceptance.
- Maximize your HSA contributions before enrolling in Medicare.
- Plan for long-term care — explore insurance, hybrid policies, or self-funding strategies.
- Establish a comprehensive estate plan with a will, healthcare directive, and powers of attorney.
- Review your Medicare coverage every year during Open Enrollment (Oct 15 – Dec 7).
- Consult with a qualified Medicare advisor or insurance professional for personalized guidance.

Need personalized help? Every situation is different. A qualified Medicare advisor can review your specific circumstances and help you choose the right coverage for your needs and budget. Do not navigate this alone, reach out to a trusted professional today.

This guide is provided for educational purposes only and does not constitute financial, legal, or medical advice. Please consult with qualified professionals for advice tailored to your individual situation. Information is current as of 2025 and is subject to change.