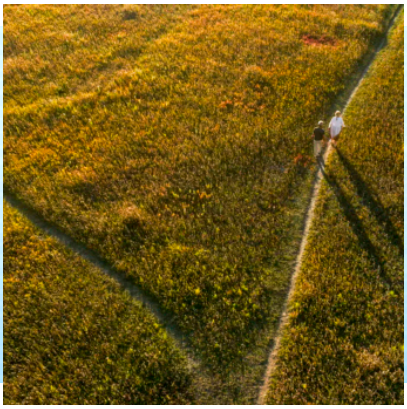


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Medicare Open Enrollment: Five Things to Review Before December 7

When it comes to retirement planning, some of the most important decisions aren't necessarily the ones you make once, but the ones you revisit along the way.

Your healthcare coverage is a good example: Even if you've been enrolled in Medicare for years, your coverage needs may change. The plans available to you can also change, including their costs, benefits, and provider networks.

For retirees and individuals already enrolled in Medicare, the annual Open Enrollment Period offers an opportunity to reassess how healthcare coverage fits into a broader retirement plan. Running from October 15 through December 7, this period provides an opportunity to evaluate existing coverage and consider whether changes are warranted.

During this period, eligible Medicare beneficiaries can make changes to their Medicare Advantage or prescription drug coverage, including switching between Original Medicare and Medicare Advantage. Changes generally take effect January 1 of the following year.

Reviewing your coverage doesn't necessarily mean making a change. The objective is to understand what's different, what remains appropriate, and how your healthcare coverage fits into your broader financial plan.

Here are five important areas to consider before the December 7 deadline.

1. HAS YOUR CURRENT MEDICARE PLAN CHANGED?

It's easy to assume that if your Medicare coverage worked well this year, it will continue to serve you just as well next year.

That isn't always the case. Medicare Advantage and Part D prescription drug plans can change from one year to the next. Those changes may include monthly premiums, deductibles, copayments, prescription drug coverage, and provider networks.

For that reason, one of the best places to begin your annual review is with your existing coverage. Each fall, individuals enrolled in Medicare Advantage or Part D plans receive an Annual Notice of Change (ANOC), which outlines important changes taking effect the following January. Reviewing this document can help you identify potential surprises before

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they become a reality.

For example, a plan that previously offered relatively low prescription copays might change how certain medications are covered. Similarly, a Medicare Advantage plan could adjust its network of participating healthcare providers.

The Annual Notice of Change provides a useful starting point for evaluating these differences. Even when existing coverage has worked well, confirming that its costs, benefits, and restrictions remain appropriate can help reduce the risk of unexpected expenses in the coming year. For some individuals, that review may reinforce the decision to maintain their current coverage.

2. ARE YOUR PREFERRED DOCTORS AND HOSPITALS STILL COVERED?

For many retirees, the ability to maintain relationships with trusted healthcare providers is an important consideration when choosing Medicare coverage. This can be particularly relevant for individuals enrolled in Medicare Advantage plans, which typically operate through networks of participating doctors, hospitals, and specialists.

Those networks may change over time. A physician who participates in your plan today might not necessarily remain in-network next year.

Medicare Advantage plans must cover medically necessary services covered by Original Medicare, but they may have different rules governing provider access, referrals, and prior authorizations.

Original Medicare generally provides greater flexibility to visit healthcare providers nationwide who accept Medicare.

However, greater provider flexibility is only one part of the comparison. Medicare Advantage plans establish annual out-of-pocket limits for covered Part A and Part B services and may include supplemental benefits not available through Original Medicare alone. Original Medicare has no comparable annual out-of-pocket limit, although Medigap coverage may help address certain expenses.

Neither approach is universally preferable. The relevant tradeoffs include access to providers, coverage restrictions, supplemental benefits, and total expected healthcare costs.

For retirees who travel frequently or maintain residences in multiple states, provider flexibility may be particularly valuable. Others place greater emphasis on cost predictability or supplemental benefits. Understanding these tradeoffs can help clarify whether existing coverage remains appropriate.

3. ARE YOU GETTING THE MOST FROM YOUR PRESCRIPTION DRUG COVERAGE?

Prescription medications can represent a meaningful portion of healthcare spending in retirement, particularly for individuals managing chronic conditions or taking multiple medications. Even if your prescriptions haven't changed, your coverage might.

Medicare Part D plans maintain lists of covered medications, known as formularies. Plans may change which drugs they cover, how medications are categorized into pricing tiers, and what you'll pay at different pharmacies. This means that a

plan offering favorable prescription costs this year might not necessarily be your most cost-effective option next year.

When reviewing your coverage, consider your full list of prescriptions, including dosages and preferred pharmacies. Comparing plans based on your actual medications can provide a more realistic picture of potential expenses than simply comparing monthly premiums.

Recent changes to Medicare Part D have also introduced greater limits on prescription drug spending. An annual out-of-pocket cap now applies to covered Part D medications, although the applicable dollar amount is subject to annual adjustment. For individuals with substantial prescription expenses, this provision may improve cost predictability.

The Medicare Prescription Payment Plan allows beneficiaries to spread eligible out-of-pocket costs for covered Part D prescriptions across the calendar year. While this option doesn't reduce the total cost of medications, it may help make those expenses more manageable from a monthly budgeting perspective.

These changes can improve the predictability and timing of prescription expenses, but they do not eliminate differences among plan formularies, drug tiers, or pharmacy networks. Comparing coverage based on actual medications and anticipated total costs remains an important part of the annual review.

4. HOW WILL YOUR TOTAL HEALTHCARE COSTS AFFECT YOUR RETIREMENT BUDGET?

When evaluating Medicare coverage, it's tempting to focus primarily on the monthly premium. But premiums are only one part of the financial equation.

Depending on your coverage, you may also face deductibles, copayments, coinsurance, and expenses for services that Medicare doesn't cover.

One plan might offer a lower monthly premium, while another could provide more predictable out-of-pocket costs or better coverage for the services you're most likely to use.

For example, a retiree living primarily on a combination of Social Security benefits and portfolio withdrawals may want to carefully evaluate how unexpected healthcare expenses could affect annual cash flow.

Higher-income retirees should also be aware of the Income-Related Monthly Adjustment Amount (IRMAA), which can increase Medicare Part B and Part D premiums based on income. These adjustments are generally determined using tax return information from two years earlier.

Although IRMAA isn't something you can simply eliminate by switching Medicare plans, it illustrates an important connection between healthcare costs, retirement income decisions, and tax planning.

This connection can become particularly relevant when evaluating retirement account distributions, Roth conversions, or the realization of capital gains. A decision that increases income in one year may affect Medicare premiums two years later, creating a planning consideration beyond the immediate income tax consequences. For a closer look at how income may affect Medicare premiums, our Medicare IRMAA flowchart provides a framework for understanding when

additional premium may apply.

Certain life-changing events, such as retirement or the death of a spouse, may also provide grounds to request an IRMAA adjustment. For additional information about qualifying events and the appeals process, see our SSA-44 requirements blog. These circumstances underscore the importance of understanding both the calculation and the available review process.

At Grimes & Company, we view healthcare expenses as one component of a broader retirement income strategy. Evaluating expected premiums, potential out-of-pocket exposure, and the tax implications of retirement income decisions together can provide a more complete picture than comparing insurance premiums alone. Your Grimes advisor can help incorporate these considerations into your broader financial plan.

5. DOES YOUR COVERAGE STILL REFLECT YOUR HEALTHCARE NEEDS AND RETIREMENT LIFESTYLE?

Perhaps the most important question to ask during Open Enrollment is also one of the simplest: Does my current coverage still make sense for me?

Our healthcare needs and personal circumstances naturally evolve over time. You might have developed a new health condition, started seeing a specialist, changed medications, relocated, or begun spending more time traveling. Or perhaps your current coverage continues to meet your needs, and no changes are necessary.

Either way, taking stock of your circumstances can help you evaluate whether your existing coverage remains appropriate. For some individuals, this may mean reviewing the differences between Original Medicare and Medicare Advantage. For others, it may simply involve confirming that their prescription drug coverage remains competitive.

One important consideration involves switching from Medicare Advantage back to Original Medicare. While beneficiaries may be able to make this change during the applicable enrollment period, purchasing Medicare Supplement Insurance, commonly known as Medigap, is a separate decision.

Outside certain guaranteed-issue protections, Medigap insurers may be permitted to consider an applicant's medical history or deny coverage, depending on state rules and individual circumstances. This means that returning to Original Medicare does not necessarily guarantee access to the supplemental coverage an individual may want.

As a result, significant coverage changes warrant consideration of more than next year's premiums and benefits. Understanding the availability of supplemental coverage, potential underwriting requirements, and longer-term implications can help prevent a short-term decision from creating unintended limitations in the future.

A DISCIPLINED APPROACH TO MEDICARE OPEN ENROLLMENT

Medicare Open Enrollment is not necessarily about finding a new plan or reducing premiums. It is an opportunity to confirm that existing coverage continues to reflect your healthcare needs, financial priorities, and retirement lifestyle.

The tradeoffs extend beyond monthly costs. Provider access, prescription coverage, out-of-pocket exposure, and the

potential consequences of changing plans can all influence the value of a particular coverage arrangement.

For many retirees, maintaining existing coverage may remain the most appropriate decision. For others, changes in health, lifestyle, or plan benefits may warrant a closer comparison. What matters is evaluating these considerations within the context of both immediate costs and longer-term implications.

You can use the official Medicare Plan Compare tool to explore available coverage options, estimate costs, and review plan details.

Remember, **December 7 is the deadline for making changes during Medicare's annual Open Enrollment Period**, with most changes taking effect January 1.

As healthcare needs, coverage options, and regulations continue to evolve, maintaining a thoughtful review process remains an important part of retirement planning.

New to Medicare? If you're approaching Medicare eligibility rather than reviewing existing coverage, our 2026 Enrolling in Medicare checklist provides an overview of the initial enrollment process, including gathering necessary documents, enrolling in Parts A and B, and confirming coverage.

WANT TO LEARN MORE ABOUT MEDICARE?

Join Grimes & Company Principal and EVP Emily Wood and Medicare expert Danielle Roberts of Boomer Benefits for our upcoming webinar, **Understanding Medicare: The Ins and Outs of Medicare Coverage**, on Monday, November 23, at 1 p.m. ET.

You can RSVP for this educational event to explore Medicare coverage options, enrollment considerations, costs, and more, and gain practical information to help you navigate important healthcare decisions.

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