

Welcome to Medicare 2020



Module 5: Medicare and Other Coverage

Presented by Contra Costa HICAP

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What is HICAP?

Health **I**nsurance **C**ounseling and **A**dvocacy **P**rogram

- All things Medicare
 - Education, Counseling & Advocacy
- Primarily a Volunteer Organization
 - Initial and Ongoing Training
 - Registered with California Department of Aging
- Funded by California and Federal Gov't
- No affiliation with Insurance Companies
 - No Policies Sold or Endorsed
- Free to you!

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After This Module You Will Know

How Medicare Works With:

✓ ACA: Covered CA and MAGI Medi-Cal	P.4
✓ Small Employer Plans	P.11
✓ Retiree Plans (Employer or Union)	P.16
✓ COBRA	P.18
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✓ Helpful Resources	P.24

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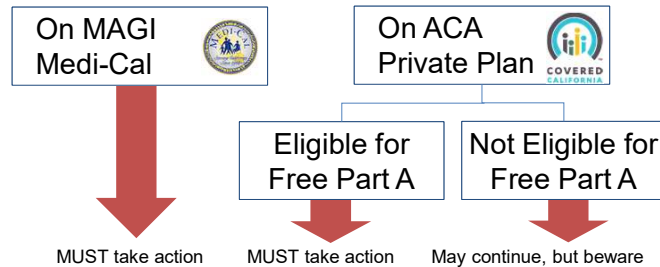
ACA, Covered California, and MAGI Medi-Cal

Affordable Care Act (ACA) 	▪ Assured health coverage is available to those without Employer, Medicare, Medi-Cal, or other health coverage
Covered California 	▪ California marketplace of health insurance under ACA ▪ Various level of subsidies available based on income
MAGI (expanded) Medi-Cal 	▪ Eligible if income below \$1436/mo (S) or \$1861/mo (M), no asset limit ▪ No cost for medical or Rx coverage ▪ Can't choose subsidized private ACA plan instead

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Have ACA Plan/MAGI Medi-Cal and become eligible for Medicare?

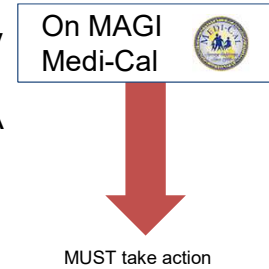
- When you turn 65 or become eligible for Medicare due to disability (SSDI > 2 years)
- May need to take action regardless of whether you enroll in Medicare



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Have MAGI Medi-Cal and become eligible for Medicare?

- MAGI Medi-Cal **coverage ends** when you become eligible for Medicare even if you do not enroll
- Enroll in Medicare timely
 - Contact HICAP early if you are not entitled to free Part A
- HICAP can help identify other low-income assistance programs



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Have ACA Plan and become eligible for Medicare?

- When you turn 65 or become eligible for Medicare due to disability (SSDI > 2 years)
- May need to take action regardless of whether you enroll in Medicare



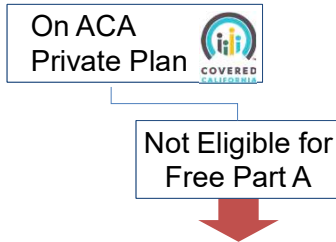
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Have ACA Plan, become eligible for Medicare and entitled to free Part A?

- Enroll in Medicare during initial enrollment period
- Cancel ACA when Medicare effective
 - Must request disenrollment
- If Stay with ACA?
 - No ACA subsidies. May have to repay
 - No coordination with Medicare
 - If don't enroll in Medicare timely, coverage delays and lifetime penalty.

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Have ACA Plan, become eligible for Medicare and NOT entitled to free Part A?



- Can continue Covered CA with subsidies and decline Medicare
- If wish Medicare later, subject to delays in coverage and late enrollment penalty



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Actively Working for A Small Employer at 65+?



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Have Small Employer Plan and become eligible for Medicare?

Are you or your spouse **actively** working and receiving employer group health benefits?

Yes

Employer has 20* or more employees?

Yes

Yes, can delay
When you stop working, make sure you have employer certification and observe the Special Enrollment Period

* 100 if disabled

No

No, can't delay
Medicare becomes primary insurance; Employer Plan becomes secondary

No

No, can't delay
Medicare will become primary insurance; Retiree Plan or COBRA, if available, becomes secondary

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Rules for Small Employer/Union Coverage

- Small employers can require you to take Parts A and B
 - Medicare is primary, employer plan becomes secondary
- May offer option to keep you on employer plan as primary
 - Get in writing to avoid problems later
- Be careful if have Health Savings Account (HSA)
 - Can't make contributions
 - Can use balance to pay medical and Medicare costs



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Considerations with Small Employer/Union Coverage

- Get cost and coverage details from HR
 - Do you need it for spouse? Dental/vision?
 - Is drug coverage creditable for Part D?
- Compare costs and benefits of employer plan to Medicare options
- When employer plan ends, you have special rights for Medigap, Part D, Medicare Advantage Plans



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No Longer Working Other Health Coverage



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Retiree Plans-Employer/Union

- Medicare is always primary (except for federal retirees)
- Must have Medicare A & B or you will have no primary coverage
- Not regulated by federal government
- Coverage varies; not identical to Medigap
 - May be a PPO or HMO (e.g. Kaiser); may or may not coordinate with Medicare
 - May have same name as public plans (e.g. Senior Advantage) but are not the same

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Considerations with Retiree Plans

- Obtain details from your HR representative
 - How coverage works with Medicare and cost
 - Benefits in addition to Medicare (e.g. dental)
 - Is the Part D creditable coverage?
- Normally once you leave a plan, no re-entry
 - May lose retiree option if not taken when first eligible
 - May need to keep coverage for dependent spouse
- If you or employer stop coverage, you are eligible for Special Enrollment Periods for Medigap, Medicare Advantage and Part D plans

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Consolidated Omnibus Budget Reconciliation Act (COBRA)

- COBRA is continuation coverage
 - Lasts 18 to 36 months, depending on qualifying event
 - Is ALWAYS secondary to Medicare Parts A and B
 - Your rights to COBRA depend on whether you have Medicare at the time you end your job
 - Dependents have independent COBRA rights
- **Beware if you're offered COBRA!**
 - Once eligible for Medicare, Medicare is primary, even if you don't enroll



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COBRA Plans

COBRA an option? Timing matters!



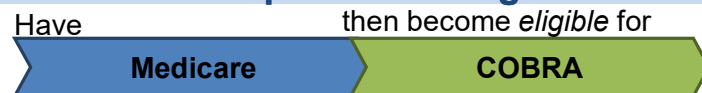
- **Don't delay Medicare enrollment because**
 - Eligibility for COBRA ends (family can stay)
 - COBRA may mistakenly continue for a time
 - Companies will recoup costs paid in error
 - You'll have no coverage without Medicare
 - Not eligible for Covered CA either
 - Need to enroll in Medicare timely or will have coverage delays with lifetime penalty
 - Will likely need to supplement Medicare A and B

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COBRA Plans

COBRA an option? Timing matters!



- Even if have Part A only, have right to COBRA
- COBRA is always secondary to Medicare
- If not yet in Part B, don't delay because
 - You'll have no primary coverage for outpatient services
 - You'll be subject to coverage delays and lifetime penalty
- Check if COBRA is cost effective as secondary – HICAP can help

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Retiree Federal Employee Health Benefits (FEHB)

Unique because don't need Part B with FEHB retiree coverage

- **If don't take Part B**
 - Can keep plan you had as an employee; it will still be primary
 - But, if want Part B later, you'll be subject to delays in coverage and lifetime penalty
- **If enroll in Part B**
 - Best to enroll when you're first eligible
 - Medicare becomes Primary, FEHB secondary
 - Have special right to change to a different FEHB plan upon Medicare enrollment
 - With some plans, can suspend to "try" Medicare Advantage plans instead



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TRICARE for Life (TFL)

- For military retirees and dependents
- Must take Medicare A and B at age 65
 - TRICARE is the secondary payer
- Benefits include covering Medicare's coinsurance and deductibles
- Drug coverage is creditable for Part D
- For services covered by TFL but not Medicare
 - Medicare pays nothing



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Veterans Affairs (VA) Benefits

- VA is not insurance; it is a benefits program
- With VA, can be wise to also get Medicare A & B
 - VA doesn't cover non-VA facilities
 - In emergency, VA pays nothing if you go to a non-VA facility
- Can have both VA and Medicare but they don't coordinate
 - When benefits obtained from VA facilities, Medicare pays nothing
 - When benefits obtained from non-VA facilities, Medicare pays and VA pays nothing
 - In limited cases VA may pre-authorize care at non-VA sites
 - May want Medicare Advantage Plan or Medigap to minimize cost sharing
- Can have VA drug coverage (creditable) + Part D Plan



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Helpful References

Resource	Website	Telephone
HICAP	cchicap.org	(925) 602-4163 or (800) 510-2020
Medicare	Medicare.gov (use GOV!)	800-Medicare [(800) 633-4227]
California Health Advocates	cahealthadvocates.org	
Medicare Rights Center	medicareinteractive.org	
Social Security	ssa.gov	(800) 772-1213
Calif. Dept. Insurance	insurance.ca.gov	
Veteran's Benefits		(800) 827-1000
Medi-Cal		(800) 709-8348
"Medicare & You"	Printed publication	

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