



Medicare: Employee FAQ

☞ Will I be automatically enrolled in Medicare Parts A, B, or D?

No, you will only be automatically enrolled in Medicare Parts A and B in the following situations:

- You are 65 and receiving retiree benefits from Social Security or the Railroad Retirement Board,
- You are considered disabled by Social Security or the Railroad Retirement Board and have been receiving disability benefits for 24 months, or
- You have been diagnosed with ALS (Lou Gehrig's disease).

When automatically enrolled in Medicare, you may choose to waive enrollment in Part B; however, you cannot waive enrollment in Part A. You will never be automatically enrolled in Part D, unless you are also enrolled in a state Medicaid program. If you are not automatically enrolled in Medicare, it is your responsibility to enroll, which can be done online at www.medicare.gov/sign-up-change-plans or in-person at a Social Security office.

☞ Is there a penalty if I don't enroll in Medicare while covered by an employer group health plan?

Medicare Parts A and B (medical coverage):

Medicare does not charge a late enrollment penalty if you choose not to enroll in Medicare Parts A or B while covered by an employer group health plan that provides creditable coverage and is based upon your (or your spouse's) current employment status. If this is your situation, you will also have a Special Enrollment Period to enroll in Medicare without penalty:

- at any time while covered by the group health plan, or
- within eight months of losing group coverage.

Note, because coverage under COBRA is not based upon your or your spouse's current employment status, the Special Enrollment Period to enroll in Medicare is only available during the first eight months while on COBRA.

Medicare Part D (prescription drug coverage):

You will not be subject to a late enrollment penalty if you are enrolled on a group health plan and it includes prescription drug coverage that is Part D creditable, which means it is equal-to or better-than Medicare Part D prescription coverage. However, if the group coverage is not creditable, you should consider enrolling in Part D to avoid a late enrollment penalty. Your employer will notify you each year whether the group plan is Part D creditable.

Note, to enroll in Medicare Part D, you must also be enrolled in Medicare Part A or Part B.

☞ Are there situations when I will need to enroll in Medicare while covered on an employer group health plan?

Yes, in some situations, you may also need to enroll in Medicare in order to receive full benefits from the group health plan. This occurs when Medicare pays primary (first) and the group health plan pays secondary (second). Examples of when Medicare is the primary payer for your eligible medical expenses include:

- the employer providing the group health plan employs:
 - less than 20 employees, or
 - less than 100 employees, you are under 65, and you are eligible for Medicare because you have been receiving disability benefits for 24 months from Social Security or the Railroad Retirement Board;
- you are covered on a group health plan under COBRA;
- you are eligible for the group plan as a dependent and you are domestic partner;
- you are eligible for Medicare due to ALS (Lou Gehrig's disease);
- you have been eligible for Medicare due to End Stage Renal Disease (ESRD) for more than 30 months; or
- you are covered on a retiree group health plan.

Contact your employer or plan administrator if you have questions regarding whether the group health plan pays primary or secondary to Medicare in your situation. If the answer is that Medicare pays primary to the group health plan, you should also consider enrolling in Medicare. As an alternative, and if it is a better value for you, you have the option of waiving the group health plan coverage and enrolling in a Medicare plan.

☞ Are there other reasons to enroll in Medicare while covered on a group health plan?

Medicare Part A (inpatient hospital coverage):

Yes, if you are eligible for Medicare, enrolling in Part A while covered on an employer group plan can be beneficial. This is because most people are eligible to enroll in Part A at no cost and it provides additional coverage. However, if you are contributing to a Health Savings Account (HSA), be careful because enrolling in any part of Medicare will result in loss of eligibility to make new contributions to an HSA. If you are collecting Social Security retiree benefits, you are automatically enrolled in Medicare and will lose eligibility to contribute to an HSA.

Medicare Part B (outpatient medical coverage):

Everyone must pay for Medicare Part B, so unless Medicare pays primary to your coverage on the group health plan, most people do not enroll in Medicare Part B.

☞ When deciding between Medicare and an employer group health plan, how do I compare my options?

Compare The Benefits Of Each Option

- What does each plan cover and how much will you be responsible for paying, such as deductibles, copays, copayments, and what is your maximum out-of-pocket limit?
- Does the plan provide access to the medical providers, prescription drugs, and pharmacies that are important to you?

Compare Your Costs For Each Option

Compare both your monthly cost for insurance premiums as well as your estimated annual out-of-pocket costs for medical and prescription drug expenses during the next year. How would your cost differ with each option?

If you determine that your benefits and costs are a better value with a Medicare plan than the group health plan, you have the option to waive group coverage. However, sometimes, the benefits and cost for a Medicare plan will only be a better value for the dependent, and not for the employee. This occurs most often when your monthly contribution for the group health plan is greater for the dependent than for the employee.

Other Considerations

If you decide to waive the group health plan and enroll in Medicare, make sure you understand your options:

- Will you be able to enroll in the group health plan at a later date if you change your mind?
- Will a dependent who is not Medicare eligible lose group coverage, and if so, what options will be available for them?

☞ Where can I find help with understanding Medicare and comparing my options?

My Benefit Advisor has Medicare experts who can answer your questions and provide you with information about Medicare plans, such as Medigap, Medicare Advantage, and Medicare Part D Plans. There is no charge for this service and your premium rate will be the same as buying directly from the insurance company.

For more information, contact Matthew Bradley at (610) 897-4442 or matthew.bradley@mybenefitadvisor.com