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Medicare annual enrollment period

Reviewing your choices as part of your retirement plan



Key takeaways

- Medicare's annual enrollment period runs from Oct. 15 through Dec. 7, giving you an opportunity to review your coverage and make changes for the coming year.
- Even if your health hasn't changed, your plan may have, including premiums, prescription drug coverage, provider networks and other benefits.
- Mariner clients can access Medicare support through AmeriLife and Chapter while working with their advisor to consider how coverage choices fit into their broader financial plan.

Health care decisions play a major role in financial planning, especially in retirement. For many people, Medicare becomes an important part of both their health coverage and broader retirement strategy. Understanding how your choices fit within your overall plan can help you make informed decisions and maintain financial confidence throughout retirement.

Medicare's annual enrollment period is underway, making now an important time to take another look at your coverage. Through Dec. 7, people with Medicare can review their current health and prescription drug coverage and make changes for 2027.

A quick refresher on how Medicare works

Medicare has four parts, each covering different aspects of care:

- **Part A (hospital insurance):** Covers inpatient hospital stays, skilled nursing, hospice and some home health care. Most people don't pay a premium for Part A because they've already contributed through payroll taxes.
- **Part B (medical insurance):** Covers doctor visits, lab work, outpatient care and preventive services. You pay a monthly premium, which may increase if your income exceeds certain thresholds.
- **Medicare Advantage (Part C):** Combines hospital, medical and often prescription coverage through a private insurer.
- **Part D (prescription drug coverage):** Covers prescription medications, available either through a standalone plan or bundled in a Medicare Advantage plan.

Together, these parts provide a foundation for managing health costs in retirement—but there can still be gaps, which is where additional planning comes in.

How should you time Medicare around retirement?

Medicare eligibility generally begins at age 65, but not everyone retires then. How you coordinate your enrollment with your retirement date can affect both your coverage and your costs.

- **If you retire before 65:** You may need temporary coverage through COBRA, the ACA marketplace or a spouse's employer plan until Medicare begins.
- **If you work past 65:** You might be able to delay Part B and Part D without penalty if you or your spouse are still working and have employer coverage. COBRA and retiree coverage generally don't qualify. Always confirm with your benefits administrator and Medicare to avoid late-enrollment penalties.

Coordinating your health coverage and income start dates can help you avoid gaps in insurance and unnecessary costs.

How does Medicare connect to income planning?

Medicare premiums are tied to income, so the way you draw from retirement accounts can affect what you pay.

- **Income-related adjustments (IRMAA):** Higher-income retirees may pay more for Parts B and D. These adjustments are generally based on your income from two years prior. You may be able to appeal if your income has dropped significantly because of retirement or another qualifying life-changing event.
- **Withdrawal strategy:** A mix of pre-tax, Roth and taxable accounts can provide flexibility to manage your taxable income each year.
- **Social Security coordination:** The timing of Social Security benefits and retirement-account withdrawals can affect your income and potentially your Medicare premiums. Reviewing these decisions together can help create a more coordinated income plan.

The goal isn't simply to reduce costs. It's to coordinate decisions so your health care and income strategies work together.

How can you plan for out-of-pocket and long-term costs?

Even with Medicare, retirees can face significant out-of-pocket expenses. Understanding what's covered, and what isn't, can help you prepare.

- **Supplemental coverage:** Medigap plans work with Original Medicare (Parts A and B) to help cover certain out-of-pocket costs. Medicare Advantage plans provide Medicare benefits through private insurers and may have different provider networks, costs and additional benefits.
- **Prescription drugs:** In 2027, the annual out-of-pocket threshold for covered Medicare Part D prescription drugs will be $2,400. Reviewing your prescriptions and plan formulary each year can help you anticipate potential costs.
- **Long-term care:** Medicare generally doesn't cover ongoing custodial care, such as assistance with activities of daily living, so planning for potential long-term care expenses separately is important.
- **Additional health expenses:** Some routine health care services not covered by Original Medicare may require additional coverage or out-of-pocket planning.

Building these expenses into your retirement cash flow projections can help you prepare for health care costs without disrupting other parts of your financial plan.

What should you review during Medicare's annual enrollment period?

Medicare isn't a set-it-and-forget-it decision. Plans can change their premiums, benefits, formularies and provider networks from year to year. Your health needs and prescriptions can change, too.

During Medicare's annual open enrollment, from Oct. 15 through Dec. 7, you can review your coverage and, if appropriate, make changes for the coming year. Changes made during this period generally take effect Jan. 1.

As you review your coverage, consider:

- Whether your preferred doctors and hospitals remain in network
- Whether your prescriptions are still covered and how much they may cost
- Whether your premiums and other out-of-pocket costs have changed
- Whether your current coverage still aligns with your health needs, lifestyle and financial priorities

Even if your health needs haven't changed, reviewing your coverage annually can help you determine whether your current plan still makes sense.

How can Mariner resources help you navigate your Medicare choices?

Choosing Medicare coverage can involve comparing a range of plans, costs and benefits based on your individual needs. Mariner clients have access to Medicare resources that can help simplify the process.

- **AmeriLife:** Through Mariner's partnership with AmeriLife, clients can receive support evaluating Medicare options and enrolling in coverage. AmeriLife can help clients explore Medicare coverage options, including Medicare Advantage, Part D prescription drug and Medicare Supplement plans.
- **Chapter:** Mariner also partners with Chapter, which provides Medicare guidance and enrollment support at no charge. Chapter searches plans across Medicare Supplement, Medicare Advantage and standalone Part D prescription plans, and its advisors' compensation does not vary based on which plan a client selects. That review process may provide clients with cost savings while matching them to coverage that fits their needs and priorities.

The choice between AmeriLife and Chapter may come down to personal preference, including the experience and support model that works best for you.

These resources can complement the work you do with your Mariner advisor. While Medicare specialists can help you evaluate coverage options, your advisor can help you consider how health care costs, Medicare premiums and other decisions fit within your broader retirement and financial strategy.

Coordinate Medicare with the rest of your retirement plan

Your Medicare coverage doesn't exist in isolation. It can affect your retirement spending, income strategy, tax planning and the amount you may need to set aside for future health care expenses.

Consider taking time to review your current coverage and discuss any broader financial implications with your advisor. If you need help evaluating Medicare options, your advisor can also connect you with the right resources. Bringing those pieces together can help you make health care decisions with a clearer view of the financial life they're designed to support.

For more information visit: **mariner.com**

Sources:

1. Centers for Medicare & Medicaid Services, cms.gov

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