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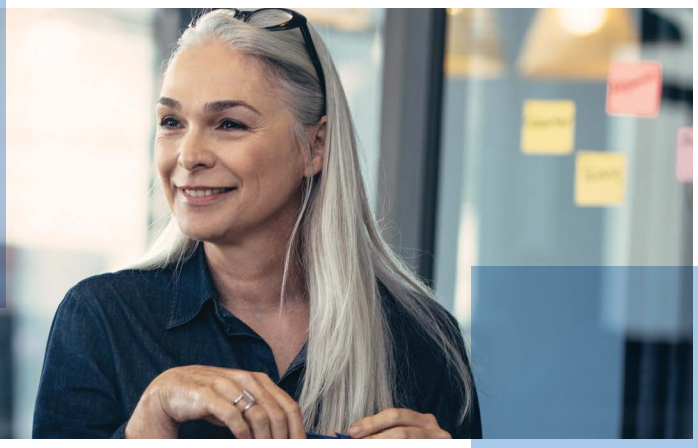
2026 MEDICARE GUIDE AND CHECKLIST



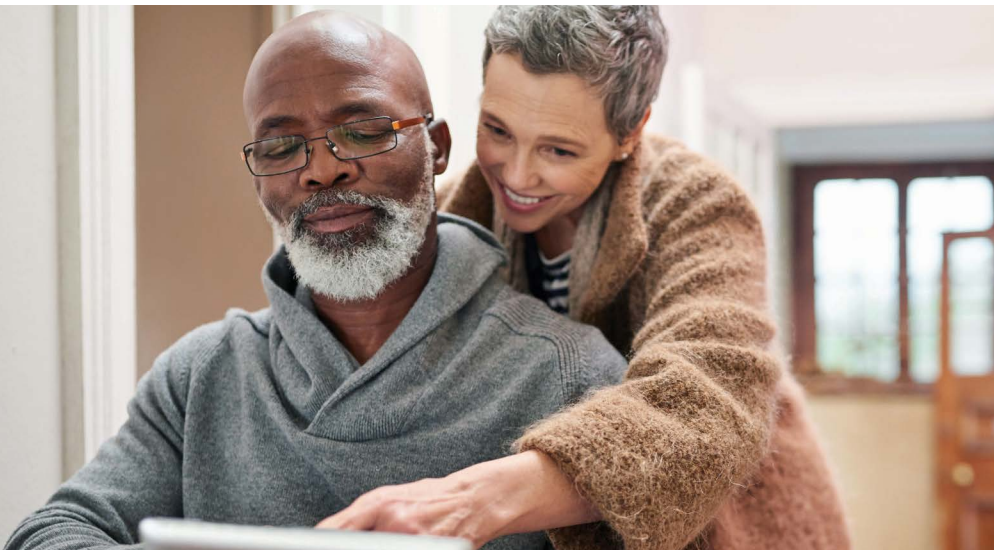


TABLE OF CONTENTS

3 PLANNING FOR MEDICARE

4 UNDERSTANDING MEDICARE

9 KEY CONTACTS, RESOURCES AND LINKS

Medicare Guide and Checklist

Planning for your future is important for the security of you and your family. Utilize this guide and checklist to plan and understand Medicare. See key contacts page to receive free, personal consultation from a licensed insurance agent at Gallagher.

Planning for Medicare

Action checklist and worksheet

Use this worksheet while reviewing the guide, and remember to tap into the resources available to you for support.

❑	Begin planning 3-6 months ahead of Medicare eligibility.
❑	Understand Medicare Part A, B, C, D and Medicare supplements.
❑	Understand Medicare Part B premium cost.
❑	Understand valid enrollment periods and how to enroll in the different parts of Medicare.
❑	Understand the Part B and Part D late enrollment penalties and how to avoid them.
❑	Compile your prescription list along with pharmacy retail cost. Use this during a consultation and/or plan analysis.
❑	Compile a list of doctors you regularly see. Use this during a consultation and/or plan analysis.
❑	Review available Medicare Advantage (Part C), Prescription Drug (Part D) and Medigap plans available to you.
	What are your different paths to comprehensive coverage?
❍	Delay Medicare and remain on a creditable plan.
❍	Enroll in Medicare and choose a Medicare Part C (Advantage) with Part D (Drug).
❍	Enroll in Medicare and choose a Medicare Supplement and Part D (Drug).
❍	Other coverage options:
❑	Utilize resources available to you and consider a consultation with a professional.
	Will your plan decision:
❍	Cover your health and prescription requirements?
❍	Be within your budget?
❍	Cover your doctors?
❍	Have creditable prescription coverage?
❍	Avoid late enrollment penalties?

Understanding Medicare

Quick review of Medicare basics

WHAT IS MEDICARE?

Medicare is a federal government-sponsored health insurance program administered by the Centers for Medicare and Medicaid Services (CMS), with enrollment managed through the Social Security Administration.

WHO IS ELIGIBLE FOR MEDICARE?

- Those age 65 and above
- Those with certain disabilities
- Those with end-stage renal disease

WHAT ARE THE PARTS OF MEDICARE?

Part A and Part B

Original Medicare, offered by the federal government, covers much but not all of your care and generally has a deductible and coinsurance. Part A helps cover hospitalization, skilled nursing facilities, hospice care and home health. Part B helps cover doctor appointments, outpatient care, preventive services, physical and occupational therapies, and home health. See grids below.

Costs for Part A (Hospital Insurance)	
Premium	**$0 for most people** (because they paid Medicare taxes long enough while working — generally at least 10 years). This is something called "premium-free Part A." If you don't qualify for a premium-free Part A, you might be able to buy it. In 2026, the premium is either $311 or $565 each month, depending on how long you or your spouse worked and paid Medicare taxes. • You also have to sign up for Part B to buy Part A. • If you don't buy Part A when you're first eligible for Medicare (usually when you turn 65), you might pay a penalty.
Deductible	**$1,736** for each time you're admitted to the hospital per benefit period, before Original Medicare starts to pay. There's no limit to the number of benefit periods you can have.
Copay	**Days 1-60: $0** after you pay your Part A deductible. **Days 61-90: $433** each day. **Days 91-150: $868** each day while using your 60 lifetime reserve days. **After day 150:** You pay all costs.

Part C

Medicare Advantage Plans: Offered by private companies. Covers everything that Parts A and B cover and may include prescription drug (Part D) coverage and extra benefits like dental, vision, hearing and wellness programs. Has a network of doctors and generally has a copay per service. Monthly premiums.

Part D

Prescription Drug Plans: Offered by private companies. Covers prescriptions. Available as a stand-alone policy or combined with a Medicare Advantage plan (Part C).

Medicare Supplements

Medigap: Offered by private companies. Helps pay the share of costs not covered by Original Medicare. Generally covers only medical services.

Costs for Part B (Medical Insurance)

Premium	Dependent on your income. The amount can change each year. You'll pay the premium each month, even if you don't get any Part B-covered services. You might pay a penalty if you don't sign up when you're first eligible for Medicare (usually when you turn 65). **How much is the Part B late enrollment penalty?** • You'll pay an extra 10% for each year you could have signed up for Part B but didn't. • This penalty is added to your monthly Part B premium. • It's not a one-time late fee — the penalty is added to your monthly premium for as long as you have Part B. • Generally, you won't have to pay a penalty if you qualify for a special enrollment period. To qualify, you (or your spouse) must still be working, and you must have health coverage based on that job.
Deductible	**You'll pay $283 before Original Medicare starts to pay.** You pay this deductible once a year.
Copay	You'll usually pay 20% of the cost for each Medicare-covered service or item after you've paid your deductible.

Part B Premium Rates

If your yearly income in 2024 (for what you pay in 2026) was:

File individual tax return	File joint tax return	File married and separate tax return	You pay each month (in 2026)
$109,000 or less	$218,000 or less	$109,000 or less	$202.90
Above $109,000 up to $137,000	Above $218,000 up to $274,000	Not applicable	$284.10
Above $137,000 up to $171,000	Above $274,000 up to $342,000	Not applicable	$405.80
Above $171,000 up to $205,000	Above $342,000 up to $410,000	Not applicable	$527.50
Above $205,000 and less than $500,000	Above $410,000 and less than $750,000	Above $109,000 and less than $391,000	$649.20
$500,000 or above	$750,000 or above	$391,000 or above	$689.90

Part D IRMA

If your filing status and yearly income in 2024 was:

File individual tax return	File joint tax return	File married and separate tax return	You pay each month (in 2026)
$109,000 or less	$218,000 or less	$109,000 or less	Your plan premium
Above $109,000 up to $137,000	Above $218,000 up to $274,000	Not applicable	$14.50 + your plan premium
Above $137,000 up to $171,000	Above $274,000 up to $342,000	Not applicable	$37.50 + your plan premium
Above $171,000 up to $205,000	Above $342,000 up to $410,000	Not applicable	$60.40 + your plan premium
Above $205,000 and less than $500,000	Above $410,000 and less than $750,000	Above $109,000 and less than $391,000	$83.30 + your plan premium
$500,000 or above	$750,000 or above	$391,000 or above	$91.00 + your plan premium

Premium amounts listed don't include any late enrollment penalties.

Understanding Medicare

	Enrollment periods	How to enroll?
PARTS A AND B	• **Initial enrollment period:** 7 months surrounding your 65th birthday month • **General enrollment period:** For individuals who didn't enroll during their initial enrollment period: January-March • **Special enrollment period:** Enrollment at any time due to a qualified event, such as loss of group/employer coverage	With social security online at their website, over a call or in person at an appointment. Note: Some situations may prompt automatic enrollment.
PARTS C AND D	• **Initial coverage election period:** When you first get enrolled into Medicare • **Annual election period:** October 15-December 7 with a plan effective date of January 1 • **Special enrollment period:** Anytime with a qualifying event • **Medicare Advantage open enrollment period:** January 1-March 31	Through licensed broker/ agent services, direct to the private company providing the plan, or through Medicare.gov.
SUPPLEMENTS	• **6-Month Medigap open enrollment period:** Automatically starts the first month you have Part B and are age 65 or above • **Special enrollment due to specific circumstances or guaranteed issue rights**	Through licensed broker/ agent services, direct to the private company providing the plan, or through Medicare.gov.

Avoiding late enrollment penalties

PART B LATE ENROLLMENT PENALTY

If you didn't get Part B when you're first eligible, your monthly premium may go up 10% for each 12-month period you could've had Part B but didn't sign up. In most cases, you'll have to pay this penalty each time you pay your premiums, for as long as you have Part B. And the penalty increases the longer you go without Part B coverage.

Note: Maintaining creditable group coverage from an employer with 20 or more employees will allow you to delay Part B without incurring the Part B late enrollment penalty.

PART D LATE ENROLLMENT PENALTY

The late enrollment penalty is an amount that's permanently added to your Medicare drug coverage (Part D) premium. You may owe a late enrollment penalty if, at any time after your initial enrollment period is over, there's a period of 63 or more days in a row when you don't have Medicare drug coverage or other creditable prescription drug coverage. You'll generally have to pay the penalty for as long as you have Medicare drug coverage.

Cost of penalty: Medicare calculates the penalty by multiplying 1% of the "national base beneficiary premium" times the number of full, uncovered months you didn't have Part D or creditable coverage. The monthly premium is rounded to the nearest $0.10 and added to your monthly Part D premium.

Note: Maintaining creditable prescription coverage, such as through an employer-sponsored plan, will avoid the Part D late enrollment penalty.

ORIGINAL MEDICARE

Government provided

PART A
Covers hospital stay

+

PART B
Covers doctor and outpatient visits

Need more coverage? You have choices.

OPTION 1

Keep original Medicare and add:

Medicare Supplement Insurance
Covers some or all of the costs not covered by Parts A and B
*Offered by private companies

and/or

PART D
Covers prescription drugs
*Offered by private companies

OPTION 2

Medicare advantage (Part C):

PART C
Combines Parts A and B

Additional Benefits

PART D
Most plans cover prescription drugs
*Offered by private companies

Common coverage options

- Delay Medicare Part A and B and remain on a creditable plan, such as an employer-sponsored plan.
- Enroll in Medicare Part A, delay Part B and remain on a creditable plan, such as an employer-sponsored plan.
- Enroll in Medicare Parts A and B + the Medicare Advantage plan (Part C) that contains prescription drug coverage (Part D).
- Enroll in Medicare Parts A and B + Medigap plan + Part D plan.

Understanding Medicare

Key Coverage Choice Considerations

Remember to keep these points in mind when making your Medicare decisions.

MEDICARE PRIMARY/SECONDARY RULE
Medicare is primary when working for an employer with less than 20 employees and secondary when working for an employer with 20 or more employees.

HEALTH PLAN PREMIUM COST
Compare the premium cost of all coverage options available to you within your budget.

COVERAGE/BENEFITS
Compare the coverage/benefits of all options available to you.

PROVIDER NETWORKS
Compare doctor networks attached to options available to you.

HEALTH SAVINGS ACCOUNT CONTRIBUTIONS
If enrolled in Medicare, one can no longer contribute to an HSA. One must stop HSA contributions the first month in which they turn 65, or, if working past age 65, stop HSA contributions 6 months prior to enrolling in Part A.

MEDICARE PREMIUM BILLINGS
Not a pre-tax, payroll benefit like an employer-sponsored plan usually is.

DEPENDENT REQUIREMENTS
Do you have dependents relying on you for health coverage through an employer plan?

PLAN PORTABILITY
Individual Medicare plans are portable and not tied to employment.

COBRA AND MEDICARE
COBRA is always secondary to Medicare; one must be sure to enroll in Part A and B, if eligible, when on COBRA.

Key Contacts, Resources and Links

Gallagher Medicare consultation and enrollment

Get Medicare consultation over the phone, email or with a virtual meeting from a dedicated licensed Medicare professional. Get help with:

- **Plan enrollment**
- **General Medicare question line**
- **Annual plan management, servicing and review**
- **Prescription analysis**
- **Wellness incentive support**
- **Group webinars**
- **Access to current resource library**

Connect with us

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Resource library items

- Assorted Medicare forms and resources
- How to apply online for Medicare only
- Medicare & You: The Official US Government Medicare handbook
- HSA and Medicare information
- Coordination of benefits resources

Federal and Local Resources

Resource	Overview
Medicare.gov	Official US government site for Medicare.
ssa.gov	Social Security Administration site. Used for Medicare enrollment.
medicare.gov/plan-compare	Search all Medicare plans available to you with the drug cost estimator tool.
Local Office for the Aging	State Health Insurance Assistance Program. Helps navigate options in an unbiased setting.
State Medicaid Office and/or local Social Security Administration	Determine if you are able to get extra help with health and drug costs.
Local Senior Center	Usually hosts Medicare educational information sessions.

Connect with us

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We do not offer every plan available in your area. Currently we represent at least 3 organizations which offer at least 20 products in your area. Please contact Medicare.gov, (800) MEDICARE, or your local SHIP to get information on all of your options.

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