Medicare Minute Teaching Materials – March 2020
Medicare and Employer-based Coverage

1. How does job-based insurance work with Medicare?

Job-based insurance is insurance offered by an employer or union for current employees and family members. Job-based insurance allows you to delay Medicare enrollment without negative consequences in some situations. However, you may want to enroll in Medicare depending on whether your job-based insurance pays primary or secondary. In most cases, you should only delay enrolling in Part B if your job-based insurance is the primary payer (meaning it pays first for your medical bills) and Medicare is secondary, and if you will have a Special Enrollment Period (SEP) to enroll in Part B when you lose your job-based coverage (see number 2).

If you are eligible for Medicare because you are 65 or older:

- Job-based insurance is primary if it is from an employer with 20+ employees. Medicare is secondary in this case, and some people choose not to enroll in Part B because of its monthly premium ($144.60 in 2020).
- Job-based insurance is secondary if it is from an employer with fewer than 20 employees. Medicare is primary in this case, and if you delay Medicare enrollment, your job-based insurance may provide little or no coverage. You should enroll in Part B to avoid incurring high costs for your care.

If you are eligible for Medicare because you have received Social Security Disability Insurance (SSDI) for 24 months:

- Job-based insurance is primary if it is from an employer with 100+ employees. Medicare is secondary in this case, and some people choose not to enroll in Part B because of the additional monthly premium.
- Job-based insurance is secondary if it is from an employer with fewer than 100 employees. Medicare is primary in this case, and if you delay Medicare enrollment, your job-based insurance may provide little or no coverage. You should enroll in Part B to avoid incurring high costs for your care.

To find out if your job-based insurance is primary or secondary, contact your or your spouse's human resources department. Your State Health Insurance Assistance Program (SHIP) can also help you understand when Medicare pays primary or secondary based upon your other insurance. Contact information for your SHIP is on the last page of this document.

2. How do I use the Part B SEP?

Special Enrollment Periods (SEPs) are periods of time outside normal enrollment periods where you can enroll in health insurance. They are typically triggered by specific circumstances.

The Part B SEP is a period of time when you can enroll in Medicare Part B after your initial enrollment period. You can use the Part B SEP while you are covered due to current work and for 8 months after you no longer have coverage from current work (job-based insurance). Using the Part B SEP also means you will not have to pay a Part B late enrollment penalty (LEP) (see question 9). If you are considering delaying Part B enrollment because you have job-based insurance, make sure to also learn whether your coverage will be primary or secondary.

To use the Part B SEP, you must meet two criteria:

- You must have insurance from current work (from your job, your spouse's job, or sometimes another family member's job) or have had such insurance within the past eight months, and
- You must have been continuously covered by job-based insurance or Medicare Part B since becoming eligible for Medicare.

Note: You are ineligible for the Part B SEP if you go more than eight months in a row without coverage from either Medicare or insurance from current work. You also specifically must be covered by either Part B or insurance from current work during the first month of your Medicare eligibility unless you used your Initial Enrollment Period (IEP) to enroll in Medicare.

In most cases, you should enroll in Medicare immediately after your job-based insurance ends to avoid gaps in coverage, even though your SEP may last for several more months. Remember, even if you use the SEP to avoid a late enrollment penalty, you may still be responsible for any health care costs you incur in the months after losing job-based coverage -- or after your coverage becomes secondary -- before your Medicare coverage takes effect.

If you plan to delay enrollment into Part B and use the SEP later, keep records of your health insurance coverage. You will be required to submit proof of your enrollment in job-based insurance when accessing the SEP. Proof of enrollment in job-based insurance includes:

- Written notice from your employer or plan
- Documents that show health insurance premiums paid, including W-2s, pay stubs, tax returns, and/or receipts
- Health insurance cards with the appropriate effective date

3. Can I have a Health Savings Account (HSA) and Medicare?

Health Savings Accounts (HSAs) are accounts for individuals with high-deductible health plans (HDHPs). Funds contributed to an HSA are not taxed when put into the HSA or when taken out as long as they are used to pay for qualified medical expenses. Your employer may oversee your HSA, or you may have an individual HSA that is administered by a bank, credit union, or insurance company.

If you have an HSA and will soon be eligible for Medicare, it is important to understand how enrolling in Medicare will affect your HSA.

High-deductible health plans

In order to qualify to put money into an HSA, you must be enrolled in a high-deductible health plan and may not have any other health insurance (including Medicare or coverage from a spouse or family member). HDHPs have large deductibles that members must meet before receiving coverage. This means HDHP members pay in full for most health care services until they reach their deductible for the year. Afterwards, the HDHP covers all the member's costs for the remainder of the year.

Enrolling in Medicare when you have an HSA
If you enroll in Medicare Part A and/or B, you can no longer contribute pre-tax dollars to your HSA because, with an HSA, you cannot have any health insurance other than an HDHP. The month your Medicare begins, you should stop contributing to your HSA. However, you may continue to withdraw money from your HSA after you enroll in Medicare to help pay for medical expenses, such as deductibles, premiums, copayments, and coinsurances. If you use the account for qualified medical expenses, its funds will continue to be tax-free.

Whether you should delay enrollment in Medicare so you can continue contributing to your HSA depends on your circumstances. If you work for an employer with fewer than 20 employees, you may need Medicare in order to have primary insurance, even though you will lose the tax advantages of your HSA. This is because health coverage from employers with fewer than 20 employees pays secondary to Medicare. If you work at this kind of employer and fail to enroll in Medicare, you may have little or no health coverage because your health plan does not have to pay until after Medicare pays. Health coverage from an employer with 20 or more employees pays primary to Medicare, so you may choose to delay Medicare enrollment if you work at this kind of employer and continue putting funds into your HSA, but you must delay BOTH Medicare Part A and Part B to do so.

Note: In either case, you will be able to enroll in Part A and will have access to the Part B Special Enrollment Period (SEP) when you lose coverage or retire.

If you choose to delay Medicare Part A and Part B enrollment because you are still working and want to continue contributing to your HSA, you must also wait to collect Social Security retirement benefits. This is because most individuals who are collecting Social Security benefits when they become eligible for Medicare are automatically enrolled into Medicare Part A. You cannot decline Part A while collecting Social Security benefits. The takeaway here is that you should delay Social Security benefits and decline Part A if you wish to continue contributing funds to your HSA.

Finally, if you decide to delay enrolling in Medicare, make sure to stop contributing to your HSA at least six months before you do plan to enroll in Medicare. This is because when you enroll in Medicare Part A, you receive up to six months of retroactive coverage, not going back farther than your initial month of eligibility. If you do not stop HSA contributions at least six months before Medicare enrollment, you may incur a tax penalty.

If you require counseling around HSAs, consult a tax professional.

4. How does retiree insurance work with Medicare?
Retiree insurance is a form of health coverage an employer or union may provide to former employees. Retiree insurance is almost always secondary to Medicare, meaning it pays after Medicare and may provide coverage for Medicare cost-sharing, like deductibles, copayments, and coinsurance. Because retiree insurance is secondary, you should enroll in Medicare to be fully covered.

You may be able to keep your retiree insurance as primary after you become Medicare-eligible if you have End-Stage Renal Disease (ESRD) (see question 8) or Federal Employee Health Benefits (FEHB) (see question 6).

The decision to keep retiree coverage after you enroll in Medicare is a personal one that depends on your costs and anticipated health care needs. Retiree coverage premiums can be costly, but it may be worthwhile to keep your plan if you anticipate high Medicare costs. Retiree coverage may also pay for care or other items and services that Medicare does not cover, such as vision care, dental care, and/or off-formulary or over-the-counter prescription drugs. If the plan offers prescription drug coverage that you like, find out if the coverage is creditable (see question 7) and if you can delay Medicare Part D enrollment without penalty.

For more information on the services covered by your retiree insurance plan, contact your benefits administrator or your employer's human resources department.

Retiree insurance may coordinate with Medicare differently depending on the type of plan you have. Below are a few common types of plans and how you might expect them to work with Medicare. Be sure to speak to your employer's HR department for more information.

- Fee-for-service (FFS) plans pay for care from any doctor or hospital. FFS plans cover Medicare cost-sharing and generally act like a supplemental insurance policy.
- Managed care (HMO or PPO) plans require that you see in-network providers and facilities. Your costs are typically lowest when seeing providers who take both Medicare and your retiree insurance. When seeing Medicare providers who do not take your retiree insurance, you will pay regular Medicare cost-sharing amounts, and your retiree insurance may not pay at all.
- Employer-sponsored Medicare Advantage plans offer Medicare-eligible individuals both Medicare and retiree health benefits. Some employers require that you join a Medicare Advantage plan to continue getting retiree health benefits after becoming Medicare-eligible. You can always choose not to take your employer's coverage and sign up for Original Medicare or a different Medicare Advantage plan, but keep in mind that you may not be able to get that retiree coverage back if you want it at a later date.
- Employer-sponsored supplemental insurance offers secondary coverage for Medicare-eligible individuals. These plans often function similarly to Medigaps, meaning that they pay all or part of certain remaining costs after Original Medicare pays first. Remember: You can always choose not to take your employer's coverage and sign up for a Medicare Advantage plan or Original Medicare with a Medigap, but you may not be able to get that retiree coverage back if you want it at a later date.

5. How does COBRA work with Medicare?

The Consolidated Omnibus Budget Reconciliation Act (COBRA) is a federal law passed in 1986 that lets certain employees, their spouses, and their dependents keep group health plan (GHP) coverage for 18 to 36 months after they leave their job or lose coverage for certain other reasons, as long as they pay the full cost of the premium. Under COBRA, a GHP is defined as a job-based insurance plan that provides medical benefits to employees, their spouses, and/or their dependents.

As you make COBRA-related decisions, keep in mind that health coverage under COBRA is typically expensive because it tends to be comprehensive and you may pay the full cost of the premium yourself (employers often pay part of the premium for current employees). However, COBRA coverage may be less expensive or more comprehensive than similar individual health coverage.

The way that COBRA and Medicare coordinate depends, in part, on which form of insurance you have first. While it is possible to get COBRA if you already have Medicare, it is not usually possible to keep COBRA if you have it before you become Medicare-eligible. Specifically, whether you can have both COBRA and Medicare depends on which form of insurance you have first. Also, COBRA pays secondary to Medicare.

- If you have COBRA when you become Medicare-eligible, your COBRA plan will no longer be obligated to keep you enrolled, so you COBRA coverage will usually end on the date your Medicare Part A and/or Part B becomes effective. (Even if you do not enroll on time in Medicare, COBRA pays secondary as soon as you are eligible, and without Medicare, you may be responsible for your medical bills in their entirety.) You should enroll in Part B immediately when you become eligible, because you are not entitled to a Special Enrollment Period (SEP) when COBRA ends. Your spouse and dependents may keep COBRA for up to 36 months, regardless of whether you enroll in Medicare during that time.
    - You may be able to keep COBRA coverage for services that Medicare does not cover. For example, if you have COBRA dental insurance, the insurance company that provides your COBRA coverage may allow you to drop your medical coverage but keep paying a premium for the dental coverage for as long as you are entitled to COBRA. Contact your plan for more information.
- If you have Medicare Part A or Part B when you become eligible for COBRA, you must be allowed to enroll in COBRA. Medicare is your primary insurance, and COBRA is secondary. You should keep Medicare because it is responsible for paying the majority of your health care costs. COBRA is typically expensive, but it may be helpful if you have high medical expenses and your plan covers your Medicare cost-sharing or offers other needed benefits, or if the COBRA policy also covers other family members who are not Medicare eligible.

Note: If you are eligible for Medicare due to End-Stage Renal Disease (ESRD), your COBRA coverage is primary during the 30-month coordination period (see question 8).

6. How do Federal Employee Health Benefits (FEHB) work with Medicare?

Federal Employee Health Benefit (FEHB) plans cover current and retired government employees. They are administered by the Office of Personnel Management (OPM).

FEHB plans follow some of the same coordination of benefits rules and rules for delaying Medicare enrollment as non-federal job-based insurance and retiree insurance—with a few important exceptions. Because you or your spouse work for the federal government—an employer with 100+ employees—FEHB is always primary during active employment. Additionally, if you meet other requirements, you will have an SEP to enroll in Part B (see question 2) when you are no longer covered by FEHB insurance based on current work.

Unlike other retiree insurance, FEHB plans will pay primary for retirees who do not enroll in Medicare Part B. FEHB is only secondary if you enroll in Part B. Whether to enroll in Part B or use FEHB as primary coverage is a personal decision, based on your individual circumstances. You should look at the costs and benefits of each insurance plan and make the choice that is best for you. Questions to consider include:

- Which forms of insurance do your providers take?
- Which kind of services do you use regularly?
- Which coverage offers the flexibility you need?

If you decide to enroll in Part B, you should do so within eight months after you no longer have FEHB coverage from current employment. Review your FEHB plan brochure for more details. Note that you may be unable to enroll in FEHB again if you disenroll. If you stay enrolled in FEHB and also take Part B:

- Medicare will be primary
- FEHB may cover your Medicare cost-sharing (deductibles, copayments, coinsurances)

If you stay enrolled in FEHB and do not enroll in Part B:

- Your FEHB plan will continue providing the same coverage it did when you were actively employed
- Note that some individuals choose to enroll in Part A because it is premium-free but turn down Part B because of the additional monthly premium.
- Those who want to enroll in Part B in the future may face penalties and have to wait to enroll during a General Enrollment Period (GEP)

If you keep FEHB, you must continue paying full FEHB premiums, regardless of whether you take Medicare.

7. What is creditable drug coverage?

If you are covered by creditable drug coverage, you can delay Medicare Part D enrollment without penalty (see question 10).

Creditable drug coverage is, on average, as good as or better than the basic Part D benefit. If you have drug coverage through an employer plan, you should receive a notice from your employer or plan around September of each year, informing you if your drug coverage is creditable. If you have not received this notice, contact your human resources department, drug plan, or benefits manager. Be aware that this information may not come as a separate piece of mail; it can be included with other materials, such as a plan newsletter.

Several types of plans offer creditable drug coverage, including:

- Veterans Affairs (VA) benefits
- TRICARE for Life (TFL)
- Federal Employee Health Benefits (FEHB)
- Some job-based and retiree plans

If you have one of the above forms of coverage and they have not provided you with written proof of creditable coverage, request this notice from your benefits administrator. If you are considering delaying Part D enrollment because you already have prescription drug coverage, make sure to find out if your coverage is

considered creditable. Maintaining enrollment in creditable drug coverage means you will not incur an LEP for delaying Part D enrollment (see question 11). Additionally, having creditable coverage means that if you learn that you are going to lose such coverage and you want Part D coverage, you will have a two-month SEP to enroll in a Part D plan.

If you have no drug coverage, or have drug coverage that is not creditable, Part D may help you. Even if you do not take prescription drugs, it is important to enroll in Part D so that if you later need to access prescriptions you do not face penalties or gaps in coverage.

Remember, if you decide to delay enrollment in any part of Medicare, keep a record of your insurance until you enroll in Medicare. You may need this documentation in order to sign up for Medicare later.

8. How does Medicare due to End-Stage Renal Disease work with employer-based coverage?
Medicare for those with End-Stage Renal Disease (ESRD Medicare) provides you with health coverage if you have permanent kidney failure that requires dialysis or a kidney transplant. ESRD Medicare covers a range of services to treat kidney failure. In addition, you will also have coverage for all the usual services and items covered by Medicare.

If you have job-based insurance, retiree coverage, or COBRA when you become eligible for ESRD Medicare you do not have to enroll in Medicare right away. Your group health plan (GHP) coverage–meaning job-based, retiree, or COBRA coverage–will remain primary for 30 months. The 30 months begin the month you first become eligible for ESRD Medicare. This is called the 30-month coordination period.

During the 30-month coordination period:

- You do not have to sign up for ESRD Medicare immediately if you have GHP coverage
- Your GHP coverage must pay first, and ESRD Medicare may pay second for your health care costs
- If you do not have other insurance, ESRD Medicare will pay primary as soon as you enroll

The 30-month coordination period begins when eligibility for ESRD Medicare begins, even if you haven't signed up for ESRD Medicare yet. For example, if Mr. X begins dialysis at a facility in September of 2017, he is eligible for Medicare the first day of the fourth month he gets dialysis, which is December 1, 2017. Mr. X does not enroll in Medicare until June 2018, but his 30-month coordination period still began on December 1, 2017.

You may want to enroll in ESRD Medicare even though your GHP pays primary during the 30-month coordination period. ESRD care is typically expensive, and Medicare may cover your cost-sharing (deductibles, copayments, coinsurances). If you enroll in ESRD Medicare at the start of your 30-month coordination period, Medicare should automatically become the primary payer once the period is over.

Note: If you receive a kidney transplant and want Part B to cover your immunosuppressant drug costs, you must have Part A at the time of your transplant.

Delaying ESRD Medicare enrollment

You are able to enroll in Parts A and B at any time during your 30-month coordination period, as long as you enroll in both at the same time. If you choose to delay ESRD Medicare enrollment, you should turn down both Part A and Part B. This is because if you enroll in Part A and delay Part B, you lose your right to enroll at any time during the 30-month coordination period. Instead, you will have to wait to enroll until a General Enrollment Period (GEP) and will likely face gaps in coverage and a late enrollment penalty.

Once your 30-month coordination period ends, Medicare automatically becomes primary and your GHP coverage secondary. If you do not have Medicare when the coordination period ends you may not have adequate coverage, and you may have to sign up for Part B during the GEP.

Note: The 30-month coordination period applies to people with ESRD Medicare only. If you have Medicare due to age or disability before developing an ESRD diagnosis, the normal rules for Medicare's coordination with other insurances apply.

If your ESRD Medicare coverage ends and later resumes, you start a new 30-month coordination period when you first become ESRD Medicare-eligible.

Additional rules for coordinating ESRD Medicare and COBRA

If you have COBRA first and then enroll in ESRD Medicare, your employer can choose to end your COBRA coverage—though not all employers end COBRA after you enroll in ESRD Medicare. Speak to your employer before making enrollment decisions. If you have ESRD Medicare first and then qualify for COBRA, your employer must offer you COBRA coverage. In either case, COBRA coverage is primary during the 30-month coordination period and secondary after.

9. What is a Part B late enrollment penalty (LEP)?

For each 12-month period you delay enrollment in Medicare Part B, you will have to pay a 10% Part B premium penalty, unless you have insurance based on your or your spouse's current work (job-based insurance) or are eligible for a Medicare Savings Program (MSP) (see number 9). This 12-month period starts after your Initial Enrollment Period (IEP) ends. Your IEP is the three months before, the month of, and three months after your 65th birthday month.

In most cases, you will have to pay that penalty every month for as long as you have Medicare. If you are enrolled in Medicare because of a disability and currently pay premium penalties, once you turn 65 you will no longer have to pay the premium penalty.

How do you calculate your premium penalty?

Let's say you delayed enrolling in Medicare Part B for seven years (and you did not have employer insurance, which allows you to delay enrollment without penalty). Your monthly premium would be 70% higher for as

long as you have Medicare (7 years x 10%). Since the base Part B premium in 2020 is $144.60, your monthly premium with the penalty will be $245.82 ($144.60 x 0.7 is $101.22 + $144.60 = $245.82).

Note: Although your Part B premium amount is based on your income, your penalty is calculated based on the base Part B premium. The penalty is then added to your actual premium amount.

10. How can I appeal a Part B late enrollment penalty (LEP)?
Like all Social Security enrollment decisions, you can appeal your Part B LEP. To appeal, follow the instructions on the notice that you received informing you of the penalty. In order to successfully appeal your penalty, you will need to prove that you were enrolled either in Part B or in coverage through current employment during the time period that you are being penalized for. If you can, have your employer fill out the CMS-L564 form, Request for Employment Information, showing that you or your spouse were employed and covered by insurance through current employment during the relevant time frame.

If your appeal is unsuccessful, you will have the right to request a hearing by an administrative law judge (ALJ). Follow the instructions on you appeal denial to request an ALJ hearing. For more information and assistance about Part B LEP appeals, contact your local State Health Insurance Assistance Program (SHIP). Contact information for your SHIP is on the last page of this document.

11. What is a Part D late enrollment penalty (LEP)?
For each month you delay enrollment in Medicare Part D, you will have to pay a Part D late enrollment penalty (LEP), unless you:

- Have creditable coverage, meaning coverage that is as good as or better than the basic Part D benefit
- Qualify for the Extra Help program
- Prove that you received inadequate information about whether your drug coverage was creditable

In most cases, you will have to pay that penalty every month for as long as you have Medicare. If you are enrolled in Medicare because of a disability and currently pay a premium penalty, once you turn 65 you will no longer have to pay the penalty.

How do you calculate your premium penalty?
Let's say you delayed enrollment in Part D for seven months (and you do not meet any of the exceptions listed above or below). Your monthly premium would be higher by an amount that is 7% of the national base premium for as long as you have Part D (7 months x 1%). The national base beneficiary premium in 2020 is $32.74 a month. Your monthly premium penalty would therefore be $2.29 per month ($32.74 x 1% = $0.3274 x 7 = $2.29), which you would pay in addition to your plan's premium.

Note: The Part D penalty is always calculated using the national base beneficiary premium. Your penalty will not decrease if you enroll in a Part D plan with a lower premium or increase if you enroll in a Part D plan with a higher premium.

12. How can I appeal a Part D late enrollment penalty (LEP)?
In most situations, you must pay the Part D LEP as long as you are enrolled in the Medicare prescription drug benefit. There are some exceptions:

- If you receive Extra Help, your penalty will be permanently erased
- If you are under 65 and have Medicare, your LEP will end when you turn 65
- If you qualify for a state pharmaceutical assistance program (SPAP), it may pay your penalty for you. To find out if your state has an SPAP, how it works, and how you can apply, contact your local State Health Insurance Assistance Program (SHIP). Contact information for your SHIP is on the last page of this document.

Appealing the LEP
If your Part D plan determines that you had a break in creditable drug coverage of more than 63 days, you may have a late enrollment penalty. If your plan has reason to believe you have had a break in creditable drug coverage of more than 63 days, they should contact you to ask you to provide a verbal or written statement of creditable drug coverage. This statement is called an attestation. If you do not attest to the plan that you had creditable coverage, your plan should mail you written notification that you have an LEP, an LEP Reconsideration notice, and an LEP Reconsideration Request form.

- **LEP Reconsideration notice:** Explains your right to request a reconsideration of your late enrollment penalty. Everyone has a right to appeal their late enrollment penalty.
- **LEP Reconsideration Request form:** Use this form to appeal the late enrollment penalty with MAXIMUS, the company contracted by Medicare to handle these appeals.

MAXIMUS is the company contracted by Medicare to handle these appeals. You can appeal the penalty (if you think you were continuously covered) or its amount (if you think it was calculated incorrectly). You should complete the LEP Reconsideration Request form you received from your plan, attach any evidence you have, and mail everything to MAXIMUS:

Mailing Address:

MAXIMUS Federal Services
3750 Monroe Avenue, Suite 704
Pittsford, NY 14534-1302

Fax and Phone:

Fax: 585-869-3320
Toll-free fax: 866-589-5241
Customer Service: 585-348-3400If you do not have an appeal form from your plan, you can also use the form found at https://www.cms.gov/Medicare/Appeals-and-Grievances/MedPrescriptDrugApplGriev/Downloads/Part-D-Late-Enrollment-Penalty-Reconsideration-Request-Form-.pdf

Unfortunately, being unaware of the requirement to have prescription drug coverage is unlikely to be a successful basis for your appeal. However, the following are good reasons to appeal and may result in the elimination or reduction of your penalty:

- You have Extra Help.
- You had creditable drug coverage during some or all of the time period in question.
    - Call your former plan and ask for a letter proving that you were enrolled in creditable drug coverage. Make sure to attach this letter to your appeal form. Your employer or union may also be able to confirm the fact that you had creditable drug coverage.
- You had non-creditable drug coverage, but your or your spouse's employer or insurer told you it was creditable or didn't inform you that it was not creditable.
- You were ineligible for Medicare prescription drug coverage (e.g., if you were living outside the U.S. or you were incarcerated).
- You couldn't enroll into drug coverage because of a serious medical emergency.

Part D LEP appeal process
The deadline to begin your Part D LEP appeal is 60 days from the date you received the letter from your plan informing you about the penalty. If you miss this deadline, you can write a letter explaining why you had a good cause, or a good reason--like serious illness--that prevented you from appealing on time. Attach this letter to your appeal. Once your appeal is submitted, you can expect a determination from MAXIMUS within 90 days. In the meantime, pay the LEP to your plan along with your premium. If your appeal is successful, your plan must reimburse you for the LEP payments you made while your appeal was pending. If your appeal is unsuccessful, you will owe the LEP. An unfavorable decision from MAXMIUS is final and not subject to further appeal.

For more information and assistance with Part D LEP appeals, contact your local State Health Insurance Assistance Program (SHIP). Contact information for your SHIP is on the last page of this document.

SHIP Case Study
Joshua, who turned 65 six months ago, is covered by his spouse's job-based insurance from current work. He did not sign up for Medicare when he turned 65 because he already had coverage through his spouse's employer. A few weeks ago, Joshua went to the doctor for the first time since becoming eligible for Medicare. Today he received a denial notice from the job-based plan. The notice says that the plan will not pay for Joshua's doctor's office visit because the plan is not the primary insurance.

What should Joshua do?

- Joshua should contact her State Health Insurance Assistance Program (SHIP).
    - If he doesn't know how to find his SHIP, he can go to www.shiptacenter.org or call 1-877-839-2675 for assistance.

- A SHIP counselor can help Joshua understand his situation. The SHIP counselor will explain how job-based insurance works with Medicare for people eligible for Medicare due to age. Medicare is primary if the company has fewer than 20 employees, and Medicare is secondary if the company has 20 or more employees.
- For Joshua, his spouse's coverage is likely from a company with fewer than 20 employees. This is why Joshua got a notice saying that his plan is not the primary insurance. The plan may not have realized until now that Joshua was supposed to be enrolled in Medicare. Since Medicare is supposed to pay first for Joshua's health care, the employee plan will not make payment until Medicare does.
- The SHIP counselor can let Joshua know that he has an SEP to enroll in Medicare. He has an SEP because she is covered by job-based insurance. Joshua can enroll in Medicare by contacting the Social Security Administration at 800-772-1213.
- The counselor should also inform Joshua about how to avoid a Part D LEP. Joshua should ask his spouse's benefits administrator if the job-based insurance provides creditable coverage, which is coverage that is as good as or better than Medicare Part D. If Joshua's drug coverage is creditable, he can delay Medicare Part D enrollment without penalty. He will have an SEP to enroll in Part D when he no longer has creditable coverage. If he does not have creditable coverage, he should enroll in Part D now, and he may have a penalty for the months he was eligible for Medicare but not enrolled in Part D.
- The counselor can also tell Joshua that the employee plan may try to get back payments it made during the time that she was eligible for Medicare but not enrolled.

SMP Case Study

Grace is turning 65 next month and is still working and covered by insurance through her employer. She plans on delaying enrollment in Part B and Part D. She gets a call from someone who claims to be from Medicare, and they say that she needs to enroll in Medicare over the phone or she will miss her chance to enroll in Medicare. The person on the phone asks for her Social Security number to help her enroll and her bank information to pay for the Medicare premiums. Grace does not want to lose her opportunity to enroll, but she is skeptical about the nature of this phone call.

What should Grace do?

- Grace should call her Senior Medicare Patrol for assistance.
  - If Grace does not know how to contact her SMP, she can call 877-808-2468 or visit www.smpresource.org.
- The SMP can tell Grace that she was right to be skeptical about this phone call. Neither Medicare nor Social Security will make unsolicited calls to enroll people in Medicare. It's also a red flag that the caller threatened her about time limits and loss of benefits. (Note that Medicare Advantage plans or prescription drug plans cannot make unsolicited phone calls to prospective enrollees, though they may send unsolicited e-mail. People who are already enrolled in these plans may receive calls from their plan under certain circumstances, but that does not apply to her situation.)

  - The SMP can tell Grace that she should generally be cautious about sharing her personal information, like her Social Security number and bank information, especially with callers and entities unfamiliar to her and with whom she hasn't given permission to call.
- If Grace and the SMP believe that this was a scam to obtain her personal information, the SMP can help her report the phone call to the correct entity.
- The SMP can help Grace confirm that she does not need to enroll in Medicare Parts B and D at this time if she does not want to.
  - She can contact her State Health Insurance Assistance Program (SHIP) for individualized Medicare enrollment counseling. Her SHIP might explain some considerations, such as:
    - If her employer has at least 20 employees and she will continue to be covered due to current work, she will continue have primary insurance after turning 65 and can delay enrolling in Part B if she wants to. Additionally, Grace will not have a late enrollment penalty if she uses the Part B SEP to sign up for Part B any time while still covered by job-based insurance and up to eight months after she no longer has coverage from current work.
    - If her drug coverage is considered creditable, she can delay enrolling in Part D without penalty. She will also have an SEP to enroll in Part D within 63 days of losing drug coverage, regardless of whether the coverage was creditable.
- The SMP can let Grace know that when she does decide to enroll in Medicare, she should do so by calling Social Security at 800-772-1213 or visiting her local Social Security office.

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.

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