

A Financial Advisor’s Guide to Medicare Quick Reference

The transition from employer health insurance to Medicare is fraught with challenges for your clients. Medicare is a dramatically different way to receive health insurance. The rules are seemingly endless and difficult to follow. Use this quick reference to find key resources and ideas for helping your clients make the right moves.

As clients approach age 65, they need to prepare to move from group health insurance to individual Medicare. If they continue to work and remain in their large employer’s group health insurance plan, they can delay enrollment. Four different pieces are required for comprehensive insurance. Each person has two avenues to evaluate and consider:

“The Quartet”

- Medicare Part A—Hospitalization Insurance
- Medicare Part B—Doctors and Outpatient Insurance
- Medicare Part D—Prescription Drug Insurance
- Supplemental Insurance—Medigap plans

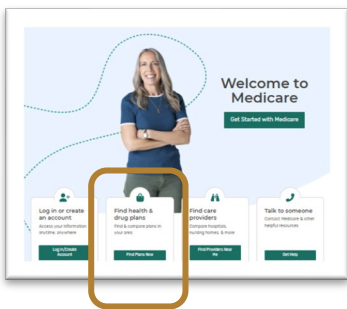
OR

“The Trio”

- Medicare Part A—Hospitalization Insurance
- Medicare Part B—Doctors and Outpatient Insurance
- Medicare Part C with Part D prescription drug coverage wrapped in

You can guide clients to the right resources and help them get started with their entry into Medicare. These four steps may be helpful as your clients navigate the Medicare maze:

STEP 1: ADVISE CLIENTS TO START RESEARCH EARLY



Everyone starts with Medicare Parts A and B. But each individual needs additional insurance for complete coverage.

Suggest clients research and explore their options to find a Medigap, Part D, or Medicare Part C plan 1-2 years in advance. Their plan options are offered only in their zip code and county. The [“Find Plans” tool](#) on [Medicare.gov](#) is the place to go.



On average, retired clients will have 32 Medicare Part C (Advantage) plans to choose from and 10 stand-alone Part D plans.

(2026 plan year, [KFF](#))

STEP 2: EXPLAIN WHERE TO SIGN UP FOR MEDICARE



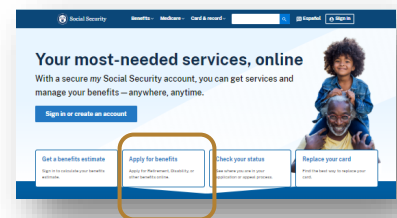
Medicare’s Open Enrollment Period runs from **Oct. 15 – Dec. 7** each year.

Retired clients already in Medicare need to re-shop their Part D and Part C plans every year.

When it’s time to sign up for Medicare Parts A and B, clients will use the [Social Security website](#) (SSA.gov) “apply for benefits” section.

Clients should set up their personal [mySocialSecurity online account](#) before applying for Medicare.

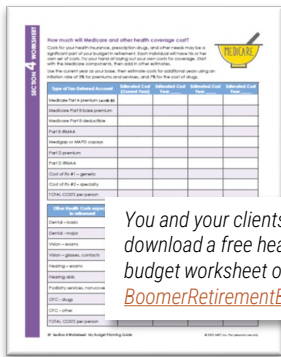
They will sign up for Medigap, Part D, and Part C directly on each insurer’s website.



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STEP 3: CONSIDER ALL HEALTH CARE COSTS FOR 30 YEARS IN RETIREMENT



Encourage clients to build a comprehensive healthcare budget

Healthcare costs in retirement can be a significant part of a client's budget. Help them get a handle on all their future costs, including Medicare Part B premiums, IRMAA upcharges, prescription drug costs, and expenses associated with using other parts of the healthcare system.

Importantly, communicate that Medicare does not cover all healthcare costs. They need to plan for dental, vision, podiatry, and hearing costs. And include any non-prescription drugs and other over-the-counter items for healthy living.



A healthy 65-year-old, retiring in 2026, may need to budget between \$600 and \$1,200 per month for comprehensive Medicare health insurance, before IRMAA upcharges are applied. (Estimate assumes standard Part B premium, Medigap and prescription drugs, fixed amounts for dental, vision, and OTC.)

STEP 4: PLAN FOR INCREASES TO SIGNIFICANTLY OUTPACE GENERAL INFLATION

Planning for rising costs for a 30-year retirement can be challenging. Planning for increases in Medicare can be downright frightening. Costs add up quickly, especially for high-income clients who will be subject to IRMAA. Run various planning scenarios with Medicare premiums increasing for higher inflation and changes in premiums that result from RMDs, Roth conversions, and becoming a widow(er).

For Medicare Part B, IRMAA, and Medigap Premiums:

Set average annual inflation to:

8 – 10%

For Medicare Part D and IRMAA Premiums:

Set average annual inflation to:

6%

Contact me with questions or for more information

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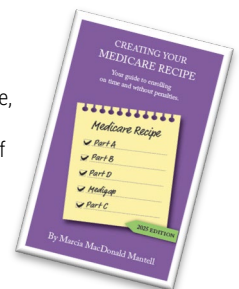
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To take some of the complexity out of Medicare, get *Creating Your Medicare Recipe*, by Marcia Mantell, for you or your clients. It's chock-full of important information to make the process smoother.



2026 Medicare Premiums & Other Costs

Medicare Part A: Usage Costs			
Hospitalization or Mental Health Inpatient		Skilled Nursing Inpatient	
Patient Pays:	Coverage period:	Patient Pays	Coverage Period:
\$1,736	Per benefit period (days 1-60)	\$0	Days 1 -20
\$434/day	Days 61-90	\$217/day	Days 21-100
\$868/day	Days 91-150 – “lifetime reserve days” – then 100%	100%	Of all SNF costs for Days 101+

Medicare Part A does not pay for long-term care

Medicare Part B annual deductible is \$283

Medicare Part B Premiums + IRMAA / Part D IRMAA: Monthly Premiums Per Person

Married Filing Jointly MAGI	Single Filer MAGI	Married Filing Separately	TOTAL Part B Premium including IRMAA	Part D IRMAA	TOTAL OOP Premiums + IRMAA
\$218,000 or less	\$109,000 or less	\$109,000 or less	\$202.90	\$0	\$202.90
\$218k – \$274k	\$109k – \$137k	N/A	\$284.10	\$14.50	\$298.60
\$274k – \$342k	\$137k – \$171k	N/A	\$405.80	\$37.50	\$443.30
\$342k – \$410k	\$171k – \$205k	N/A	\$527.50	\$60.40	\$587.90
\$410k - \$750k	\$205k - \$500k	\$109k - \$391k	\$649.20	\$83.30	\$732.50
\$750k+	\$500k+	\$391k+	\$689.90	\$91.00	\$780.90

IRMAA is the Income-Related Monthly Adjustment Amount. High-income retirees pay an upcharge in years when their Medicare MAGI falls into the higher income brackets. Medicare MAGI is AGI + Non-Taxable Income, two years in arrears.

Part B premiums are automatically deducted from Social Security payments once both programs are in place.

If clients have Part B only, they should [pay premiums online](#), on time, each quarter.

Clients who retire may need to appeal IRMAA charges. They have 60 days from the date on their Social Security letter to appeal.

[Use Form SSA-44.](#)

2026 Medicare Premiums & Other Costs

Medigap Plans: help clients pay their share of Part A and Part B costs

The monthly premium depends on each client's:

- Zip code & county of their primary residence
- The level of coverage they choose (from basic to comprehensive)
- The insurance company offering the plan

IMPORTANT

- Any provider or facility that accepts Medicare A and B must accept your client's Medigap plan.
- If a client has Part C and later wants to switch to a Medigap, most states require medical underwriting. They are likely to be denied coverage, required to wait for coverage, or charged more.
- CT, MA, ME, and NY allow continuous open enrollment, and generally do not require underwriting.

Medigap premiums typically range from about \$150 - \$400 per month per person.

Plans in MA, MN, and WI have their own unique Medigap plan structure.

Medicare Part D: Monthly Premiums + Rx Costs

Out-of-pocket costs for COVERED RXs capped at \$2,100

Costs are determined by the prescription drugs each client needs:

- Lowest monthly premium in many states in 2026 remains at \$0. Most insurers increased premiums.
- Clients need to check current availability and pricing of Part D plans in their zip code each year from 10/15 – 12/7.
- Insulin is capped at \$35 per product if on the Part D formulary and through an in-network pharmacy.



Maximum Part D deductible in 2026 is \$615.

Medicare Part C: Advantage plans are not free!

- Many Part C plans have increased monthly premiums, increased copays for hospital stays and other services, and reduced "extra goodies" like dental and vision cost-sharing.
- Clients pay a share of the costs for most healthcare in a Part C plan until they reach the plan's required limit. Maximum out-of-pocket costs in 2026 are \$9,250 in-network and \$13,900 in- and out-of-network.
- Not all providers or facilities will be in-network. Many plans have been canceled or have changed their network status for 2026.

It's up to each client to check directly with their doctors and specialists!

If a client's doctor or hospital no longer takes their Part C plan, they can switch during Medicare Advantage Open Enrollment, from Jan 1 to Mar 31 each year



New Part D and Part C plans begin January 1st. They are 1-year contracts. Check the pharmacy status. Preferred-in-network offers the lowest costs. Mail order is usually the best price option.

Remind clients to contact all prescribers to update them with new plan information.