

Plan Ahead: Know the 7 Medical Costs Medicare Doesn't Cover

As you approach age 65, you may be looking forward to having Medicare benefits. To plan ahead prior to enrolling, learn what Medicare doesn't cover and figure these costs into your retirement cash flow projections. The good news is recent legislation passed by Congress offers some cost savings in the next few years.

What Medicare Doesn't Cover

1. Prescription Drugs
2. Deductibles, Co-Pays and Coinsurance
3. Dental Care
4. Vision Care
5. Hearing Aids
6. Long-Term Care
7. Overseas Medical Care

1. Prescription Drugs

Because "original" Medicare includes Part A (hospital services) and Part B (medical services) insurance only, enrollees have the option of purchasing separate Part D prescription drug coverage from private companies. Medicare Advantage, called Part C, combines Parts A, B and D and is offered by private insurers that contract with Medicare.

That said, currently there is no annual limit on what beneficiaries pay out of pocket for prescription drugs. But that will change in 2025. As a result of the recently passed Inflation Reduction Act, payments toward deductibles, co-pays and coinsurance will be capped at \$2,000 per year. And starting next year, Medicare recipients will pay no more than \$35 for a one-month supply of insulin.

2. Deductibles, Co-Pays and Coinsurance

As mentioned above, beginning in 2025 Medicare and Medicare Advantage deductibles, co-pays and coinsurance will be limited to \$2,000 annually.

Starting in 2024, another provision of the Inflation Reduction Act will eliminate co-payments to qualify for catastrophic Part D coverage.

Until then, Medicare recipients will be responsible for paying a Part A deductible of \$1,556 in 2022¹ before coverage kicks in. Part B insurance typically covers 80% of doctors' services, lab tests, x-rays and the like, but this year beneficiaries will be liable for 20% of the costs after a \$233² deductible. Medicare Advantage plans may help fill some of these gaps, but original Medicare enrollees might want to consider purchasing a Medigap (Medicare supplement) policy suitable for their needs.

3. Dental Care

Routine dental exams, teeth cleanings and fillings, as well as big-ticket items, such as dentures and root canals, are not covered by original Medicare. Some Medicare Advantage plans do insure several basic dental services, but they come with an annual coverage cap ranging from \$1,000 to \$4,500³, depending on the insurer.



For these reasons, some Medicare recipients may want to purchase a separate dental insurance policy. Alternatively, before enrolling in Medicare, you can set aside funds in a health savings account (HSA), which you can tap into at any age to pay for medical, dental and other out-of-pocket costs tax free.

4. Vision Care



Although original Medicare does insure services such as cataract surgery, be aware that routine eye exams, glasses and contact lenses are not covered. No Medigap plan offers this coverage, either, though some Medicare Advantage plans do insure routine vision care and glasses.

It may make sense for some individuals to buy a separate supplemental policy that provides vision care. Those with HSAs can also use their funds to pay for vision care services and devices.

5. Hearing Aids

As with dental and vision care, original Medicare doesn't cover routine hearing exams and hearing aids, which often cost thousands of dollars. However, some Medicare Advantage plans do offer coverage for hearing-related care, including hearing aids and fitting exams, though there may be annual limits. Again, HSA savings can be spent on out-of-pocket health care expenses such as these.

The good news is the Food and Drug Administration recently finalized rules that allow those dealing with mild to moderate hearing loss to buy hearing aids over the counter and online without a doctor's prescription.

6. Long-Term Care

A person turning 65 today has an almost 70%⁴ chance of needing long-term care services and support later in life. And consider this: Assisted living facility rates rose to a national median of \$54,000 per year,⁵ according to Genworth's most recent annual Cost of Care Survey.

Meanwhile, the annual median bill for a private room in a skilled nursing facility in the U.S. climbed to \$108,405.⁶

Although this type of specialized care comes with a hefty price tag, original Medicare provides skilled nursing services only if a doctor recommends it after a qualifying three-day inpatient hospital stay. After that, Medicare covers just the first 100 days of care and a daily coinsurance charge. Some Medicare Advantage plans may offer additional limited benefits. Long-term care insurance or a combination long-term care and life insurance policy might be a solution for defraying some of these costs.

7. Overseas Medical Care

Overseas travel is at the top of many seniors' bucket lists. Keep in mind, though, that Medicare and most Medicare Advantage plans don't cover health care services or supplies (except in some specific circumstances) for medical costs incurred outside the U.S. and in certain U.S. territories.

If overseas travel is your retirement dream, consider purchasing a supplemental Medigap or travel insurance policy, which provide coverage for certain overseas medical expenses. Additionally, medical evacuation (medevac) insurance covers transportation to a nearby medical facility or back to the U.S. in case of an emergency.

Already on Medicare?

If you're already receiving Medicare benefits and want to change your Medicare coverage, keep in mind that open enrollment occurs from Oct. 15 to Dec. 7 annually.

Talk to Your Wealth Advisor

Navigating Medicare and the many options available to you can be complicated and overwhelming. Consider reaching out to your wealth advisor at least six months before your Medicare enrollment period for guidance. At Mariner Wealth Advisors, we're here to help create a strategy for covering health care as part of the overall wealth planning process.

For more information visit: marinerwealthadvisors.com

^{1,2} ["2022 Medicare Parts A & B Premiums and Deductibles"](#)

³ ["Best Dental Insurance for Seniors on Medicare"](#)

⁴ ["How Much Care Will You Need?"](#)

^{5,6} ["Genworth's 2021 Cost of Care Survey"](#)

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