



OFFICIAL GUIDE *for* MEDICARE



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WELCOME

you are not alone

Turning 65 comes with a milestone birthday —
and a new set of decisions.

If you're feeling uncertain about Medicare, you're not alone.

Many individuals describe the process as confusing, overwhelming, or filled with unfamiliar terminology. That's completely understandable. Medicare includes multiple parts, timelines, and choices — and most people only go through this process once.

This guide was created to provide a calm, clear overview of how Medicare works and what to consider as you approach age 65.

There is no single “right” path that fits everyone. Your health needs, budget, travel habits, and comfort with risk all play a role. The goal of this guide is not to highlight a particular choice — it's to help you understand your options so you can move forward with confidence.

Throughout these pages, you'll find:

- A simple explanation of how Medicare is structured
- Key enrollment timelines to know
- Difference between Original Medicare & Medicare Advantage
- An overview of supplemental coverage options
- Questions to help clarify your priorities

Medicare is a federal program, but your choices are personal. With the right information, the process becomes manageable — one step at a time.

*Best regards,
Jackson & Monica*



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Getting Personalized Help

This guide is for educational purposes only and does not represent a recommendation of any specific Medicare plan.

MEDICARE

overview

Before looking at plan options, it helps to understand how Medicare is structured.

Medicare is divided into different “parts.” Each part covers something specific. Think of it as a framework — once you understand the pieces, the decisions become much clearer.

Medicare Part A – Hospital Coverage

Part A generally helps cover:

- Inpatient hospital stays
- Skilled nursing facility care (short-term, following a hospital stay)
- Some home health services
- Hospice care

Most people do not pay a monthly premium for Part A if they (or their spouse) worked and paid Medicare taxes for at least 10 years.

Medicare Part B – Medical Coverage

Part B helps cover:

- Doctor visits
- Outpatient care
- Preventive services
- Lab work and diagnostic testing
- Durable medical equipment

Part B does have a monthly premium, which may vary depending on income.

MEDICARE

overview

Medicare Part C – Medicare Advantage

Medicare Advantage plans are offered by private insurance companies approved by Medicare. These plans combine Part A and Part B coverage and often include prescription drug coverage as well.

Medicare Advantage plans may also include additional benefits not covered under Original Medicare, such as dental or vision coverage. Availability and plan details vary by county.

Medicare Part D – Prescription Drug Coverage

Part D helps cover prescription medications.

It can be added to Original Medicare through a standalone drug plan, or it may be included within a Medicare Advantage plan.

Even if you do not currently take medications, understanding Part D is important to avoid potential late enrollment penalties.

Medigap (Medicare Supplement Insurance)

Medigap policies are designed to work alongside Original Medicare. These plans help cover certain out-of-pocket costs such as deductibles, coinsurance, and copayments.

Medigap policies are standardized by plan type, but premiums vary by insurance company and location.



MEDICARE

overview summary



A Simple Way to Think About It

At a high level, most people choose between:

Option 1:

Original Medicare (Part A + Part B)

- Optional Part D
- Optional Medigap policy

Option 2:

Medicare Advantage (Part C), which replaces Part A and Part B and often includes Part D

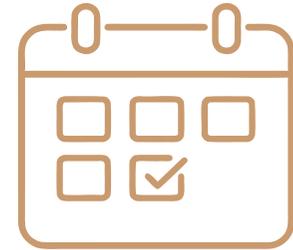
The rest of this guide will help you understand how to evaluate those paths in a way that fits your situation.

ELIGIBILITY

when to enroll

Your Initial Enrollment Period (IEP)

Your Initial Enrollment Period begins:



3 Months Before Your 65th Birthday Month

You may enroll in Medicare Part A and Part B.

Enrolling during this early window can help ensure your coverage begins without delay.

Your 65th Birthday Month

You may still enroll during this month.

3 Months After Your Birthday Month

This is the final portion of your Initial Enrollment Period.

Waiting until the later months of this window may result in delayed coverage start dates.

Altogether, this creates a **7-month enrollment window**.

A Simple First Step

Mark your 65th birthday month on your calendar.

From there, decisions can be made calmly and intentionally.

Visit page **24** & **25** to complete a **Medicare Readiness Workbook**.

ELIGIBILITY

when to enroll

If You Are Still Working at 65

If you (or your spouse) have health coverage through active employment:

- You may be able to delay enrolling in Part B
- You may be able to delay enrolling in Part D

However, employer coverage must meet Medicare's definition of "creditable coverage." Confirming this with your benefits administrator before delaying enrollment is important.

When employer coverage ends, you may qualify for a **Special Enrollment Period**.

If You Miss Your Initial Enrollment Period

Medicare provides a General Enrollment Period each year:

January 1 – March 31

However, late enrollment penalties may apply if you did not have qualifying coverage.

WORKING

at sixty five

Turning 65 does not automatically mean you must enroll in every part of Medicare.

If you (or your spouse) are still working and covered by an employer health plan, your enrollment decisions may look different.

The key question becomes:

Is your employer coverage considered “creditable” under Medicare rules?

What “Creditable Coverage” Means

Creditable coverage simply means that your current health insurance is expected to pay, on average, at least as much as Medicare would.

If your coverage is creditable, you may be able to:

- Delay enrolling in Medicare Part B
- Delay enrolling in Medicare Part D

Without facing late enrollment penalties.



Most large employer plans meet this standard. However, smaller employer plans may not. It is important to confirm this directly with your benefits administrator before making any decisions.

WORKING *at sixty five*

Employer Size Matters

Medicare rules differ depending on the size of your employer.

In general:

- If your employer has **20 or more employees**, your group coverage usually pays first, and Medicare may be secondary.
- If your employer has **fewer than 20 employees**, Medicare may become primary at age 65 — meaning you may need to enroll in Part B to avoid coverage gaps.

Because rules can vary, verifying your specific situation is essential.

Special Enrollment Period (SEP)

If you delay Medicare due to active employer coverage, you are typically eligible for a Special Enrollment Period when that coverage ends.

This Special Enrollment Period generally lasts:

- 8 months to enroll in Part B
- 63 days to enroll in Part D

Acting within these timeframes helps prevent permanent late enrollment penalties.

WORKING *at sixty five*

Common Situations That Require Extra Attention

Look more closely at your Medicare timing if:

- You are retiring within the next year
- Your spouse is retiring soon
- Your employer is offering early retirement packages
- You are transitioning to COBRA
- You are moving from employer coverage to an individual marketplace plan

COBRA and marketplace coverage are not always treated the same as active employer coverage under Medicare rules.

A Gentle Reminder

The most common Medicare mistake for working individuals is assuming they can enroll “whenever they’re ready.”

Medicare enrollment rules are time-sensitive, even for people who plan to continue working.

Taking time to verify your coverage now can prevent unnecessary stress later.

PATH TO COVERAGE

Original vs. Advantage

When people enroll in Medicare, they typically choose between two general approaches. Each works differently, and the right choice depends on your health needs, budget preferences, and comfort with how care is managed. Understanding the structure of each option can make the decision feel far less overwhelming.

Option 1: Original Medicare

Original Medicare includes:

- Part A (Hospital coverage)
- Part B (Medical coverage)

With Original Medicare, you may also choose to add:

- A standalone Part D prescription drug plan
- A Medigap (Medicare Supplement) policy



How It Works

Original Medicare allows you to see any provider nationwide who accepts Medicare. There are generally no network restrictions, and referrals are not typically required to see specialists.

However, Original Medicare does not limit your annual out-of-pocket spending unless you add a Medigap policy. Many people choose supplemental coverage to help manage deductibles and coinsurance.

This Structure May Appeal If:

- Flexibility in choosing doctors nationwide
- Predictable coverage structure
- Ability to pair with a Medigap policy for reduced out-of-pocket variability

PATH TO COVERAGE

Original vs. Advantage

Option 2: Medicare Advantage

Medicare Advantage plans are offered by private insurance companies approved by Medicare.

These plans replace Original Medicare and combine:

- Part A
- Part B
- Often Part D

Many Medicare Advantage plans include additional benefits not covered by Original Medicare, such as dental, vision, or hearing services.

How It Works

Medicare Advantage plans typically use provider networks.

This may mean:

- Choosing doctors within a network
- Obtaining referrals for specialists (depending on plan type)

These plans include an annual maximum out-of-pocket limit for covered services, which Original Medicare does not provide on its own. Availability and benefits vary by county.

This Structure May Appeal If:

- Bundled coverage in one plan
- Included additional benefits

PATH TO COVERAGE

Original vs. Advantage

A Helpful Way to Think About the Difference

Original Medicare emphasizes provider flexibility and nationwide access.

Medicare Advantage emphasizes coordinated care within a structured network and bundled benefits.

Both paths are regulated by Medicare. The experience of coverage, however, can feel different depending on which structure you choose.

Questions to Consider

As you think about your options, you may want to ask:

- Do I travel frequently or live in multiple states?
- How important is nationwide provider flexibility?
- Am I comfortable using a provider network?
- Do I prefer predictable monthly costs?
- Would bundled benefits simplify my coverage?

There is no universally “right” answer — only what aligns with your priorities.

PATH TO COVERAGE

Structural Comparison

Feature	Original Medicare	Medicare Advantage
Who administers the coverage	Federal government	Private insurance companies approved by Medicare
What it includes	Part A + Part B	Part A + Part B (often includes Part D)
Prescription drug coverage	Purchased separately (Part D)	Often included
Provider access	Any provider nationwide who accepts Medicare	Typically uses a provider network
Referrals for specialists	Generally not required	May be required, depending on plan type
Out-of-pocket limit	No annual maximum (unless supplemented with Medigap)	Annual maximum out-of-pocket limit included
Additional benefits (dental, vision, hearing)	Not included in Original Medicare	May be included
Supplemental coverage	Medigap policies available	Medigap cannot be used with Medicare Advantage

UNDERSTANDING

Medigap

How Supplemental Coverage Works

Medigap — also called Medicare Supplement Insurance — is designed to work alongside Original Medicare.

While Original Medicare covers many hospital and medical services, it does not cover all out-of-pocket costs.

Deductibles, coinsurance, and copayments can still apply. A Medigap policy helps pay for some of those remaining expenses.

How Medigap Is Structured

Medigap policies are:

- Offered by private insurance companies
- Standardized by plan letter (Ex: Plan G or Plan N)
- Regulated by federal and state rules

Each plan letter provides the same basic benefits regardless of which insurance company offers it. The difference between companies is typically the premium and customer service experience.

UNDERSTANDING *Medigap*

When You Can Enroll

The most important time to enroll in a Medigap policy is during your **Medigap Open Enrollment Period**.

This six-month window begins:

When you are 65 or older

AND

Enrolled in Medicare Part B

During this time:

- Insurance companies generally cannot deny coverage
- Medical underwriting typically does not apply

After this window closes, applying for a Medigap policy may require answering health questions, and approval is not guaranteed in most situations.

Medigap and Medicare Advantage

Medigap policies can only be used with Original Medicare. They cannot be used alongside a Medicare Advantage plan.

Many people assume they can purchase a Medigap policy at any time. In reality, your initial six-month enrollment window is often the most straightforward opportunity to secure coverage without health-related questions.

MEDIGAP

Enrollment

Medicare Part B Start	6 month Medigap enrollment ends
January	June
February	July
March	August
April	September
May	October
June	November
July	December
August	January (following year)
September	February (following year)
October	March (following year)
November	April (following year)
December	May (following year)

Your Medigap Open Enrollment Period is based on your Medicare Part B effective date, which may not match your 65th birthday month.

PRESCRIPTION

Drug Coverage

What You Should Know

Medicare Part D provides coverage for prescription medications.

While Medicare Part A and Part B cover hospital & medical services, they do not generally cover most outpatient prescription drugs. That is where Part D comes in.

Prescription drug coverage is available in two ways:

- As a standalone Part D plan paired with Original Medicare
 - Included within many Medicare Advantage plans
- Availability and plan details vary by county.



Even If You Don't Take Medications

Some people consider skipping prescription coverage because they currently take few or no medications.

However, Medicare includes a late enrollment penalty for Part D if you delay enrollment without having other “creditable” prescription coverage.

This penalty is added to your monthly premium and may continue for as long as you have Part D coverage.

Understanding your options early can help prevent unnecessary penalties later.

PRESCRIPTION

Drug Coverage

How Part D Plans Work

Part D plans:

- Have monthly premiums
- Include annual deductibles (in some cases)
- Use formularies (lists of covered medications)
- May place medications into cost “tiers”

Because formularies differ between plans, reviewing your specific prescriptions is an important part of the decision process.

The Coverage Phases

Part D plans generally move through coverage phases during the year:

- Deductible phase (if applicable)
- Initial coverage phase
- Coverage gap phase
- Catastrophic coverage phase

While these terms may sound complex, most individuals only need to understand how their specific medications are covered within a chosen plan.

We've provided you a **Prescription Drug Workbook** on page **27** to list your prescriptions and easily compare formularies and networks.

COVERAGE

Gaps

Understanding the Gaps

Medicare provides broad coverage for hospital and medical services, but it does not cover everything.

Understanding these limitations early can help you plan more confidently.

Dental Care

Original Medicare does not typically cover:

- Routine dental exams
- Cleanings
- Fillings
- Dentures



Some Medicare Advantage plans may include limited dental benefits.

Vision Services

Medicare generally does not cover:

- Routine eye exams
- Eyeglasses or contact lenses

Coverage is typically limited to specific medical eye conditions.

Hearing Services

Medicare does not usually cover:

- Routine hearing exams
- Hearing aids

Some Medicare Advantage plans may offer limited hearing benefits.

COVERAGE

Gaps

Long-Term Care

One of the most misunderstood areas is long-term care.

Medicare does not cover:

- Custodial care in a nursing home
- Long-term assisted living
- Ongoing personal care services

Medicare may cover short-term skilled nursing facility care following a qualifying hospital stay, but it does not cover extended residential care.

Care Outside the United States

Original Medicare generally does not cover medical services received outside of the United States, with limited exceptions.

Why This Matters

Many people assume Medicare replaces all health-related expenses. In reality, it is one part of a broader financial and health planning picture.

Understanding what Medicare does not cover allows you to make thoughtful decisions about supplemental coverage, budgeting, and long-term planning.

MEDICARE

Readiness Workbook

My Timeline

- Have I already enrolled in Part A? Yes/No
- I currently have employer coverage: Yes/No
- I have confirmed whether my coverage is creditable: Yes/No
- Do I plan to continue working past 65? Yes/No
- I plan to retire around _____

My Priorities

Circle or rank statements that feel most important:

- Predictable monthly costs help me feel secure.
- I want the freedom to see doctors nationwide.
- I prefer structured networks and coordinated care.
- I am comfortable with cost-sharing when I use services.
- I travel frequently or split time between states.
- I want bundled benefits in one plan.
- I prefer separating coverage into different components.
- I value having an annual maximum out-of-pocket limit.
- I value lower monthly premiums.

Questions to Ask Before Enrolling

- What is my estimated monthly premium?
- What is my maximum out-of-pocket cost?
- Are my doctors in network (if applicable)?
- Are my medications covered?

MEDICARE

Readiness Workbook

My Timeline

- My 65th birthday month is: _____
- My Initial Enrollment Period begins: _____
- My Initial Enrollment Period ends: _____

Birth Month	Period Begins	Period Ends
January	October 1	April 30
February	November 1	May 31
March	December 1	June 30
April	January 1	July 31
May	February 1	August 31
June	March 1	September 30
July	April 1	October 31
August	May 1	November 30
September	June 1	December 31
October	July 1	January 31
November	August 1	February 28/29
December	September 1	March 31

ENROLLMENT TIMELINES ARE BASED ON FEDERAL MEDICARE GUIDELINES AND MAY BE SUBJECT TO CHANGE. ALWAYS VERIFY CURRENT DATES AT [MEDICARE.GOV](https://www.medicare.gov)

PROVIDERS

Workbook

Evaluating Network Needs

If you are approaching Medicare enrollment, make a list of your current treating doctors, providers, and specialists, including their practice or hospital, city, and state.

This will make plan comparisons much easier and more accurate. We've provided an example for you below.

Doctor Name	Specialty	Practice, Hospital	City, State

PRESCRIPTION

Drug Workbook

A Simple First Step

If you are approaching Medicare enrollment, make a list of your current prescriptions, including dosage and frequency.

This will make plan comparisons much easier and more accurate. We've provided an example for you below.

Drug Name	Dosage	Form (tablet, injection, etc)	Frequency	Brand (if required)

MEDICARE COSTS

at a glance

While coverage details matter, understanding the basic cost structure can help you plan confidently.

For individuals enrolling in 2026:

- Standard Part B premium: \$202.90 per month
- Part B annual deductible: \$283
- Most beneficiaries pay \$0 for Part A (based on work history)

Medicare Advantage, Part D, and Medigap plans have additional premiums and cost structures that vary by plan and county.

Income-Related Monthly Adjustment Amount (IRMAA)

Higher-income beneficiaries may pay more for:

- Medicare Part B
- Medicare Part D

This adjustment is based on tax returns from two years prior.

If your income has recently changed due to retirement or other life events, you may request a review through Social Security.



PERSONALIZED

Guidance

This guide is intended to provide general educational information about Medicare.

If you would like to discuss your individual situation, you may choose to speak with a licensed insurance professional, contact Medicare directly, or consult your local State Health Insurance Assistance Program (SHIP).

Compass Consultants is a licensed independent insurance agency with agents serving Florida, Ohio, and Pennsylvania residents. Educational consultations are available upon request.

If a discussion involves specific Medicare Advantage or Part D plan options, a formal **Scope of Appointment** will be completed in accordance with federal Medicare guidelines.

For general questions, Compass Consultants may be contacted at www.GuidedByCompass.com or:

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Please contact Medicare.gov, 1-800-MEDICARE, or your local SHIP for information on all available options.

This guide reflects Medicare guidelines for 2026. Future benefit structures and costs may change.