

Post-Retirement Health Coverage

You may be looking forward to retirement, to a time of life when you can do what you enjoy doing without workday pressures. But you're probably also well aware the planning is essential if you'd like to enjoy retirement to the utmost. One vital element of planning, if you want to close the door on financial concerns, is ongoing health insurance.

The best time to think about the health coverage you will need after 65 is long before you reach 65, while you may still be covered by on-the-job group health insurance and while you have more options. Here's what to do:

- Ask your employer whether your group insurance benefits can continue beyond retirement. Some employers will continue to pay all or part of the cost of continued coverage. Others won't, but will let you sign up yourself. It may be a good idea to continue group coverage, even if you have to pay the premiums and even if you have to supplement a less-than-perfect policy, because the coverage is generally much cheaper than individual coverage.
 - If you can't continue the group plan, ask if you can convert it to an individual plan. The individual premiums will be higher, but you won't have any lapse in coverage.
 - Whether you continue in the group plan or convert the group plan to an individual policy, find out whether you can get additional benefits under the company policy. There might be a rider, for example, permitting you to buy additional days of hospital coverage.
 - Several months before you reach age 65. Make sure that your Social Security records are in order and that you apply for Medicare. Benefits are not automatic. You must apply, and it is best to do so early. If you do not sign up for Medicare Part B (medical insurance) when you first become eligible, you may do so only during the first months of each succeeding year.
 - Think about your post-retirement plans. Medicare's coverage is limited to the United States, including Puerto Rico, the Virgin Islands, Guam and American Samoa. If you plan to do much traveling after retirement, be sure that you have private insurance, which will pick up any overseas health care costs.
- Look at Medicare's benefits, which cover less and less each year, and consider buying a supplemental policy to pick up Medicare's deductibles and coinsurance. And, if you are planning to purchase a supplemental policy, do so early to avoid any gaps in coverage. An important consideration is spouse (under age 65) coverage. That person is not eligible for Medicare and most companies won't write an individual policy above age 60. Talk to your agent, who will help you evaluate your needs.
 - If you retire before you are eligible for Medicare, and have worked for a company with at least 20 employees, federal law requires the company to offer continuation health insurance for up to 18 months. You will have to pay the premiums, which can be up to 102 percent of the actual cost; the extra 2 percent defrays administrative costs.

Discuss your health insurance needs with a professional health insurance agent or advisor who can assist you in making choices that fit your lifestyle and budget.