



GUARDIAN

INVESTMENT ADVISORS

— 2026 Medicare Guide —



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Medicare 101: Everything You Need to Know

Whether you're new to Medicare or you already have it, you can use this guide to help navigate your journey. It includes information on your coverage options, how and when you can sign up, and important dates to mark on your calendar.



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Introduction

What is Medicare?

Medicare is a federal health insurance program for people age 65 and older, and under 65 with certain disabilities or diseases. It's different from Medicaid, which is designed for those with limited income and/or resources.

Medicare can be confusing and overwhelming - Let us help.

If you're new to Medicare and feeling lost, you're not alone. It can be hard to sort through all the parts and plans with similar letters, and all the mail you receive doesn't make it any easier. The rules are also complex, which is why it helps to work with a local broker who understands Medicare.

We're Here When You Need Us

We have over a decade of experience in the insurance industry, and we want to share our Medicare knowledge so you can make an informed decision about your healthcare coverage.

We have access to many insurance providers. We use this network to shop multiple vendors and get you the best rate for your selected plan. Our goal is to get you the lowest rate without sacrificing benefits! Health insurance might be an intimidating subject, but our licensed agents will guide you through it.

Contact Information

When you have questions about Medicare, please don't hesitate to contact us
— We're always available and happy to help.

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Your Medicare Options

When you first sign up for Medicare and during select times of the year, you can decide how to get your coverage. Here are the two main ways to get Medicare:

ORIGINAL MEDICARE

- Includes Part A (hospital insurance) and Part B (medical insurance).
- If you want prescription drug coverage, you can join a separate Medicare Part D plan.
- To help pay your out-of-pocket costs, you can also look for and buy supplemental coverage.



Part A



Part B

You can add:



Part D

You can also add:



Supplemental Insurance

This includes a Medicare Supplement (Medigap) plan.

MEDICARE ADVANTAGE (PART C)

- Medicare Advantage is a bundled alternative to Original Medicare. These “all in one” programs include Part A, Part B, and typically Part D.
- Plans could have lower out-of-pocket costs than traditional Medicare.
- In most cases, you’ll have to use doctors who are in the plan’s network.
- Most plans offer additional benefits not covered by Medicare, such as dental, vision, hearing, and more.



Part A



Part B

Most plans include:



Part D

Some also include:

Lower out-of-pocket costs

Parts of Medicare

Medicare has four main parts: A, B, C, and D. Parts A and B are provided by the federal government. Parts C and D are medical and prescription drug plans offered by private insurance carriers — not the government.

Part A
Hospital Care



Part B
Medical Care



Part C
Medicare Advantage



Part D
Prescription Drugs



Part A

Medicare Part A gives you access to affordable inpatient care. Think of Part A as your “room and board” in the hospital, plus a little more. Here is what Part A covers for inpatient stays:

- Hospice care
- Skilled nursing
- Home health care
- Regular meals
- Medications
- Lab services
- Semi-private room

If you’re already receiving Social Security income benefits, you’ll automatically be enrolled in Part A. And if you’ve worked for 10 years in the U.S., you’ll typically pay \$0 for Part A. If you’re not taking Social Security benefits, you’ll need to sign up for Part A through Social Security.

Part B

Medicare Part B is outpatient coverage for services that are deemed medically necessary. These include:

- Lab work
- Doctors visits
- Kidney dialysis
- Cancer therapy
- Preventative services
- Outpatient medical care
- Durable medical equipment

Parts of Medicare Cont.

Part C

Part C, Medicare Advantage, is an alternative to Original Medicare. The plans are sold by private insurance companies, and they must provide the same benefits that Parts A and B do. However, some programs offer additional benefits, including

- Dental, vision, and hearing services
- Gym memberships
- Over-the-counter drugs
- Transportation to doctor visits

Part D

Medicare Part D provides coverage for retail prescription drugs. Part D plans cover all, or nearly all, drugs in these six categories:

- Antidepressants
- Anticonvulsants
- Immunosuppressants
- Anti-cancer medications
- HIV/AIDS drugs

What Does Medicare Not Cover?

It's crucial to know that Original Medicare doesn't cover everything. It does not cover the following:

- Dentures
- Hearing aids
- Plastic surgery
- Long-term care
- Massage therapy
- Health care outside the U.S.
- Routine dental and vision care

Depending on your health, you may consider long-term care insurance, a Medicare Supplement plan, or a Medicare Advantage plan that provides more benefits.

Medicare Eligibility & Enrollment

Who Is Eligible for Medicare?

You're eligible for Medicare at age 65, whether or not you're taking Social Security income benefits. Some people qualify before 65 if they have:

- Been receiving Social Security Disability benefits for two years
- End-Stage Renal Disease (ESRD), or
- Amyotrophic Lateral Sclerosis (ALS, aka Lou Gehrig's disease)

Can You Get Medicare if You're Still Working?

Yes. If you're still working past 65 and have group health coverage through your employer, you can maintain that private insurance AND get Medicare. However, there are some variables to consider. It would be in your best interest to compare the costs for Medicare against the costs and deductibles of your employer coverage. In some cases, it may make sense to stick with your employer insurance, and a broker can advise you on what to do.

How Big is Your Employer?

Whether Medicare is your primary insurance will depend on the size of your employer:

Small Employer <20 Employees



Medicare is **primary** if you're 65 or older and your employer has less than 20 employees.

Large Employer 20+ Employees



Medicare is **secondary** if you're 65 or older and your employer has more than 20 employees.

When Can You Enroll?

There are certain times of the year when you can enroll in Medicare. Here are the different enrollment periods and their abbreviations:

- Initial Enrollment Period (IEP)
- Annual Election Period (AEP)
- General Enrollment Period (GEP)
- Medicare Advantage Open Enrollment (MAOEP)
- Special Enrollment Period (SEP)
- Medigap Open Enrollment Period

Period	When Is It?	What You Can Do
Initial Enrollment Period (IEP)	3 months before you turn 65, the month of, and the 3 months after	Enroll in Original Medicare (A and B) for the first time
*Annual Election Period (AEP)	October 15 to December 7 each year	Enroll in, change, or drop a Part D or Medicare Advantage plan
General Enrollment Period (GEP)	January 1 to March 31 each year; coverage is delayed until July 1	Enroll in Part A and/or Part B if you missed your IEP and don't qualify for a SEP
Medicare Advantage Open Enrollment (MAOEP)	January 1 to March 31	Switch to another Medicare Advantage plan or enroll in Original Medicare with a Part D drug plan
Special Enrollment Period (SEP)	Anytime you have a qualifying event (i.e. delaying Medicare past 65)	Apply for Original Medicare. There are also SEPs for Part C and Part D plans. You have 2 months to enroll in either.
Medigap Open Enrollment Period	6 months before and 6 months after your Part B effective date	Enroll in any Medigap plan without answering health questions

* The AEP is for people who already have original Medicare.

Medicare Advantage Plans

Medicare Advantage plans (Part C) are private insurance plans that you can join as another way to get your Original Medicare benefits. You must stay enrolled in both Parts A and B while enrolled in your Advantage plan, and you must live in the plan's service area.

Medicare Advantage plans are different from Medicare Supplement plans. And, unlike Original Medicare, all Advantage plans have out-of-pocket maximums.

Who Can Benefit From Medicare Advantage?

Medicare Advantage was designed to give beneficiaries a **lower-premium option** than Medicare Supplemental insurance. The plans also have little underwriting. So if you missed your open enrollment window for Medigap and cannot qualify for health reasons, Medicare Advantage is a good option.

Why Join A Medicare Advantage Plan?

- ✓ Low Monthly Premiums
- ✓ Inpatient Hospital Benefits
- ✓ Outpatient Medical Coverage
- ✓ Part D Drug Benefits

What's the Catch?

In exchange for lower premiums, you agree to follow certain rules. For example, Medicare Advantage plans have “networks” of doctors you must use when pursuing medical care. Some networks are more flexible than others. You also pay copays for approved services up to the out-of-pocket maximum (OOP) – which can be as high as **\$10,000** – but your plan may set a lower limit. Part D costs are not included in the OOP.

Important Notes: Every Advantage plan has a summary of benefits that tells you what your copays will be for different healthcare services. Some programs offer benefits for routine dental, vision, and hearing.

Common Types of Advantage Plans

There are different types of Advantage plans that you can join as a private alternative to Parts A and B:

HMO

A Medicare Health Maintenance Organization (HMO) is a popular option in the U.S. because it offers lower premiums. In some HMOs, that premium may be \$0.

You'll choose a primary care physician who will arrange your care. If your physician cannot treat a health condition, he or she will refer you to a specialist.

HMOs include these common features:

- Local network of providers from which you must receive your care — unless it's an emergency
- No health questions on the application
- Part D drug plans
- You pay copays and coinsurance as you go
- Annual changes on January 1

PPO

A Medicare Preferred Provider Organization (PPO) has more flexibility than an HMO. In a PPO, you'll typically pay lower copays if you see providers in the network.

In general, you're not required to select a primary care physician or get referrals to visit specialists.

PPOs include some of these features:

- The option to see out-of-network providers — at a higher cost.
- Part D drug benefits
- Some include benefits for vision exams
- Some include discounted gym memberships
- Annual changes on January 1

PFFS

In select counties, there are Private-Fee-for-Service (PFFS) plans, which may or may not include Part D coverage.

You can show your card to any doctor in the U.S. who is a Medicare-participating provider and agrees to accept the terms and conditions of your PFFS plan.

PFFS plans are common among Medicare beneficiaries who travel often.

Medicare Supplement Plans

Medicare Supplements (Medigap) are supplemental policies sold by private insurance companies. There are 10 plans available in the U.S. that help pay the deductibles, copayments, and coinsurance that Original Medicare doesn't cover.

How Do They Work?

Your Part A and Part B benefits typically cover 80% of the cost of medical services, and a supplement plan can help with the other 20%. You must have Parts A and B to be eligible for Medigap. When you enroll, you'll continue to pay the Medicare Part B premium (\$202.90 in 2026), as well as a monthly premium for coverage.

Note: Medicare Supplements are different from Medicare Advantage plans. With a supplement plan, you can take your coverage with you — there are no provider “networks.”

Why Purchase A Medicare Supplement Plan?

- ✓ See any Doctor Who Accepts Medicare
- ✓ Lower Your Out-of-Pocket Costs
- ✓ Coverage is renewable if premiums are paid
- ✓ Some plans cover emergency care while traveling abroad

How Much Will Your Plan Cost?

Your costs will vary by plan and provider.

The monthly premium is the only difference between Medigap providers. For example, a Plan N with one provider should provide the same benefits as a Plan N with another provider.

How Companies Set Their Premiums

You can be charged in one of these ways:

- 1. Community-rated.** If you buy a plan at age 65 or 70, your premium would be the same. Your premiums can go up, but your age is not a factor.
- 2. Issue-age-rated.** Your premium is based on your age when you're first issued a policy. Premiums may go up because of inflation, but never due to your age.
- 3. Attained-age-rated.** Your premium is based on your current age when you enroll, and it will keep going up as you get older. Your plan's rate may also increase due to inflation.

Medicare Supplement Plans Cont. ---

What Are the Different Plans?

Medigap plans are lettered A through N, which can be confusing if you're new to

- Medicare.
- Plan A
- Plan B
- Plan C *
- Plan D
- Plan F *
- Plan G
- Plan K
- Plan L
- Plan M
- Plan N

* If you qualified for Medicare in 2020 or after, you may not be able to purchase Medigap Plan F or Plan C.

However, Plans G and N are comparable. Plan G generally has the same benefits as Plan F, minus the Part B deductible.

The Best Time to Enroll

It's best to enroll during your "Medigap Open Enrollment Period" which is a six-month window — beginning when your Part B becomes active. During this period, insurance companies can't use medical underwriting, and you typically get better rates and have more options to choose from.

What Else You Should Know

In certain situations, Medigap providers must offer you certain policies and cover all your pre-existing health conditions. These are called "guaranteed issue rights" or "Medigap protections."

In general, Medicare Supplements do NOT cover prescription drugs, longterm care, hearing aids, vision or dental care, eyeglasses, or private-duty nursing.

A Medigap plan only covers one person. If you and your spouse both want supplemental coverage, you'll need to enroll in separate plans.

Medicare Supplement Insurance (Medigap) Plans

Benefits	A	B	C	D	F	G	K	L	M	N
Medicare Part A coinsurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
First 3 pints of blood	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part A hospice care coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Skilled nursing facility coinsurance	✗	✗	✓	✓	✓	✓	50%	75%	✓	✓
Part A deductible	✗	✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B deductible	✗	✗	✓	✗	✓	✗	✗	✗	✗	✗
Part B excess charges	✗	✗	✗	✗	✓	✓	✗	✗	✗	✗
Foreign travel benefits	✗	✗	✓	✓	✓	✓	✗	✗	✓	✓
Out-of-Pocket Limit 2026	None	None	None	None	None	None	\$8,000*	\$4,000*	None	None

* This out-of-pocket limit can change from year to year.

** Plan N has up to a \$20 copayment for doctor's office visits and up to a \$50 copayment for emergency room visits.

At Magellan Healthcare, we can get you the lowest rate for your Medigap policy without giving up benefits. Our network of providers allows us to compare plans and make sure you're really getting the **BEST VALUE**.

Prescription Drug Plans

Many seniors in U. S. take more than one prescription medication. If you're not currently taking anything, the chances are high that you may be prescribed medication in the future. You can enroll in Medicare Part D during your IEP — the months surrounding your 65th birthday — to help with the rising costs of prescription drugs.

How You Can Get Medicare Part D

You can get prescription drug coverage in one of two ways:

1. Join a Medicare Advantage plan that includes Part D, or
2. Enroll in a stand-alone Part D plan.

You can get a separate drug plan if you have either Part A or Part B. Every insurance company decides which drugs they're willing to cover and at what cost — and they provide the information in their formulary. Check to make sure your prescriptions are included before enrolling in the plan that appeals to you.

Three Coverage Phases

No matter which option you choose above, you'll have four phases with that plan:

Deductible Phase: You pay the full cost until you've spent \$615 out of pocket.

Initial Coverage Phase: The insurance company contributes, and you pay a copay.

Catastrophic Coverage: You'll typically pay the least amount for expensive meds.

Part D Enrollment

Some people don't take any medications, but we still recommend that you enroll in Part D when you first get Medicare. For every month that you delay enrollment, you'll have to pay a 1% late penalty, in most cases, each month for the rest of your life.

There's an exception. If you're still working at age 65, your employer has over 20 employees, and you're enrolled in the group health plan, you can delay enrollment in Part D until you retire.

You can enroll in Part D during the:

- Initial Enrollment Period
- Special Enrollment Period
- Annual Enrollment Period

Prescription Drug Plans Cont.

A Look at Your Costs

It's worth noting that you'll be responsible for some costs with a Part D plan. If you're enrolled in Part D, you can expect to pay some of the following expenses:

- A monthly plan premium
- A yearly deductible (\$615 in 2026)
- A share of costs for your covered drugs, either a coinsurance or copayment during your Initial Coverage Period
- A percentage of your drug costs after the Initial Coverage Period and before the Catastrophic Coverage starts

Your exact costs will vary by plan.

What Are Drug Plan Tiers?

Medicare prescription drug plans (PDPs) have big formularies (lists) of medications to treat a variety of illnesses and conditions.

To lower costs, many plans put drugs into various “tiers” on their formularies. While each plan can arrange different tiers at different costs, a drug in a lower tier will generally cost less than a drug in a higher tier.

For example, a plan's tiers may look similar to this:

- Tier 1: Preferred Generic — lowest cost
- Tier 2: Generic Drugs — low cost
- Tier 3: Preferred Brand-name — medium cost
- Tier 4: Non-Preferred — medium-high cost
- Tier 5: Specialty Drugs — highest cost

Medicare Drug Plans Are Moving Targets

It's important to think of Part D plans as moving targets. For example, the plan you're on this year may not be the best one for you next year because your medications might be covered differently, and the tiers may be moved around. Plus, the drug plans could work with the pharmacies in a different way. That's why it helps to work with an agent who understands Medicare Part D.

Common Medicare Definition

Assignment: An agreement by your doctor or provider — which Medicare will pay directly — to accept the payment that Medicare approves for the service. You won't be billed for any more than the Medicare deductible and coinsurance amount.

Coinsurance: Normally a percentage (like 20%), it's what you pay for covered medical services or prescription drugs after paying your deductible.

Copayment (copay): Normally a set amount (like \$20), it's what you pay for covered medical services or prescription drugs.

Cost sharing: What you pay for covered services or prescription drugs. It may include your copay, coinsurance, and deductible.

Coverage gap: Also called the donut hole, this is the period of time when you pay higher cost sharing for prescription drugs — until you spend enough to be eligible for catastrophic coverage. The coverage gap begins when you and your plan have paid a fixed amount for drugs during that year.

Deductible: The amount you pay for covered medical services or prescription drugs before your plan contributes anything.

Maximum out of pocket (MOOP): The most you pay during your plan's policy period (typically one calendar year) for covered medical services. Once you reach your MOOP, your plan pays 100% of covered medical services. Your premium does not count toward your MOOP.

Medical Underwriting: A process that involves a review of your health and medical history. Some Medigap insurance companies use it to determine whether they'll provide you coverage, what premium to charge, and whether to enforce a waiting period before coverage begins.

Network pharmacy: Your plan may only cover the cost of your prescription if you fill it at a network pharmacy — one that signed a contract with your drug plan.

Network provider: A doctor, hospital, or facility that signed a contract with your plan to provide healthcare.

Premium: The monthly amount you pay to keep your plan active and receive medical or prescription drug coverage.

Prior authorization: When you or your doctor must get permission from your plan before it will cover a medical service or prescription drug.



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By providing the information above, I grant permission for a licensed insurance agent to call or email me regarding my Medicare options including Medicare supplement, Medicare advantage, and perscription drug plans.