



Protective 

UNDERSTANDING COMMON MEDICARE MYTHS

Medicare Made Simple

Protective refers to Protective Life Insurance Company and Protective Life and Annuity Insurance Company.

Debunking 5 common myths about Medicare

Medicare is a key retirement decision that all seniors nearing age 65 must carefully consider. And yet, this complex topic may leave you confused and overwhelmed.

By understanding some of the most common Medicare myths and the reality behind these misconceptions, you can make better Medicare-related decisions and avoid costly mistakes.

Myth 1: Medicare is free.

Medicare is far from free. In fact, you will pay:



Part A

A \$1,632 hospital deductible per benefit period which could be paid multiple times in a year



Part B

A standard monthly premium, starting at \$170.10

Deductible is \$240

20% of your health care services bill, with no out-of-pocket maximum



Part D

A portion of your medication costs

There could be monthly premiums

Those on Medicare **spend an average of \$5,140 per year** for the Part B, Part D and Medigap plan. Higher-income beneficiaries could pay more for Parts B and D.¹

Myth 2: Medicare is automatic and unrestricted.

You may believe you can wait for your Medicare card to arrive in the mail or enroll in Medicare at any time without restrictions.

However, Medicare enrollment is **ONLY** automatic if you're already receiving Social Security benefits by age 65. Everyone else must take action to enroll in Medicare. There are also only certain times you may enroll. The three most common enrollment windows are the Initial, Special and General Enrollment Periods.

Missing your enrollment window could result in having to **wait up to 12 months** to receive coverage and possibly have to pay late enrollment penalties.

¹ Total cost for a Medicare beneficiary in 2022 if insured under Original Medicare with a Plan G Medigap Policy on a national average. "2022 Healthcare Costs in Retirement", 2022, <https://www.irmaasolutions.com/2022-retiree-healthcare-costs>.

Myth 3: Medicare is simple.

When Medicare first started in the 1960s, it was simple. Today, it's quite complex. Hundreds of regulations will impact the decisions you make — whether or not you know they exist. They will determine:



When you need to enroll



What types of coverage to enroll in



If and when you can change your Medicare coverage in the future



The penalties you will pay if you make mistakes

Medicare is a very complex and personal decision. **Just one mistake could cost you thousands of dollars.** And often, these mistakes are irreversible.²

Myth 4: Once enrolled, you're done and it does not change.

Each year, Part D prescription drug plans and Medicare Advantage plans can change:



Premiums



Deductibles



Copays and coinsurances



Provider and pharmacy networks



Medications covered

Failing to review your plan annually could end up **costing you more money.**

² 65 Incorporated analysis of a sample of consultation clients and extrapolated out to the newly enrolled Medicare beneficiaries in 2019.

Myth 5: Medicare covers long-term care.

56% of middle-income baby boomers believe that Medicare will pay for their ongoing long-term care needs in the future.³ The truth is, Medicare will not pay anything toward this type of care.

Paying for long-term care out of pocket can quickly deplete your retirement savings, so it's imperative to find another way to pay for these needs. Here are some of the annual costs for a first-time long-term care claim:



\$61,776

Home health care services⁴



\$57,684

Assisted living facility⁵



\$108,405

Nursing home stay⁴

Because Medicare doesn't cover long-term care, a solid income plan is critical, especially when **70% of those turning 65 today** will need long-term care services in the future.⁴



Build confidence in retirement by planning for your future health care cost needs. Ask your financial professional to help you get started.

³ "Warning: Medicare does not pay for long-term care" <https://www.forbes.com/sites/dianeomdahl/2023/01/10/warning-medicare-does-not-pay-for-long-term-care/?sh=8b06dae5850b>

⁴ "Long-term care statistics 2022," <https://www.singlecare.com/blog/news/long-term-care-statistics/>

⁵ "Average Cost of Long-Term Care: A State-by-State Guide to Senior Care in the U.S.," A Place for Mom, September 2023





This material was developed by Protective in collaboration with *65 Incorporated*, an industry leader in unbiased Medicare guidance. *65 Incorporated* was co-founded by Diane J. Omdahl and Melinda A. Caughill. Diane is a registered nurse and one of the nation's foremost Medicare experts and Melinda is a noted Medicare speaker. *65 Incorporated* helps consumers and financial professionals with Medicare information and individualized guidance.

To learn more, please visit 65incorporated.com.

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This information is meant to present key, sample considerations and is not an exhaustive list of all considerations for enrollment timing and selection of the Medicare plan that may be right for you. It is meant to initiate important conversations and prepare you for important decisions ahead. You should work with your financial professional to discuss Medicare decisions that are right for you.

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