

Medicare Minute Script – April 2017

How Medicare Works with Current Employee Insurance

When you have Medicare and other insurance, Medicare either pays first (primary) or second (secondary) for your health care. Today we will learn about how Medicare works with insurance based on current employment. We call this current employee insurance (as opposed to retiree and other types of insurance). Examples of current employee insurance include health plans sponsored by an employer or union.

1. Know if your current employee insurance pays primary or secondary.

Current employee insurance from your or your spouse's work **pays primary** to Medicare if you

- are eligible for Medicare because you are 65 or older, and the company has **20 or more employees**
- are eligible for Medicare because you are under 65 and have received Social Security Disability Insurance (SSDI) payments for 24 months or more, and the company has **100 or more employees**

Current employee insurance from your or your spouse's work **pays secondary** to Medicare if you

- are eligible for Medicare because you are 65 or older, and the company has **fewer than 20 employees**
- are eligible for Medicare because you are under 65 and have received SSDI payments for 24 months or more, and the company has **fewer than 100 employees**

Know that if you have Medicare due to disability, the insurance based on current employment can also be from your family member's current work. For example, if you have coverage through your brother's current employment at a company with 100 or more employees, his coverage will pay primary to Medicare.

If you have prescription drug coverage through your current employee insurance, it will work with Medicare Part D (prescription drug coverage) according to the rules just discussed. If your employee drug coverage is creditable, you can delay Part D without penalty. Creditable drug coverage is coverage that has the same value as Part D. For more information, contact the employer that provides your current coverage. If your current coverage is creditable, you should get a letter from your benefit administrator stating that. You can delay Part D even if you have other parts of Medicare. For example, you can decide to enroll in Parts A and B because they will pay primary, but delay Part D enrollment because you have creditable coverage.

2. Know your rights and protections.

If your current employee coverage pays primary to Medicare, there are certain things that the employer and the plan cannot do. Once you are eligible for Medicare, **the employer** cannot offer different coverage, refuse coverage, or restrict coverage. The **employer-based plan** cannot charge you more for your premium, deductible, coinsurance charges, or copays. It also cannot limit the benefits you receive, give you misleading information to make you disenroll or end your coverage because you are eligible for Medicare.

It is very important to know that if your current employee insurance will pay secondary to Medicare once you are eligible, then it is usually not advisable to delay Medicare enrollment. Secondary insurance may take back any payments that it has made or refuse to make future payments on health care costs until you enroll in Medicare.

3. Understand the Part B Special Enrollment Period (SEP).

Regardless of whether your current employee insurance pays primary or secondary, if you choose to delay Part B enrollment because you have employee coverage, you will have a Special Enrollment Period (SEP) to enroll in Part B. The Part B SEP spans the time that you are covered by insurance from your, your spouse's, or in some circumstances, your family member's current work. You have this SEP while you are covered by insurance from current work, and it extends for eight months after the coverage or work ends, whichever is sooner. This SEP only applies to insurance from **current work**. If you have access to this SEP, you will not have a late enrollment penalty for delaying Part B enrollment. (Remember, though, that if your employee insurance pays secondary to Medicare, it is usually not advisable to delay Part B enrollment)

Take Action: If you are still working and will soon be eligible for Medicare, determine if your current employee coverage will pay primary or secondary to Medicare.

1. If your current employee coverage will pay primary, decide whether it makes sense to enroll in Medicare to cover any gaps.
2. If your current employee coverage will pay secondary, consider enrolling in Medicare as soon as you can to avoid gaps in coverage and other consequences.
3. Contact your SHIP for information about how employee insurance works with Medicare.
4. Contact your SMP if you receive bills for health care services that you think should have been covered by Medicare or your employee insurance.

Local SHIP Contact Information	Local SMP Contact Information
SHIP toll-free: SHIP email: SHIP website: To find a SHIP in another state: Call 877-839-2675 or visit www.shiptacenter.org .	SMP toll-free: SMP email: SMP website: To find an SMP in another state: Call 877-808-2468 or visit www.smpresource.org .
<p><i>The production of this document was supported by Grant Numbers 90ST1001 and 90NP0003 from the Administration for Community Living (ACL). Its contents are solely the responsibility of the SHIP National Technical Assistance Center (SHIP TA Center) and Senior Medicare Patrol National Resource Center and do not necessarily represent the official views of ACL.</i></p>	