


Medicare and Group Coverage

A Medicare Scholar presentation



As you near age 65, you have to make several important decisions about your Medicare coverage.

These decisions can be confusing, especially if you plan to continue working and will be covered by an employer group plan.

This presentation will explain the aspects of qualifying for Medicare while you're covered by a group plan.



Do You Need Medicare?

Do You Need Medicare Part A?

- Most people should enroll in Medicare Part A when they turn 65, even if they have insurance from an employer
- This is because most people paid Medicare taxes while they worked and qualify to receive Part A premium-free
- However, some people may want to delay Part A until a later date, especially those who contribute to a Health Savings Account (HSA) or have to pay a premium

Do You Need Medicare Part B?

- Most people need to enroll in Part B when they turn 65
- However, people who have health insurance from their or their spouse's current employer may be able to delay enrolling in Part B

Large Group vs. Small Group

Does your or your spouse's current employer have 20 or more employees?

- If yes, then you can delay Part A and/or Part B until you or your spouse stop working or lose that employer coverage
- You have 8 months from the loss of employment or coverage, whichever happens first, to sign up for Part A and/or Part B benefits

Large Group vs. Small Group

Does your or your spouse's current employer have less than 20 employees?

- If yes, then you should enroll in Part A and Part B when you turn 65

HSAs and Medicare

If you have a high-deductible health plan and a health savings account (HSA)

- Once you enroll in any part of Medicare, you won't be able to contribute to your HSA
- If you'd like to continue contributions to your HSA, you can delay both Part A and Part B until you or your spouse stops working or loses that employer coverage

HSA and Medicare

- NOTE: If you qualify for premium-free Part A, your coverage will go back retroactively 6 months from when you sign up
- You should stop making contributions to your HSA 6 months before you enroll in Part A and Part B, or apply for Social Security benefits (if you want to collect retirement benefits before you stop working)



Coordination of Benefits: Who Pays First?



Coordination of Benefits

- Depending on your situation, there may be a coordination of benefits between Medicare and your group insurance
- NOTE: You must utilize providers that accept both your group insurance and participate in the federal Medicare program

Medicare & Group Scenarios

65 or older and have group coverage through your or your spouse's current employer

- If the employer has 20 or more employees, the group plan pays first and Medicare pays second
- If the employer has less than 20 employees and isn't part of a multi-employer health plan, then Medicare pays first and the group plan pays second

Medicare & Group Scenarios

Under age 65, disabled, retired, and have group coverage from your former employer

- Medicare pays first and your group health plan (retiree) coverage pays second

Under age 65, disabled, retired, and have group coverage based on your family member's current employment

- If the employer has 100 or more employees, then the large group health plan pays first and Medicare pays second

Medicare & Group Scenarios

Have Medicare due to End-Stage Renal Disease (ESRD), and group health plan coverage

- During a coordination period of up to 30 months, the group plan pays first and Medicare pays second
- After the coordination period, Medicare pays first and the group plan pays second



What Happens if You Lose Group Coverage?

Losing Group Coverage

If you delayed Part A and/or Part B

- Sign up within 8 months through Social Security
 - Online
 - Local Social Security Office
 - Call 1-800-772-1213
- Must complete CMS-40B “Application for Enrollment in Medicare – Part B” and CMS-L564 “Request for Employment Information” forms
- Your employer will need to fill out Section B of the L564 form

Losing Group Coverage

If you delayed Part A and/or Part B

- You have the right to purchase a Medicare Supplement (Medigap) plan during Open Enrollment, which lasts up to 6 months after your Part B goes into effect
- You have a Special Election Period to enroll into a Medicare Advantage or Prescription Drug Plan up to 2 months after the loss of coverage

Losing Group Coverage

If you already have Part A and Part B

- You may have a Guaranteed Issue right to purchase a Medicare Supplement (Medigap) plan without underwriting, up to 63 days after the loss of coverage
- You have a Special Election Period to enroll into a Medicare Advantage or Prescription Drug Plan up to 2 months after the loss of coverage



Questions?



Thank You For Attending

Sources

- “Fact Sheet: Deciding Whether to Enroll in Medicare Part A and Part B When You Turn 65” – CMS Product No. 11962
- “Medicare & Other Health Benefits: Your Guide to Who Pays First” – CMS Product No. 02179, revised August 2020
- <https://www.medicare.gov/sign-up-change-plans/how-do-i-get-parts-a-b>
- <https://www.ssa.gov/benefits/medicare/>