

The Truth Behind Common Medicare Misconceptions

Millions of people get help from Medicare annually, and this coverage can be a lifesaver. Despite widespread usage, there are many misconceptions about Medicare. To learn more about this government insurance program as you prepare for retirement, here is a look at the truth behind some of the most pervasive Medicare myths.

Myth: Only Seniors Can Get Medicare

Truth:

Although most people on Medicare are seniors, the program also offers coverage to some younger people with disabilities or end-stage renal failure. If you're disabled and under age 65, you can get Medicare once you have received disability benefits from Social Security or the Railroad Retirement Board for at least 24 months or have not yet filed for them. People with ALS (Lou Gehrig's disease) can get on Medicare as soon as their disability benefits start. If you have end-stage renal failure, you can also get on Medicare right away, and in this rare situation, you can get your coverage backdated for up to a year if you don't sign up right away. Or if you or your spouse had Medicare-covered government employment. ¹

Myth: Everyone Over Age 65 Gets Medicare

Truth:

To get Medicare after your 65th birthday, you must have paid into the system. While working, you pay a certain percentage of your income as Medicare premiums. Typically, you need to have at least 40 credits to qualify for Medicare. This equates to about ten years of working. As of 2022, you earn a credit for every \$1,510, and you can earn up to four credits per year. If you don't have 40 credits, you may be able to get Medicare, but you will have to pay a premium. You have to be a U.S. resident and be either a U.S. citizen or an alien who has been lawfully admitted for permanent residence and has been residing for five continuous years prior to the month of filing for Medicare. ⁱⁱ

Myth: Medicare Starts Automatically

Truth:

Many people assume that if they've been paying premiums, Medicare starts right away when they turn 65, but actually, Medicare part A only starts automatically if you are receiving Social Security retirement benefits. In all other cases, you need to apply. The same goes for Part B, if you are eligible you will be enrolled automatically. If not you will have to sign up.^[i] You can apply for Medicare online if you meet specific criteria. Otherwise, you can apply over the phone or in person at a Social Security office. ⁱⁱⁱ



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Myth: You Have to Be on Social Security to Receive Medicare

Truth:

As indicated above, many seniors receive Social Security benefits while they are on Medicare, and disabled people may receive Social Security disability benefits while on Medicare. But you do not have to be on Social Security to receive Medicare as long as you are a U.S. citizen or lawful permanent resident. When you retire, you can delay your Social Security benefits until age 70, but you are still eligible for Medicare as soon as you turn 65.^{iv}

Myth: You Always Face a Penalty If You Delay Signing Up for Medicare Part B

Truth:

When you sign up for Medicare, you automatically get Medicare Part A, and you can choose if you want Parts B, C, or D. Typically, if you don't sign up for Part B right away, you face a penalty on your premiums for the rest of your life, but when you have coverage through your employer, you can delay signing up for Part B until your coverage lapses, without facing a penalty.^v

Important Disclosures

All information is believed to be from reliable sources; however, LPL Financial makes no representation as to its completeness or accuracy.

Medicare's rules can be confusing for many people. The Medicare website (medicare.gov) can be a valuable resource. Every year, Medicare also mails Medicare & You to beneficiaries and makes this fact-filled publication available online. You may want to review it to make sure you have an accurate understanding of the Medicare program.

This article was prepared by The Kiplinger Washington Editors.

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Footnotes

ⁱ [Who is eligible for Medicare? | HHS.gov](http://www.hhs.gov)

ⁱⁱ [Original Medicare \(Part A and B\) Eligibility and Enrollment | CMS](http://www.cms.gov)

ⁱⁱⁱ [How do I sign up for Medicare? | Medicare](http://www.medicare.gov)

^{iv} [Can You Get Medicare Without Social Security \(aarp.org\)](http://www.aarp.org).

^v [Avoid late enrollment penalties | Medicare](http://www.medicare.gov)

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