

Should I Change My Medicare Coverage During Open Enrollment?

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Medicare open enrollment has kicked off, and it's a great opportunity to dive into your healthcare coverage. Taking place from October 15th to December 7th each year, the government hosts the Medicare open enrollment period. This is your chance to carefully assess and tweak your coverage to better align with your changing healthcare needs for the upcoming year. Picture it as giving your Medicare plan a check-up to ensure it's still the ideal fit for you.

What Can I Change During Open Enrollment?

During the fall open enrollment, you have the chance to make several significant changes to your Medicare coverage.

Switch to a Medicare Advantage Plan (Medicare Part C): If you currently have Original Medicare but want to explore the benefits of Medicare Advantage, this is your opportunity to switch. If you aren't sure which one is right for you, check out the official government booklet that compares them side-by-side.

Go Back to Original Medicare: If you're on a Medicare Advantage plan and it's not meeting your needs or you don't need the extra coverage, you can revert back to Original Medicare.

Change Medicare Advantage Plans: If you're already in a Medicare Advantage plan, you can explore other available Advantage plans and switch your coverage during this time.

You also have the opportunity to make changes not only during the annual open enrollment but also during the Medicare Advantage open enrollment period. This period runs from January 1st to March 31st each year, and any changes you make will become effective on the first day of the following month.

Enroll, Switch, or Cancel a Prescription Drug Plan (Medicare Part D): During this time, you should review your prescription drug needs and make changes accordingly. If you plan to cancel your plan, remember that reinstating it later may lead to late enrollment penalties. Also, be mindful that Part D can be offered through Medicare Advantage Plans (Medicare Part C), so be cautious when reviewing options to avoid accidentally paying twice.

Purchase a Medigap Policy (if available in your area): If you expect higher healthcare expenses, you may want to consider a Medigap policy. Medigap, or Medicare Supplement Insurance, is primarily meant to reimburse deductibles and copayments but comes with an added monthly premium cost.

Any changes you make during annual open enrollment will take effect on January 1st of the next year.

What Should I Consider When Reviewing My Plan?

Have your healthcare costs increased?

Healthcare costs have a way of silently creeping up over time, whether it's your Medicare premiums or the expenses from more frequent doctor visits. These unexpected hikes can catch you off guard.

Unfortunately, reducing your Medicare premiums isn't a simple task as they are linked to your income from two years prior. Lowering them requires careful, long-term financial planning and in most cases, you'll need to make sacrifices. This often means spending less money in retirement, which usually doesn't justify the savings.

However, if you're currently paying for an Advantage plan or Medigap policy that you no longer need, switching back to the original Medicare can help save you money. On the other hand, if you're facing significantly higher medical expenses due to changing healthcare needs, it's a good idea to think about getting more coverage.

How much coverage do you expect to need?

Healthcare needs can change unexpectedly. Even if you're currently in good health, think about how your needs might evolve. Look back at your healthcare use from the past year,

and consider things like dental, hearing, or vision expenses. If you anticipate needing coverage in these areas, it's worth exploring Medicare Advantage plans.

Does your plan cover the services you need?

Make sure your current plan includes the specific hospitals, doctors, and prescription drugs you rely on. You may need access to particular healthcare providers that your current plan doesn't cover. If you find your plan falling short in these areas, it's a sign to check out a plan that gives you access to your preferred healthcare providers.

Stay on top of any changes that might happen in your plan for the next year. Medicare Part D, for example, can switch things up every year, affecting the cost and coverage of your medications. Be proactive about understanding how your healthcare coverage will change in the coming year and make adjustments as needed.

The Bottom Line

We recommend giving your health insurance policy a once-over every year. It's a great way to understand what you're currently covered for and what it'll cost you in the upcoming year.

By thinking about these factors and giving your Medicare coverage a yearly review, you can make the most of your healthcare plan and ensure you have the right coverage for the year ahead. Don't miss out on this opportunity to fine-tune your Medicare coverage during open enrollment.