

# Volunteer training

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**Statewide Health Insurance Benefits Advisors (SHIBA)**

## Working past age 65

- Employer Group Health Plans unique considerations
- Delaying enrolling in Part A or Part B
- Enrolling in Part A during Initial Enrollment Period
- Paying for premiums
- Medicare and COBRA risks

**May 2018**

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**May training will have two handouts.**

## Volunteer learning objectives

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Training for May is very scenario-based. Every Medicare beneficiary has a unique story, so we'll work on thinking about different answers to various questions. After completing the May 2018 monthly training, volunteer advisors and volunteer coordinators will be able to:

- Explain unique considerations for **people who turn 65, continue to work and also have an Employer Group Health Plan (EGHP) plan** through their or their spouse's active employment.
- Describe some reasons someone might **delay enrolling in Medicare Part A** past age 65.
- Describe a good reason for someone to **enroll in Part A during Medicare's Initial Enrollment Period (IEP)**.
- Describe some reasons someone might **delay enrolling in Medicare Part B** past age 65.
- Describe some reasons someone with **EGHP coverage might enroll in Medicare Part B during the IEP**.
- List out the ways someone can **pay their Medicare premiums**.
- Identify someone's **risk to take COBRA when he or she's eligible for Medicare**.

## Troubleshooting and sharing time

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Take some time to review and share with your group the April scavenger hunt activity:

- Were we successful in identifying primary documents in March that helped us with the April activity?
- Are there any other documents you recommend adding? This could help with developing a follow-up to the March 2018 binder activity.
- Did you have any questions that you couldn't find the answer to?

***Add your suggestions to page 54 and hand this page in to your Regional Training Consultant.***

## Notes

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## Review Medicare enrollment periods

Let's do a quick review of the main Medicare enrollment periods.

### Initial Enrollment Period (IEP)

- Medicare's IEP occurs the seven months surrounding someone's 65<sup>th</sup> birthday (*Medicare & You*, page 21).
- If the client's not collecting Social Security Retirement or Disability, he or she needs to contact the Social Security Administration (SSA) to enroll (*Medicare & You*, page 19).
- If the client's already collecting retirement or disability benefits, SSA will automatically enroll them in Medicare Parts A and B.

## Initial Enrollment Period

3 months before the month you turn age 65	2 months before the month you turn age 65	1 month before the month you turn age 65	Your birthday (BD) month 	1 month after you turn age 65	2 months after you turn 65	3 months after you turn 65
↓	↓	↓	↓	↓	↓	↓
Medicare starts BD month	Medicare starts BD month	Medicare starts BD month	Medicare starts next month	Medicare starts in 2 months	Medicare starts in 3 months	Medicare starts in 3 months

The later you enroll, the later your coverage starts:

- Up to a 3-month wait

*Medicare and You: Page 21*

Source: SHIBA Basic Training PowerPoint slide 24

## Open Enrollment Period (OEP) for Medicare health and prescription drug plans

- OEP occurs October 15 through December 7 each year (*Medicare & You*, page 6).
- People who are already enrolled in Medicare Part A and/or B can enroll in or change their Part C and/or D plans.
- OEP is sometimes called the Annual Open Enrollment Period.

## Special Enrollment Period (SEP)

- This SEP is for someone who didn't sign up for Part A and/or Part B during their IEP because they were covered under an EGHP from active employment (*Medicare & You*, pages 21-22).
- This SEP is any time covered by EGHP from active work and up to eight months after active employment ends
  - The SEP for **Parts C and D is 63 days after active** employer coverage ends.
- Active employment can be under the Medicare enrollee or his/her spouse.
  - The EGHP must cover 20 or more employees.
- Can enroll in Medicare Part A and/or Part B
- There are different rules when someone's under age 65 with a disability or ESRD (End-Stage Renal Disease).
  - ESRD does not allow an SEP for Parts A and B.
  - People under age 65 with a disability can also be eligible for an SEP if he or she's covered by an EGHP that covers 100 or more employees.
    - The EGHP in this case can occur through other working family members besides the spouse (i.e., their parents)

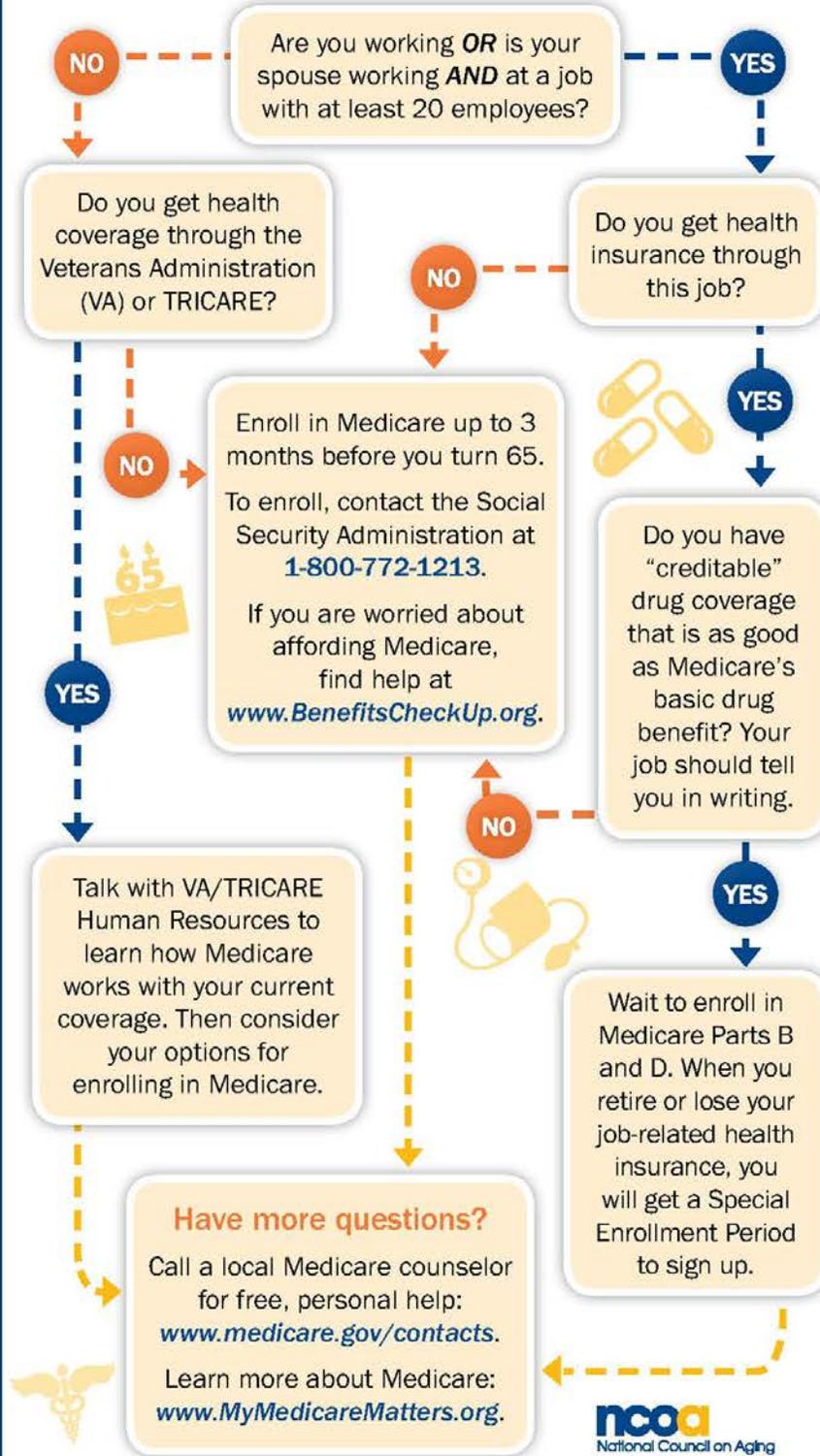
### **General Enrollment Period (GEP)**

- A GEP is for someone who didn't enroll in Part A and/or B during their IEP (*Medicare & You*, page 22).
- They're not eligible for an SEP.
- For Parts A and B, the GEP occurs January 1 through March 31 each year.
- For Parts C and D, it occurs April 1 through June 30 each year.
- Medicare coverage starts July 1.
- There is a possible late enrollment penalty.

# Turning 65?

## Follow Your Path to Medicare!

Start Here



**A few notes regarding the NCOA *Turning 65?* diagram on the previous page:**

- This flow diagram is a starting point. It does not cover all questions. If clients have questions, be sure to refer clients to Medicare or their plan's benefits administrator.
- TRICARE members must have Parts A & B.
- Twenty or more employees is a large group health plan.
- For small employers, Medicare pays first and the employer payment is secondary, so a beneficiary might be required to have Parts A and B.

**Source:** NCOA [www.ncoa.org/resources/turning-65-seniors-follow-your-path-to-medicare/](http://www.ncoa.org/resources/turning-65-seniors-follow-your-path-to-medicare/)

## When clients have insurance other than Medicare

### How does my other insurance work with Medicare?

When you have other insurance and Medicare, there are rules for whether Medicare or your other insurance pays first.

If you have <b>retiree</b> insurance (insurance from your or your spouse's former employment)...	Medicare pays first.
If you're 65 or older, have group health plan coverage based on your or your spouse's <b>current</b> employment, and the employer has <b>20 or more employees</b> ...	Your group health plan pays first.
If you're 65 or older, have group health plan coverage based on your or your spouse's <b>current</b> employment, and the employer has <b>fewer than 20 employees</b> ...	Medicare pays first.
If you're under 65 and disabled, have group health plan coverage based on your, a spouse's, or a family member's <b>current</b> employment, and the employer has <b>100 or more employees</b> ...	Your group health plan pays first.
If you're under 65 and disabled, have group health plan coverage based on your or a family member's <b>current</b> employment, and the employer has <b>fewer than 100 employees</b> ...	Medicare pays first.
If you have Medicare because of End-Stage Renal Disease (ESRD)...	Your group health plan will pay first for the first 30 months after you become eligible to enroll in Medicare. Medicare will pay first after this 30-month period.

If Medicare pays first, clients should enroll in Medicare when they're first eligible to avoid any breaks in coverage.

Source: *Medicare & You 2018*, page 24

## People who have more than two health insurance coverage options

A client could have primary, secondary and tertiary coverage.

**Scenario:** I'm Sally and I retired at age 55 from the Military as an accountant 10 years ago. So I got a new job in private industry with a big company. I have really good insurance from my current work and I want to keep it. TRICARE says since I'm turning 65, I should enroll in Medicare Parts A and B so that TRICARE will pick up as secondary.

Sally's question to you:

Q: So I'll have all three insurances?

A: Yes, if you choose to keep your active Employer Group Health Plan, that plan would pay first.

Then Medicare would pay second and thirdly, TRICARE would process and pay claims.

If and or when you decide to stop working at your current job, or if you decide to drop that coverage because you have Medicare and TRICARE, be sure to contact 1-800 MEDICARE to let them know that your active insurance is no longer in place to ensure proper Coordination of Benefits.

## Examples of coverage that are **NOT** from active employment, so there's **NO** Special Enrollment Period (SEP)

- **Retiree health plan**
- **IHS** (Indian Health Service)
  - Not considered EGHP
- **VA** (U.S. Dept. of Veterans Affairs)
  - Does not coordinate with Medicare
  - Not considered EGHP
- **Individual health coverage** (like through the Health Insurance Marketplace, also known as Washington Healthplanfinder or "Obamacare")
- **COBRA** (Consolidated Omnibus Budget Reconciliation Act)
  - This is federally mandated continuation coverage offered to someone who's no longer working (and their immediate family members) by their employer.
  - While someone may want to keep their employer coverage after they've stopped working, they're likely to pay a higher premium for it.
  - If a client has COBRA when he or she becomes Medicare-eligible, their COBRA coverage usually ends on the date they get Medicare. They should enroll in Part B immediately as they're not entitled to an SEP when COBRA ends.
  - If a client has Medicare before he or she becomes COBRA-eligible, they can keep COBRA, but remember, Medicare will pay first. The COBRA coverage will likely be costly, but it might be helpful if they have high medical expenses, or their COBRA covers other benefits not covered by Medicare. See: [www.medicareinteractive.org/get-answers/coordinating-medicare-with-other-types-of-insurance/cobra-and-medicare/cobra-and-medicare-coordination](http://www.medicareinteractive.org/get-answers/coordinating-medicare-with-other-types-of-insurance/cobra-and-medicare/cobra-and-medicare-coordination)

## Scenario - COBRA

Stella's birthday is August 12, 1954. It's now May 2018 so she's turning 64 this coming August. She's finished teaching school and plans to let her Principal know at the end of May that she's not returning next year. She already knows her school district coverage will end on the last day of June 2018. Her plan is to take COBRA as soon as the coverage ends and keep it for 18 months and after the 18 months (in February 2020) sign up for Medicare and a Medicare Supplement plan.

Q: When does she turn 65?

Q: What is her seven-month period for her IEP?

Q: What is her 18-month COBRA period?

Q: What might happen when she shows up at Social Security in February 2020 to sign up for Medicare?

Q: What other bad news could Stella get?

***See page 50 for answers.***

## Other current coverage that will impact someone's decision to enroll in Medicare

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### Client has a Health Savings Account (HSA):

- If an active employee has a high-deductible health plan with an HSA, they need to know that they or their employer cannot make contributions once Medicare starts. They can still use the money that remains in their account.
- If a client works for a small employer (20 or fewer employees) and has an EGHP, they should enroll in Medicare Parts A and B as soon as they are eligible.
- If they choose to delay Medicare enrollment, they should stop making contributions to their HSA at least six months BEFORE enrolling in Medicare or claiming Social Security benefits. If they don't, they could be retroactively enrolled in Part A and then face a tax penalty.

For more information, read NCOA's **Health Savings Accounts (HSAs) and Medicare** on the next page. Source: [www.ncoa.org/wp-content/uploads/Part-A-HSA-Penalty.pdf](http://www.ncoa.org/wp-content/uploads/Part-A-HSA-Penalty.pdf)

# Health Savings Accounts (HSA) and Medicare

## What is a Health Savings Account (HSA)?

An HSA itself is not a health insurance plan but an option with a High Deductible Health Plan (HDHP). Employer Group HDHPs are increasingly popular due to their relatively lower costs to employers.

An HSA is an important tool to save money to pay the higher upfront out-of-pocket costs and offers tax benefits. Employees can reduce their taxable income by contributing pre-tax dollars from their paycheck or individuals can deduct contributions for tax purposes if the HSA is set up through a trustee.

## Who can get an HSA?

The Internal Revenue Service defines HSA eligibility as follows:

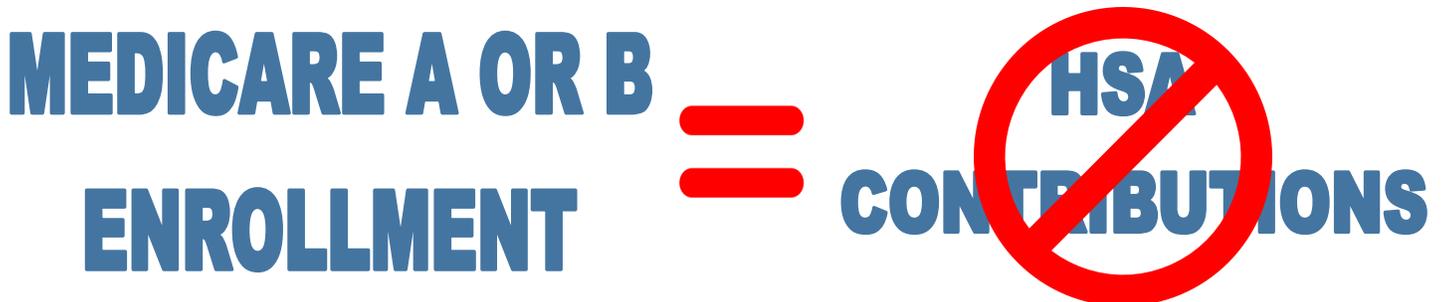
- covered under a HDHP,
- no other health coverage, other than what is allowed under [other health coverage](#),
- **not enrolled in Medicare**, and
- cannot be claimed as a dependent for tax purposes on someone else's tax return.

## How does an HSA work with Medicare?

People often enroll in Medicare Part A when they are first eligible because they owe no monthly premium<sup>1</sup> and wish to avoid a Part A late enrollment penalty.<sup>2</sup> However, those working beyond age 65 (or their spouse works beyond age 65) with an Employer-sponsored Group Health Plan may wish to delay Medicare Part A (and Part B). This is particularly true when enrolling in Part A if the Employer group HDHP with an HSA. The following should be carefully considered:

1. **Contributions to an HSA are not allowed after Part A and/or Part B enrollment.**

**MEDICARE A OR B  
ENROLLMENT = ~~HSA CONTRIBUTIONS~~**



Employees should contact their Human Resources office and request HSA contributions stop before Medicare enrollment.

*Note:* After Medicare Part A and/or B enrollment, saved HSA funds can be spent on qualified [medical expenses](#), including Medicare deductibles and coinsurance. Medigap premiums are not considered qualified medical expenses.

<sup>1</sup>Premium-free Part A requires Medicare contributions for 40 qualifying quarters (or spousal contributions). Those without enough quarters can [buy Medicare Part A](#). The premium may be prorated based on contributions for fewer quarters. In some states, the [Medicare Savings Program](#) will pay the Part A premium for [QMB eligibles](#).

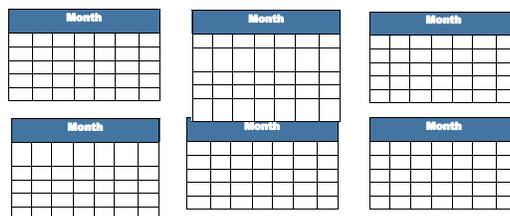
<sup>2</sup>The [Part A late enrollment penalty](#) applies when there is a lack of LGHP or EGHP coverage as a primary payer based on current work status. Learn more in the Centers for Medicare & Medicaid Services [Who Pays First](#) booklet or [SSA HI 00805.266](#).

2. Claiming SS benefits beyond age 65 years triggers automatic Part A enrollment and a retroactive Part A coverage period that cannot be declined. The retroactive Part A period is limited to 6 months and cannot go back further than the entitlement date. An IRS penalty applies to HSA contributions made, even if unknowingly, during the Part A retroactive period. **To avoid an IRS penalty, stop contributions to the HSA between 1-7 months prior to enrolling in Medicare Part A or claiming Social Security (SS) benefits after age 65 years.**

**>65 YEARS + CLAIM SSA**



**RETROACTIVE PART A**



Example 1: Margaret will retire and turn 65 in February. In January, she went to the SSA office to enroll in Medicare Parts A & B during her [Initial Enrollment Period](#) (IEP). She claimed her SS benefits with a start date in February. Since Margaret enrolls in Medicare Part A to begin at age 65 years, she has no retroactive Part A coverage.

Example 1: Margaret enrolls at age 65						
Nov	Dec	Jan	 Feb	Mar	Apr	May
		Visits SSA office to enroll in Medicare	Begins Medicare and SSA benefits			
Medicare 7 month Initial Enrollment Period						

Example 2: John works and has an Employer Group HDHP with an HSA. He will claim his SS benefits when he turns 68 in May and will continue working a couple more years. Since John claims his SS benefits after age 65 years, he is automatically enrolled in Part A retroactively for 6 months (maximum retroactive enrollment). He needs to contact his Human Resources office and stop his HSA contributions in October to avoid an IRS penalty during the retroactive Part A coverage period.

Example 2: John works beyond age 65 and claims SSA benefits													
Oct	Nov	Dec	Jan	Feb	Mar	Apr	 May	Jun	Jul	Aug	Sept	Oct	Nov
Should stop HSA							Claims SS benefits, which triggers Part A enrollment						
Automatic retroactive Medicare Part A coverage													

Example 3: Amir’s 65th birthday is in September. He planned to continue to work with an Employer Group HDHP with an HSA. He had a stroke in October and his doctor advised him to retire. He signs up for Medicare and SS benefits to begin in November. His SS benefits start in November, but his Medicare start dates are both retroactive and delayed as follows:

- Retroactive Part A : Since Amir claims his SS benefits after age 65 years, he is automatically enrolled in Part A retroactively effective September 1 (to his earliest entitlement date but no longer than 6 months retroactive coverage).
- Delayed Part B: Amir’s Part B start date is delayed because he is in the second half of his IEP. He gets a Special Enrollment Period (SEP) since his EGHP is ending but it is trumped by his IEP. To learn more about these special situations visit the CMS fact sheet [When Medicare Enrollment Periods Overlap](#). Due to the delay, Amir needs health insurance in December and January to cover the gap in the delayed Part B start date. Since he retires in November, he’s able to keep his EGHP for the month of November. He is not eligible to join a Marketplace plan because he is enrolled in premium-free Medicare Part A and should consider purchasing COBRA through his employer.

Additionally, Amir needs to contact his Human Resources office to complete retirement paperwork and stop his HSA contributions. He’ll likely owe an IRS penalty for contributions made in September, October, and possibly November if the payment has already been made. He should ask his employer to keep his EGHP in November and COBRA through January, since his Medicare Part B is delayed until February 1.

Example 3: Amir enrolls in Medicare two months after his 65th birthday and faces penalties and delays.

Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
		Should have stopped HSA	 Retro-active Part A	Retro-active Part A	Retires; begins SS benefits; Enrolls in Medicare			Delayed Part B starts					
			May owe IRS PENALTY			Needs coverage	Needs coverage						
Medicare 7 month Initial Enrollment Period							Medicare Part A & B 8 month SEP due to loss of EGHP						

**3. Those working at age 65 and beyond (or whose spouse is working) with an EGHP based on current employment can delay Medicare Part A (and Part B) until a Special Enrollment Period and avoid late enrollment penalties.**

While an employee with EGHP will have the ability to use an SEP to delay enrollment and avoid penalties, Medicare Coordination of Benefit rules are important as well. Medicare is the secondary payer in these instances:

- A. The employer has more than 20 employees and offers an EGHP to those age 65 or older.
- B. The employer has more than 100 employees and offers a Large Group Health Plan (LGHP) to those under age 65 eligible for Medicare.

If Medicare is the primary payer but the employee does not enroll in Medicare, then the employee may have to pay their costs as the primary insurance out of their own pocket. As a secondary payer, Medicare pays only if the primary insurance pays less than Medicare would have as the primary payer. As a result, Medicare may pay little, if any, on medical claims as a secondary payer.

Example 4: Harry retires in November to celebrate his 72nd birthday and loses his Employer Group HDHP with HSA. Because he was working he didn't claim SSA benefits or enroll in Medicare. He contacts his Human Resources office in June to stop his HSA contributions so he won't be subject to an IRS penalty during the 6 month automatic, retroactive Part A coverage. He uses a Special Enrollment Period (SEP) to join Parts A, B and D effective in December when his Employer Group HDHP ends. To learn more about Special Enrollment Periods (SEP), visit the tip sheets for Medicare [Part D](#) and [Parts A & B](#).

Example 4: Harry retires at 72, claims SS benefits, and enrolls in Medicare														
Jun	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Stops HSA						Retires 	Begins Medicare and SSA benefits							
Automatic 6 month retroactive Medicare Part A coverage							Medicare Part A & B 8 month SEP due to loss of EGHP							
							Part D 63 day SEP due to loss of EGHP							

**Resources**

Centers for Medicare & Medicaid Services Medicare General Information, Eligibility and Entitlement Manual Chapter 2 - Hospital Insurance and Supplementary Medical Insurance [Section 10.2 Hospital Insurance for the Aged](#)

Internal Revenue Service [Publication 502 \(2015\)](#) What are medical expenses? and [Publication 969 \(2015\)](#) Health Savings Accounts and other Tax-favored Health Plans

Social Security Administration Social Security Act 202(j), 42 U.S.C [202 \(j\)\(1\)\(B\)](#) and Programs Operations Manual System (POMS) [HI 00801.022](#), [HI 00805.266](#), [HI 00805.280](#), and [HI 00805.751](#).

## **Is current drug coverage through client's employer creditable?**

- Creditable coverage is prescription drug coverage that is as good as or better than Medicare.
- It's coverage that's expected to pay, on average, at least as much as Medicare's standard prescription drug coverage.
- Inform client to check with his or her current plan. Plans are required to tell enrollees each year if the drug coverage is creditable.

Client has two options to consider if drug coverage is not creditable:

1. Enroll in Part D during his or her IEP to avoid a late enrollment penalty.
  - a. Must have Medicare A and/or B to enroll in Part D.
2. Wait to enroll in both Part A and Part B until his or her SEP. The Part D late enrollment penalty calculation starts when a person has Part A and/or Part B, so the penalty can be avoided by waiting.

## Considerations for why clients may or may not wish to enroll in Medicare

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Is the client satisfied with costs and benefits of their EGHP? This is a question for your client to consider as a part-of their decision-making process. A client could consider dropping it altogether and go on Medicare.

Client options and considerations:

- Client will need to compare costs and coverage.
- Enroll in Medicare during his or her IEP, and explore a Medicare Advantage plan or a Medigap and Part D to supplement.
- Does the client have access to preferable coverage from a former employer (such as TRICARE for Life)? They could choose to drop their employer coverage and use the other coverage, which could require them to enroll in Medicare.
- One way to compare is to use the **Medicare plan comparison worksheet** (see next page). Note that the comparison form on the next page is a simplified version. You may also use this version: [www.insurance.wa.gov/sites/default/files/documents/medicare-plan-comparison-form\\_0.pdf](http://www.insurance.wa.gov/sites/default/files/documents/medicare-plan-comparison-form_0.pdf)

## Medicare Plan Comparison Worksheet

Consideration	Option 1	Option 2	Option 3
Insurance Plan Name			
Plan type (HMO, PPO, Original Medicare)			
Monthly premium			
Part B Premium			
Part D Premium			
Co-insurance or co-pay			
Annual deductible			
Out of Pocket Maximum			
Primary Care provided visit			
Specialist visit			
Emergency Room visit			
Inpatient hospital stay			
Prescriptions (separate cost or included with Medical coverage?)			
Vision			
Dental			
Hearing			
Other Services			
Other Considerations			

### **Scenario – Deciding whether or not to enroll in Medicare**

Jill comes to see you in confidence and tells you that the coverage she has through her husband Bill's work is costing her a fortune and she's continuing to work just to pay for it. She is turning 66 and not really sure if the marriage is going to last. She has not signed up for any part of Medicare or Social Security retirement benefits because her future is so uncertain.

She comes to you for advice. She tells you, "Bill is having me pay him \$650 each month to keep me on his work insurance. It doesn't include vision or glasses or dental."

Help Jill with her questions:

Q: What will Medicare cost me?

Q: Can I enroll now?

Q: What's the fastest way to enroll into Medicare?

***See page 51 for answers.***

## **Does client use a health delivery system such as VA or IHS?**

How does a health delivery system such as Veteran Affairs (VA) or Indian Health Service (IHS) work with a current EGHP?

- We know that drug coverage is **creditable** with both the VA and IHS.
- Someone can have all of the coverages (EGHP, Medicare, plus VA or IHS).
- To help decide what coverages to enroll in, a client could compare the costs and coverage of their EGHP, Medicare, VA and/or IHS.
- A SHIBA advisor could help a client by using the *Medicare plan comparison worksheet* on page 21.

### **Scenario – Medicare and the VA**

Consider the following while you read the scenario:

- What if the client needs to call 911? (The ambulance will take them to the closest hospital, and probably not a VA facility.)
- Present to the client the points to consider before enrolling in Medicare A and B.

Your client Rhonda is a US Veteran who has a service-connected disability related to a skin condition on her arm and comes to you for advice on Medicare. She tells you she has some doctors at the VA Health Care Center and other doctors that are not connected to the VA, and she likes it that way.

Help Rhonda with her questions:

Q: Do I need to sign up for Parts A and B?

Q: What will happen if I try using just the VA for a few years to make up my mind about joining Medicare later?

Q: Well, I get my skin prescriptions from the VA, so is there any reason to sign up for Part D?

Q: What if I delay signing up for Part D later? Will I get a penalty like everyone else?

***See the Medicare plan comparison form on page 21.***

***See page 52 for answers.***

## **Paying Medicare premiums**

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- Most people get Medicare Part A for free, but a few have to pay.
- Most people must pay a premium for Medicare Part B.
- If they're collecting their Social Security retirement or disability benefit, they can have the premiums deducted from it. If not, there are four ways they can pay their Medicare bill (see below).

Source: [www.medicare.gov/your-medicare-costs/paying-parts-a-and-b/pay-parts-a-and-b-premiums.html](http://www.medicare.gov/your-medicare-costs/paying-parts-a-and-b/pay-parts-a-and-b-premiums.html)

### **Four ways to pay for Medicare bills**

1. Pay directly from his or her bank account through their bank's online bill payment service. Clients can contact their bank or go to the bank's website to set up this service.
2. Sign up for Medicare Easy Pay, a free service that automatically deducts the beneficiary's premium payments from his or her savings or checking account each month. Social Security deducts the premium from his or her bank account, usually on the 20th of the month.
3. Pay by check or money order, including his or her Medicare payment coupon send via US mail to:  
  

*Medicare Premium Collection Center  
P.O. Box 790355  
St. Louis, MO 63179-0355*
4. Pay by credit or debit card. Beneficiary completes the bottom portion of the payment coupon on his or her Medicare bill, and signs it. They'll need to provide the account information as it appears on his or her credit/debit card and the expiration date. Most credit cards today only have the month and year in expiration date field. If the credit card only has a month and year in the expiration date, they can fill in the month and year on the payment coupon and leave the day field blank. Mail the payment to the address noted in #3 above.

## Medicare-related Forms

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### Medicare Easy Pay instructions and form

*Authorization Agreement for Preauthorized Payments form (SF-5510)*

CMS Product No. 11636, January 2016

3 pages includes instructions and form

Source: [www.cms.gov/medicare/cms-forms/cms-forms/downloads/sf5510english.pdf](http://www.cms.gov/medicare/cms-forms/cms-forms/downloads/sf5510english.pdf)

**Note:** This is the most current version on the CMS site. Expires: 05/31/2017.

Source: [www.medicare.gov/your-medicare-costs/paying-parts-a-and-b/medicare-easy-pay.html](http://www.medicare.gov/your-medicare-costs/paying-parts-a-and-b/medicare-easy-pay.html)

***See the next three pages for this form.***



Thank you for your interest in Medicare Easy Pay. By completing and returning the Authorization Agreement for Preauthorized Payments form (SF-5510), you’re authorizing the Centers for Medicare & Medicaid Services (CMS), the Federal agency that runs Medicare, to deduct your monthly Medicare premium from your bank account. This notice tells you what happens once you complete and return the form.

**What information do I need to put on the form?**

The form asks for basic information about you and your bank (also called a financial institution). **Have your red, white, and blue Medicare card and a blank check from your bank account with you when you fill out the form.**

**Here are a few tips to help you:**

<b>When the form asks for</b>	<b>Do this</b>
Individual/Organization Name	Enter your name the way it looks on your Medicare card.
Your Agency Account Identification Number	Enter your Medicare number from your Medicare card.
Type of Payment	Enter “Medicare Premiums” (this field is prefilled on the form).
Nine-Digit Routing Number	Enter the number from the bottom left corner of your check.
Account Title	Enter the name of the account holder or the individual who has power of attorney.
Account Number	Enter the checking or savings account number (don’t use spaces or symbols).

**If you’re using a checking account to pay your premiums, attach a voided check for your checking account.**

**Where do I send the completed form?**

Centers for Medicare & Medicaid Services  
Medicare Premium Collection Center  
P.O. Box 979098  
St. Louis, MO 63197-9000

**What happens once I return this form?**

We’ll process your form once we get it. Sometimes this can take 6 to 8 weeks. If we can’t process your form, we’ll return the form to you with a letter explaining why.

**Two things will happen each month after your request is processed:**

1. You'll get a Notice of Medicare Premium Payment Due stating, "This is not a bill" to let you know that the premium will be deducted from your bank account.
2. We'll deduct your premium from your bank account (usually on the 20th of the month). It will appear on your bank statement as an "Automated Clearing House (ACH)" transaction.

**We'll only try to deduct your premium once each month. If your bank rejects or returns your premium deduction, we'll send you a letter with instructions on how to make a direct payment to Medicare.**

**Do I need to do anything when my premium amounts change?**

No, we will automatically deduct the new premium amount from your bank account.

**What if I want to change bank accounts or stop Medicare Easy Pay?**

Complete another Authorization Agreement for Preauthorized Payments form (SF- 5510), and indicate the type of change you want to make. Mail the completed form to the address above. You can get a new form at [www.medicare.gov](http://www.medicare.gov) or by calling 1-800-MEDICARE.

# AUTHORIZATION AGREEMENT FOR PREAUTHORIZED PAYMENTS

OMB No.: 1510-0059  
Expires: 05/31/2017

Centers for Medicare & Medicaid Services

(AGENCY NAME)

## Paperwork Reduction Act/Privacy Act Statement

The information requested on this form is required under various provisions of title 15 USC Chapter 41, 12 CFR 205, and 31 CFR 202 and 206, for the purpose of authorizing the Department of Treasury to designate financial institutions to electronically collect payments from your account. The information will be used to match the records of the government agency with those of the financial institution to direct your payments to the point you authorize. No electronic collection from your account may be transacted unless a signed authorization form is received. Furnishing this information is voluntary, however, failure to furnish this information may delay or prevent the electronic collection of a payment through the Automated Clearing House. You are not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this collection of information is 1510-0059. We estimate that it will take approximately 15 minutes to complete this form.

**CHECK ONE:**     START             CHANGE             STOP

## INDIVIDUAL/COMPANY INFORMATION

INDIVIDUAL/ORGANIZATION NAME (PLEASE PRINT)

STREET ADDRESS

CITY/STATE:

ZIP CODE:

AREA CODE:

TELEPHONE NUMBER:

YOUR AGENCY ACCOUNT IDENTIFICATION NUMBER:

TYPE OF PAYMENT:

Medicare Premiums

I hereby authorize the initiation of a deduction from my account and the financial institution named below to debit such account. I understand I will be notified if the debit amount needs to be adjusted, either to be increased or decreased. I also understand that I have the right to stop automatic payment by notifying my financial institution in writing three days prior to the time my account is charged.

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

## FINANCIAL INSTITUTION INFORMATION

FINANCIAL INSTITUTION NAME:

STREET ADDRESS

CITY/STATE:

ZIP CODE:

NINE-DIGIT ROUTING TRANSIT NUMBER:



ACCOUNT TITLE

ACCOUNT NUMBER

CHECKING

SAVINGS

SIGNATURE AND TITLE OF REPRESENTATIVE

AREA CODE/TELEPHONE NUMBER

DATE

## **Medicare premium bill sample and instructions, CMS 500**

*Medicare Premium Bill, CMS-500 (2/16)*

2 pages

Source: [www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS500.pdf](http://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS500.pdf)

*Understanding the Medicare Premium Bill Form*

2 pages

Source: [www.medicare.gov/pubs/pdf/11659-Understanding-CMS-500.pdf](http://www.medicare.gov/pubs/pdf/11659-Understanding-CMS-500.pdf)

***See the next four pages for this form and the instructions sheet.***

# MEDICARE PREMIUM BILL

DATE:

YOUR MEDICARE NUMBER:

### Ways to pay your bill:

- Pay online at your bank's website
- Sign up for Medicare Easy Pay
- Make a check or money order payable to "CMS Medicare Insurance"
- Use Visa, MasterCard, American Express, or Discover

Send payment with the coupon at the bottom to:

**Medicare Premium Collection Center**  
**P.O. Box 790355**  
**St. Louis, MO 63179-0355**

Coverage Periods	Part A (Hospital Insurance)	+	Part B (Medical Insurance)	+	IRMAA Part D	=	Total Amount
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Amount due for Part A and/or Part B Past due amount for Part A and/or Part B Amount due for IRMAA Part D Past due amount for IRMAA Part D	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;">Part A termination date:</td> <td style="width: 50%; padding: 5px;">Total amount due:</td> </tr> <tr> <td style="width: 50%; padding: 5px;">Part B termination date:</td> <td style="width: 50%; padding: 5px;">Payment in full due by:</td> </tr> <tr> <td style="width: 50%; padding: 5px;">Part D termination date:</td> <td style="width: 50%; padding: 5px;"></td> </tr> </table>	Part A termination date:	Total amount due:	Part B termination date:	Payment in full due by:	Part D termination date:	
Part A termination date:	Total amount due:						
Part B termination date:	Payment in full due by:						
Part D termination date:							

**Please send your full payment by** \_\_\_\_\_. Your payment is late if Medicare gets it after this date. If your bill says "Delinquent" at the top, you must pay your bill in full by this date, or you could lose your coverage and you may not be able to get your coverage back right away. **Partial payment may not stop you from losing your coverage.**

Your bill shows new amounts and past amounts we didn't get by your last bill's due date.

We got your last payment of \$ \_\_\_\_\_ on \_\_\_\_\_.

**See other side for important information, including who to contact if you have questions.**

**▼ Don't send notes or letters with your payment. Cut at dotted line and return bottom with payment. ▼**

Check here if your name or address has changed or is wrong, and complete the back of this paper.

Check here if the person has died.

Amount you are paying: \$

Medicare Number:

**Write your Medicare number on your check or money order.**

Amount due: \_\_\_\_\_ Due in full by: \_\_\_\_\_

Don't send cash. **Make check/money order payable to: CMS Medicare Insurance**

Send payment to:

MEDICARE PREMIUM COLLECTION CENTER  
P.O. BOX 790355  
ST. LOUIS, MO 63179-0355

Visa/MasterCard/American Express/Discover Number: <input style="width: 40px;" type="text"/> <input style="width: 40px;" type="text"/> <input style="width: 40px;" type="text"/> <input style="width: 40px;" type="text"/> - <input style="width: 40px;" type="text"/> <input style="width: 40px;" type="text"/> <input style="width: 40px;" type="text"/> <input style="width: 40px;" type="text"/> - <input style="width: 40px;" type="text"/> <input style="width: 40px;" type="text"/> <input style="width: 40px;" type="text"/> <input style="width: 40px;" type="text"/> - <input style="width: 40px;" type="text"/> <input style="width: 40px;" type="text"/> <input style="width: 40px;" type="text"/> <input style="width: 40px;" type="text"/>
Expiration Date: (MM/YYYY) <input style="width: 40px;" type="text"/> <input style="width: 40px;" type="text"/> - <input style="width: 40px;" type="text"/> <input style="width: 40px;" type="text"/> <input style="width: 40px;" type="text"/> <input style="width: 40px;" type="text"/>
Credit/Debit Card Billing ZIP Code: <input style="width: 40px;" type="text"/>
Signature: <input style="width: 300px; height: 20px;" type="text"/>

**To pay your bill online** – Contact your bank for information on how to sign up for their Online Bill Pay Service and pay your premiums directly from a bank account. For more information on paying your bill online, visit [Medicare.gov](http://Medicare.gov), or call 1-800-MEDICARE (1-800-633-4227). Teletypewriter (TTY) users should call 1-877-486-2048.

**If you use Medicare Easy Pay to pay your premiums**, and the box on the front in the upper right says “This is not a bill,” your premium payment will be deducted from your bank account around the 20th of the month. Keep this statement for your records. By signing up for Medicare Easy Pay, you can have your Medicare premiums automatically deducted from your checking or savings account each month. For information on how to sign up, visit [Medicare.gov](http://Medicare.gov), or call 1-800-MEDICARE.

**Payments by check or money order** – Make a check or money order payable to “CMS Medicare Insurance.” When you pay by check, you authorize the Medicare Premium Collection Center (MPCC) to use the information from your check to make a one-time electronic funds transfer from your bank account or to process the payment as a check transaction. Your bank statement will show the transaction as “CMS Medicare.”

**Payments by credit/debit card** – Credit/debit card payments need a signature. Fill out the credit/debit card section in the coupon on the front of the bill and sign it. Medicare can’t set up automatic monthly credit/debit card payments.

- **If you have questions about your Part A or Part B bill amount or Part A or Part B insurance**, call Social Security at 1-800-772-1213, or write or visit any Social Security office. TTY users should call 1-800-325-0778.
- **If you have questions about your IRMAA Part D bill amount**, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.
- **If you need help paying your Medicare costs**, call or visit your State Medical Assistance (Medicaid) office, and ask for information on Medicare Savings Programs. You can also contact your State Health Insurance Assistance Program (SHIP). To get the phone numbers for your state, visit [Medicare.gov/contacts](http://Medicare.gov/contacts), or call 1-800-MEDICARE.
- **For more information about this bill**, visit [Medicare.gov](http://Medicare.gov) and type “CMS-500” in the Search box.
- **CMS doesn’t discriminate in its programs and activities**. To request this publication in an alternate format, please call 1-800-MEDICARE or email [AltFormatRequest@cms.hhs.gov](mailto:AltFormatRequest@cms.hhs.gov). TTY users should call 1-877-486-2048.

**What if I don’t pay my Part A or Part B premium?** You’ll lose your coverage, and you must still pay the total premium amount you owe. You can only reapply for Medicare during the General Enrollment Period from January 1 through March 31 each year. If you reapply, your coverage will start on July 1 of that year, and you may have to pay a higher monthly premium amount for Part A as well as a lifetime late enrollment penalty for Part B.

**What’s IRMAA & why do I pay for it?** This bill may include an Income-Related Monthly Adjustment Amount (IRMAA). IRMAA is an extra amount you must pay for Part B and Part D coverage because you have a higher income. If you have IRMAA Part D, you’re billed monthly and it’s included in this bill. Your Part D plan premium is different, and you must pay the plan premiums to your Medicare drug plan. If you have IRMAA for Part B, it’s included in your Part B premium amount. Your IRMAA can change each year. For more information about IRMAA, visit [socialsecurity.gov](http://socialsecurity.gov).

**What if I don’t pay my IRMAA Part D amount?** You’ll lose your Part D coverage, even if it’s part of your Medicare Advantage plan (like an HMO or PPO) or employer coverage. If you sign-up for Part D later, you’ll still have to pay any IRMAA for Part D you owe, and you may have to pay a monthly penalty for as long as you have Part D coverage.

**IF YOUR NAME OR ADDRESS HAS CHANGED (OR IS DIFFERENT FROM THE NAME OR ADDRESS SHOWN ON THE FRONT OF THIS BILL), PRINT THE CORRECT INFORMATION BELOW:**

Last Name

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First Name

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

MI

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Street Number

--	--	--	--	--	--	--	--

Street Name

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

P.O. Box

--	--	--	--	--	--	--	--	--	--

Apartment Number

--	--	--	--	--	--

City

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

State

--	--

Zip Code

--	--	--	--	--	--

 - 

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# UNDERSTANDING THE "MEDICARE PREMIUM BILL" FORM (CMS-500)

**YOUR MEDICARE NUMBER**  
 Found on your Medicare card. **Please write your Medicare number on your check or money order.**

**BILLING INFORMATION**

- Current amount due and coverage period for Part A and/or Part B, \*If this is the first billing you received, it may also include premiums owed for previous months not already billed. May also include Part B late enrollment penalty and/or Part B IRMAA amounts if they apply to you.
- Past due amount and coverage period already billed for Part A and/or Part B.
- Current amount due for Part D IRMAA and coverage period.
- Past due amount and coverage period already billed for Part D IRMAA.

**TERMINATION DATE**  
 The date your Medicare Insurance will end if you do not send the 'past due amount' by the date shown. You'll only see a termination date(s) on a bill that says "Delinquent" at the top.

**PAYMENT COUPON**  
 Cut or tear off the bottom portion of the bill and return it with your payment (or credit or debit card information). **Note: if you don't send in this coupon, your payment could get delayed.**

**AMOUNT PAID**  
 Write in the exact amount of your check, money order, or credit or debit card payment.

**VISA/MASTERCARD/AMERICAN EXPRESS/ DISCOVER NUMBER**  
 You may pay premiums with a Visa, MasterCard, American Express, or Discover credit or debit card. To use this option, write in your credit or debit card account number, expiration date, Billing ZIP Code, and sign the form. If you pay by credit or debit card, you must provide your signature and return the payment information in the return envelope we sent you.

CMS-500 (2/16)  
 U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
 CENTERS FOR MEDICARE & MEDICAID SERVICES (CMS)

**MEDICARE PREMIUM BILL**

DATE: mm/dd/yyyy

YOUR MEDICARE NUMBER:

**Ways to pay your bill:**

- Pay online at your bank's website
- Sign up for Medicare Easy Pay
- Make a check or money order payable to "CMS Medicare Insurance"
- Use Visa, MasterCard, American Express, or Discover

Send payment with the coupon at the bottom to:  
**Medicare Premium Collection Center**  
**P.O. Box 790355**  
**St. Louis, MO 63179-0355**

Coverage Periods	Part A (Hospital Insurance)	Part B (Medical Insurance)	IRMAA Part D	=	Total Amount
Amount due for Part A and/or Part B	mm/dd/yyyy-mm/dd/yyyy	\$0.00	\$0.00		\$0.00
Past due amount for Part A and/or Part B	mm/dd/yyyy-mm/dd/yyyy	\$0.00	\$0.00		\$0.00
Amount due for IRMAA Part D	mm/dd/yyyy-mm/dd/yyyy		\$0.00		\$0.00
Past due amount for IRMAA Part D	mm/dd/yyyy-mm/dd/yyyy		\$0.00		\$0.00

Part A termination date: mm/dd/yyyy  
 Part B termination date: mm/dd/yyyy  
 Part D termination date: mm/dd/yyyy

Total amount due: \$0.00  
 Payment in full due by: mm/dd/yyyy

**Please send your full payment by** mm/dd/yyyy. Your payment is late if Medicare gets it after this date. If your bill says "Delinquent" at the top, you must pay your bill in full by this date, or you could lose your coverage and you may not be able to get your coverage back right away. **Partial payment may not stop you from losing your coverage.**

Your bill shows new amounts and past amounts we didn't get by your last bill's due date.  
 We got your last payment of \$ 0.00 on mm/dd/yyyy

**See other side for important information, including who to contact if you have questions.**

▼ **Don't send notes or letters with your payment. Cut at dotted line and return bottom with payment.** ▼

Check here if your name or address has changed or is wrong, and complete the back of this paper.  
 Check here if the person has died.

Medicare Number:

**Write your Medicare number on your check or money order.**  
 Amount due: \$0.00 Due in full by: mm/dd/yyyy

Don't send cash. **Make check/money order payable to: CMS Medicare Insurance**

Send payment to:  
**MEDICARE PREMIUM COLLECTION CENTER**  
**P.O. BOX 790355**  
**ST. LOUIS, MO 63179-0355**

Amount you are paying: \$

Visa/MasterCard/American Express/Discover Number:     -     -     -

Expiration Date: (MM/YYYY)   -

Credit/Debit Card Billing ZIP Code:

Signature:

(over)

**BILL TYPE**  
 Some people with Medicare are billed either monthly or quarterly. If you are billed for Part A or IRMAA Part D, you will be billed monthly. If this box says:

- **FIRST BILL**, it means your last payment was received timely or this is your initial bill.
- **SECOND BILL**, it means a payment is late by at least 60 days.
- **DELINQUENT BILL**, it means a payment is late by at least 90 days and you could lose your Medicare coverage.
- **ESTATE BILL**, it means a payment is due for a deceased beneficiary.
- **THIS IS NOT A BILL**, it means a payment will be deducted from your bank account (usually occurs on the 20th of the month – known as Medicare Easy Pay).

**PART A, PART B, & PART D COVERAGE**  
 Some people with Medicare owe premium payments for:

- Hospital Insurance (Part A) only.
- Medical Insurance (Part B) only. Note: You may **owe** more than the standard Part B premium if you enrolled late; disenrolled from Medicare and later reenrolled; and/or you have a higher yearly income that makes you **owe** a Part B Income Related Monthly Adjustment Amount (IRMAA).
- Part D Income Related Monthly Adjustment Amount (IRMAA), an amount in addition to the Part D premium. **Note: this isn't your Part D premium. If you have Part D, your Part D plan bills you for your regular premium amount.**
- More than one part (Part A, Part B, Part D IRMAA).

**TOTAL AMOUNT DUE**  
 This is the total amount due right now. It may include past due amounts from an earlier billing period.

**PAYMENT IN FULL DUE BY**  
 Your premium payment is due by the 25th of the month.

**LAST PAYMENT RECEIVED**  
 This is the date that we last received a payment from you. If your last payment was submitted close to the due date it may not be reflected on this bill.

**PAYMENT ADDRESS**  
 Send your payment or credit card information with the lower, tear-off portion of the bill in the return envelope we sent you.

## **Additional client advising considerations**

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Clients may come in for an advising session knowing some details that could have an impact soon or down the road on Medicare benefits and decision making.

There are many examples of possible sensitive situations. Advisors need to be respectful while asking questions to determine the facts.

Examples:

- Health of a spouse or self
- Job status considerations
- Marriage status considerations
- Covered by an employer plan that pays primary to Medicare (Refer to *Medicare & You*, page 81, for important facts on Medigaps.)

As a SHIBA advisor, you might need to provide hypothetical situation scenarios as you may not be getting all the facts from a client in an advising session.

## **Activity: New Medicare beneficiary role play**

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Instructions:

- Your RTC will help guide you through this activity.
- Below is a role play. Find two people in the room to act out the scene and then go through it again to help answer the questions you asked Joe.
- Or you may read through it as a group and then go through and answer each of the questions in the scene one-by-one.

### **Community BBQ**

Setting: You're a guest at a community BBQ and you run into Joe. He knows you're a SHIBA volunteer and stops to ask you a few questions.

**Joe:** Hey, I'll be turning 65 tomorrow. Is it true I was supposed to sign up for Medicare?

**You:** Well, are you still working and do you have employer group health coverage through this active current employment?

**Joe:** No, I just finished up 25 years at JC Penney's and I'm done working for now. BUT my wife is still working. Does that matter?

**You:** So your spouse is still working. Do you have coverage through her active employment?

**Joe:** Yes, she's still teaching at Sweet Home Elementary School and covers me. She checked and was told it will pay before Medicare pays.

**You:** Okay, so you're turning 65 and no longer working and have Employer Group Health coverage through your spouse. You may want to check in with your spouse about the cost of her covering you and discuss whether that's manageable now that you're no longer working.

Have you compared the benefits from the EGHP with Medicare options?

**Joe:** Not really.

**You:** Let me ask you something else. Did you retire from a company or government system that provides you retiree health coverage? If so, does that retiree health benefit require you to enroll in Medicare Parts A and B so that it'll pay secondary to Medicare?

And are you eligible for Veterans health benefits or Indian Health Service benefits?

Joe is interested in pursuing Medicare enrollment because he remembers his wife mentioning how expensive it is for her to cover him through her EGHP.

Joe has a new series of questions.

**Joe:** Around how much will Medicare cost me?

**You:** Part A is likely no cost to you if you've paid Social Security taxes for at least 10 years of work. And Part B is likely to cost you around \$134 a month but could cost more depending upon your combined income two years ago.

**Joe:** So is there any benefit for me to sign up just for Part A if I decide to keep my spouse's EGHP? I hear there are pros and cons to signing up for Part A only after you're age 65 depending upon your specific situation. Can you tell me the pros and cons?

**You:** Well, here are some pros:

If you have Part A in addition to the employer coverage from your wife's work, it will pay as secondary to Medicare. That means if you're hospitalized, your wife's work insurance will handle the bills first and then pass them along to Medicare for processing. Since there's a maximum allowed amount, chances are if your wife's work insurance is a good payer, Medicare won't pay anything. But if there's a balance you owe according to the hospital and you have Part A, the hospital can't bill you more than the Medicare Part A deductible of \$1,340. So that is a really good protection.

Another consideration, Joe, is to check that your EGHP coverage includes creditable prescription drug coverage before you enroll in Part A only. Why? Because if you enroll in Part A and don't have creditable prescription drug coverage and then later on down the road you enroll in Medicare Part D, you could incur a late enrollment penalty for not having had creditable prescription drug coverage that goes back to the effective date of your Part A. So I would contact the current plan to get a document showing that it includes creditable prescription drug coverage.

If you sign up for Medicare Parts A and B and also keep the EGHP, then the Employer Group Health Plan will pay as primary and Medicare as secondary.

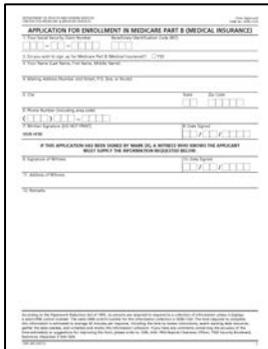
As for a possible con:

A lot of people avoid signing up for Part B when they have an Employer Group Health Plan as primary. This is because Part B costs around \$134 and often doesn't pay as well as secondary. This is because the primary reimburses the health care provider more than the Medicare allowed amount. Plus there's the complication of later on getting a Medigap without medical underwriting.

After your conversation ends, there are a few considerations:

- Be sure to fill out a CCR afterwards.
- What else should you do to follow up?
- As an advisor, what questions do you have and who would you ask?

## Resource - Form 40B: Application for enrollment in Part B



**“I have Part A and want to apply for Part B.”**

Handout

People who have Part A and want to apply for Part B must submit Form 40B, the Application for enrollment in Part B to Social Security.

People NEW to Medicare Parts A and B should contact Social Security to apply if Social Security does not automatically enroll them.

How people can enroll:

- Apply online, by telephone or in person  
Use the application for enrollment in Part B/CMS-40B

4 pages, application form and instructions.

Sources: CMS-40B English and Spanish Links

- CMS forms: [www.cms.gov/Medicare/CMS-Forms/CMS-Forms/CMS-Forms-Items/CMS017339.html](http://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/CMS-Forms-Items/CMS017339.html)
- English form: [www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS40B-E.pdf](http://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS40B-E.pdf)
- Spanish form: [www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS40B-S.PDF](http://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS40B-S.PDF)

For more information visit:

- [www.chesco.org/DocumentCenter/View/24408](http://www.chesco.org/DocumentCenter/View/24408)
- [www.medicare.gov/forms-help-and-resources/forms/medicare-forms.html](http://www.medicare.gov/forms-help-and-resources/forms/medicare-forms.html)

## Resource - Form L564: Request for employment information



**“I want to sign up for Part B while I’m employed or during the eight months after employment or my employer/union coverage has ended, and I need to provide employment information.”**

Handout

People who delayed Part B while working will need to have their employer provide information to Social Security using Form L564, Request for employment information.

3 pages, application form and instructions.

Sources: CMS-40B English and Spanish web links

- [www.cms.gov/Medicare/CMS-Forms/CMS-Forms/CMS-Forms-Items/CMS009718.html](http://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/CMS-Forms-Items/CMS009718.html)
- [www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS-L564E.pdf](http://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS-L564E.pdf)
- [www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS-L564S.pdf](http://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS-L564S.pdf)

For more information visit:

- [www.chesco.org/DocumentCenter/View/24408](http://www.chesco.org/DocumentCenter/View/24408)
- [www.medicare.gov/forms-help-and-resources/forms/medicare-forms.html](http://www.medicare.gov/forms-help-and-resources/forms/medicare-forms.html)
- [www.medicare.gov/forms-help-and-resources/forms/medicare-forms.html#collapse-4882](http://www.medicare.gov/forms-help-and-resources/forms/medicare-forms.html#collapse-4882)

## Resource: Questions to ask a new Medicare client working past age 65

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As a SHIBA volunteer advisor, sometimes clients prefer to tell you their story and ask you questions. Other clients may prefer you to ask them questions. If so, here are sample questions to ask. There is no perfect order. This is sample wording. Feel free to modify.

***Please use a Client Contact form to record the pertinent data.*** Pertinent information can go into notes in the CCR.

1. What is your name?
2. What is your Phone Number (in case we are disconnected I will call you back).
3. Are you currently working?
  - a. If yes, do you have active health insurance through that current and active employment?
4. Is your spouse currently working?
  - a. If yes, do you have health insurance coverage through your spouse's current, active employment?
5. Do you have health insurance through your retirement or your spouse's retirement?
6. Do you have TRICARE? Federal health benefits? A Union?
7. Do you know what your retiree health insurance requires you to do in terms of enrolling in Medicare? (A, B, D, MAPD?)
8. Do you have access to health care through the Veterans Administration?
  - a. Or do you have access to health care through tribal services or an Indian Health facility?
  - b. If yes to either of the above, do you get all your care and medications

through that healthcare system?

9. Do you have limited income and financial resources? Would you like to talk about programs that might help you to pay for some of your Medicare costs?
10. Are you currently on Medicaid or any Medicaid program that you know of?
11. If you already have a red, white and blue Medicare Card, can you please read to me which parts you have and the effective date of each part? (Get effective dates of both Part A and B separately which will be helpful later).
12. If you do not have a card, I can assist you in understanding when you can enroll, (enrollment periods)
13. What is your age? (You'll check this on the Client Contact Record.)
  - a. If younger than 65. Are you on Social Security Disability? Employer Insurance from a job? (This may change who pays first.)
14. Do you use prescription medications? Do you have any other prescription drug coverage?
15. If you will have only Medicare Part A (hospital) and Part B (outpatient) would you like to learn about Medigap plans (Medicare supplements) that help pay the 20 percent after Medicare pays first?
16. Shall we look at the difference between Medicare A and B with a Supplement and Part D vs. enrolling in Medicare A and B and then discussing Medicare Advantage options? (Look at the Pathway document.)

**Group discussion:**

- What are some additional questions you might ask?
- What concerns might arise as you ask questions?
- What information should you document?
- When should you consider a referral and to whom?

## Notes

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## Training packet review

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Review the learning objectives on page 3.

Spend time answering and discussing questions in today's training packet.

***See page 47 of this packet for answers.***

### Notes:

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## Reminders and future training

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### 1. Evaluation

Please fill out the training evaluation. We value your feedback!

Future months will include a variety of in-person and distance education-based training. We'll be coordinating with the RTCs, VCs and sponsors to help ensure successful long-distance training.

### 2. Future training

June through December training topics include help paying for Medicare, Medigaps, prescription drug coverage, STARS, VRPM and the updated Volunteer Handbook.

No monthly training is planned for August or December—though there will probably be a need for VCs to go through some training for STARS and VRPM. We'll keep you posted.

### 3. Reminders

Washington state beneficiaries are scheduled to start receiving their new cards after June 2018.

As of April 2018, new Medicare-eligible beneficiaries are starting to receive Medicare cards with the new Medicare number.

## Answers to training packet questions

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### Pages 3 and 45 training packet learning objectives

Note that all advising sessions will be unique to the individual client. Below are some possible answers. You'll likely have other answers too.

- Explain unique considerations for **people who turn 65, continue to work and also have an Employer Group Health Plan (EGHP) plan** through their or their spouse's active employment.

**Answer:**

Take into consideration:

- They've heard they need to sign up at age 65 or they don't have to sign up at 65. Is this true? (The correct answer: Depends upon the person's circumstances).
  - Is their employer plan going to pay primary or secondary to Medicare?
  - Do they want to sign up for Medicare Part A only?
  - They're likely delaying drawing their Social Security retirement benefit, they might not know how they are going to pay their Medicare premium.
  - They may need to know which steps they need to take to enroll in Medicare.
  - They might ask if they need to call and tell Social Security they don't want Medicare.
- Describe some reasons a person might **delay enrolling in Medicare Part A** past age 65.

**Answer:**

- They have an HSA with high-deductible health plan.

- They (or their spouse) have not worked enough to get Part A for free.

➤ Describe a good reason for someone to **enroll in Part A during Medicare's Initial Enrollment Period (IEP).**

**Answer:**

- Part A is free for most people.
  - Client must do this if the employer plan pays secondary to Medicare (small-group employer).
  - Offers possible protection from balance billing from a hospital or Skilled Nursing Facility (SNF) in the unusual event that current drug coverage through EGHP is not creditable to Part D.
  - Is the client satisfied with costs and benefits of their EGHP? This is a question for your client to consider as a part-of their decision-making process. A client could consider dropping it altogether and go on Medicare.
- Describe some reasons someone might **delay enrolling in Medicare Part B** past age 65.

**Answer:**

- Covered by active employment of large-group employer, which will pay primary to Medicare
  - Don't want to pay Part B premium when already covered
- Describe some reasons someone with **EGHP coverage might enroll in Medicare Part B during the IEP.**

**Answer:**

- Client must do this if employer plan pays secondary to Medicare (small-group employer).
- Is the client satisfied with costs and benefits of their EGHP? This is a question for your client to consider as a part-of their decision-

making process. A client could consider dropping it altogether and go on Medicare.

- List out the ways someone can **pay their Medicare premiums.**

**Answer:**

- Easy Pay is the safest and smoothest
- Bank's online bill payment
- Written check
- Credit or debit card

- Identify someone's **risk to take COBRA when he or she's eligible for Medicare.**

**Answer:**

- COBRA is not active employer group health coverage.
- People on COBRA get **no** SEP to join Medicare when COBRA ends.
- Clients would risk a break in coverage and a late enrollment penalty if they don't enroll in Medicare during their IEP.

## **Page 13 answers about Stella and COBRA**

Q: When does she turn 65?

A: August 12, 2019.

Q: What is her seven month period for her IEP?

A: Her IEP is May 2019 through November 2019.

Q: What is her 18-month COBRA period?

A: July 1, 2018 through January, 2020.

Q: What might happen when she shows up at Social Security in February 2020 to sign up for Medicare?

A: She'll no longer be in her IEP or her SEP. She will be in her GEP.

Q: What other bad news could Stella get?

A: Stella will have to wait for her Medicare to start, she will probably have a late enrollment penalty and in some cases the COBRA plan could go back and deny coverage for care when Medicare should have been paying primary. This could be very costly to Stella.

## **Page 22 answers about Jill deciding whether or not to enroll in Medicare**

Q: What will Medicare cost me?

A: Part A will likely not cost you anything if you've got 10 years of work or more.

Q: Can I enroll now?

A: Yes, your SEP is during the time that you have active EGHP coverage or up to eight months after it ends. Since you are currently covered through his active EGHP, you are in your SEP and can enroll anytime.

Q: What's the fastest way to enroll into Medicare?

A: You can do it through [ssa.gov](http://ssa.gov) or directly with Social Security. Since you were eligible for Medicare at 65 and you're now 66 you will need to complete some forms so that Social Security waives the late Enrollment Penalty.

If it's convenient, you can go to a Social Security office to get the forms or I may be able to email you a link to them.

Since your life is uncertain and you already know that your Medicare options will cost less than the \$650/month, you can get the ball rolling now.

You can also discuss filing for social security retirement with Social Security if you choose to do that.

## **Page 23 answers about Medicare, the VA and Rhonda**

Q: Do I need to sign up for Parts A and B?

A: You are not required to enroll, but the VA encourages you to do so.

Q: What will happen if I try using just the VA for a few years to make up my mind about joining Medicare later?

A: The VA is not considered employer health coverage and you may incur a late enrollment penalty if you delay signing up for Medicare and do not have an active Employer Group Health Plan.

Q: Well, I get my skin prescriptions from the VA, so is there any reason to sign up for Part D?

A: Health care providers at the VA can treat you and prescribe medications related to certain conditions for which you have VA coverage. Those are the prescriptions you can get through your creditable prescription coverage at the VA.

The VA can only dispense medications that a VA provider prescribes. So, if you see healthcare providers outside of the VA and they prescribe medications for say, blood pressure control, then you probably cannot get those at the VA.

Q: What if I delay signing up for Part D later? Will I get a penalty like everyone else?

A: If you can show proof that you have creditable prescription drug coverage from the VA, then if you sign up for Part D in the future (during open enrollment), then the late enrollment penalty is waived. But you must respond to the plan's request for information about creditable drug coverage.

# Training course evaluation

Date of Training: \_\_\_\_\_ Training Location: \_\_\_\_\_

How can SHIBA improve the monthly trainings?

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What additional trainings within our SHIBA scope would you like to see?

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What SHIBA training materials (including QRCs) would you like to see added to My SHIBA?

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Other: \_\_\_\_\_

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**Optional:** If you would like to be contacted, please provide your name and contact information. Someone in our office will contact you. Thank you!

Name: \_\_\_\_\_

Day Phone: \_\_\_\_\_ Email: \_\_\_\_\_

**If you prefer to give electronic feedback about curriculum or training, please contact:** Diana Schlesselman: [dianas@oic.wa.gov](mailto:dianas@oic.wa.gov) or Liz Mercer: [lizm@oic.wa.gov](mailto:lizm@oic.wa.gov).

Binder ideas and any additional comments:

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