



Medicare 101: Who Qualifies and When Do You Sign Up?

Medicare is the federal health insurance program most Americans become eligible for at age 65. But turning 65 doesn't automatically make every Medicare decision for you. Some people are enrolled automatically, others must sign up, and people who continue working past 65 may have different enrollment choices. Understanding the basics before your 65th birthday can prevent gaps in coverage and, in some cases, permanent late-enrollment penalties.

Who Is Eligible for Medicare?

Most people become eligible for Medicare at age 65 if they are U.S. citizens or have been lawful permanent residents for at least five continuous years. Medicare is also available to some younger people with disabilities and to people with certain serious medical conditions, including end-stage renal disease and ALS.

Eligibility and cost aren't quite the same thing. Most people don't pay a monthly premium for Medicare Part A because they or a spouse paid Medicare taxes long enough while working. Part B, however, normally requires a monthly premium.

Meet the Four Parts of Medicare

Medicare is divided into several parts. **Part A** primarily covers inpatient hospital care, skilled nursing facility care, hospice and certain home health services. **Part B** covers doctors, outpatient services, durable medical equipment and many preventive services. Together, Parts A and B are commonly called **Original Medicare**.

Part D provides prescription drug coverage through private insurance plans approved by Medicare. **Part C**, better known as Medicare Advantage, is a private-plan alternative for receiving your Medicare benefits and usually combines Parts A and B with Part D and sometimes additional benefits.

When Should You Enroll?

For most people first becoming eligible at 65, the Initial Enrollment Period lasts seven months: it begins three months before the month you turn 65, includes your birthday month, and continues for three months afterward. If you're already receiving Social Security benefits sufficiently before age 65, enrollment in Parts A and B may happen automatically.

People covered by an employer health plan based on their own or a spouse's **current employment** may be able to delay Part B without penalty and use a Special Enrollment Period later. Retiree insurance and COBRA don't necessarily provide the same protection, which is why someone working past 65 should check the rules before postponing Medicare.

Missing the Deadline Can Cost You

Late enrollment can result in more than an inconvenience. The Part B late-enrollment penalty can increase your premium for as long as you have Part B, unless you qualify for a Special Enrollment Period. Part D also has a late-enrollment penalty when someone goes too long without Part D or other creditable prescription coverage.

Medicare becomes much easier to understand once you stop looking at it as one giant insurance policy. Start with eligibility and enrollment, learn what each part does, and then decide what additional coverage you need.