



Retiring Before 65 – Bridging Coverage Until Medicare

If you leave work before you turn 65, you need a plan for health coverage until Medicare starts. The options below are the most common bridges — cost and eligibility vary by your situation.

Common Bridge Options

- Marketplace (ACA) plan — often the strongest option if you qualify for premium tax credits
- COBRA — continue the employer plan for a limited time; you usually pay the full premium plus a fee
- Spouse's employer plan — if available and you can join under their rules
- Retiree coverage from a former employer — if offered; rules and cost sharing vary widely
- Short-term coverage — temporary only; not ACA-compliant and may exclude pre-existing conditions
- Medicaid — if income qualifies under your state's rules

Why Marketplace Often Wins Before 65

- Premium tax credits can lower the monthly cost based on household income and family size
- Plans cover essential health benefits and have an annual out-of-pocket maximum
- Leaving a job is a qualifying event — you can enroll outside Open Enrollment during an SEP

Planning the Hand-Off to Medicare at 65

- Mark your Initial Enrollment Period (3 months before the month you turn 65 through 3 months after)
- Decide early: Original Medicare + Medigap, or Medicare Advantage — so you're ready when IEP opens
- If you have Marketplace coverage, plan the end date so it lines up with Medicare start and avoids a gap

IMPORTANT – Don't Go Without Coverage

- A gap before 65 can mean large medical bills and, on the Marketplace, possible difficulty with continuous coverage.
- COBRA is temporary — know the end date and have the next plan lined up before it stops.
- Claiming Social Security early is separate from health coverage; you still need a medical plan until Medicare.

Simple Action Steps

1. Confirm your last day of employer coverage (and any COBRA or retiree options).
2. Estimate household income for Marketplace tax-credit eligibility.
3. Compare COBRA cost vs Marketplace net cost after any premium tax credit.
4. Enroll in bridge coverage so it starts when employer coverage ends.
5. Put your 65th birthday and IEP dates on the calendar now — call HUGS to map both stages.

HOW HUGS CAN HELP

We help you compare bridge options until 65 and then transition cleanly into Medicare — so you're covered the whole way. At HUGS we have no greater joy than to hear that our clients are walking with confidence.