

65 and Still Working

Making the Right Medicare Decisions

Increasingly, many seniors work past their 65th birthday, when they first become eligible for Medicare. A recent Conference Board survey found that 62 percent of people ages 45 to 60 plan to delay retirement, up from 42 percent in 2010.

If you are planning to keep working, there is good Medicare news! You can still get all the parts of Medicare when you turn 65, exactly like you would if you were not working. If your insurance is through COBRA or TRICARE, or if you work for a company with fewer than 20 employees, you will probably want to join Medicare right away. You can also choose to delay enrollment in Parts A, B, C or D until you retire if you or your spouse is still actively working for a company with at least 20 full-time workers AND you get health insurance from them.

Enrollment in Medicare

First, start learning more about your Medicare options three months before your 65th birthday, when Initial Enrollment begins (the earliest period of time you can enroll in Medicare). Initial Enrollment is seven months total—the three months before the month of your 65th birthday, the month of your 65th birthday, and three months after your 65th.

Need help with enrollment? Use the Medicare QuickCheck® to get advice on the next steps you should take at www.mymedicarematters.org/take-an-assessment.

Medicare Coverage

Part A

Hospital insurance

Part B

Outpatient medical services

Part C

Medicare Advantage plans (covers Part A, Part B, and sometimes Part D as well)

Part D

Medicare prescription drug plans

Part A

Who can delay enrollment in Part A if they are still working?

Talk to your employer

If you or your spouse is actively working at a company with at least 20 or more full-time workers AND you get health insurance through them, you can delay enrollment in Part A and get it later on when you retire or if you lose your job-related insurance. Make sure you and your employer agree that you meet these terms.

Health Savings Account

If you have a Health Savings Account (HSA) you may not want to enroll in Medicare Part A right away because an employer may stop contributing to your HSA account once you enroll in Part A, and you can also no longer contribute. Speak with your job's human resources department prior to becoming eligible for Medicare to see how any of the parts of Medicare—even just Part A—may change your benefits.

Do you qualify for Special Enrollment?

Know the eight month time period for Special Enrollment. When you delay enrolling in Medicare Part A (as with Part B), you have an eight month Special

Enrollment Period to sign up for Part A and/or Part B (the eight months following the month your employer's coverage ends). Make sure you and your employer agree on the date that your employer insurance ends. If you wait longer than eight months after the end of your employer health insurance to enroll in Part A, you may have to pay a



penalty when you join.

If you are disabled and working

If you are disabled and working (or you have coverage from a working family member), the Special Enrollment Period rules also apply as long as the employer has more than 100 employees.

Who should enroll in Part A if they are still working?

You might want to enroll in Medicare Part A when you turn 65, even if you

have employer health insurance, because it is free for most people. The major exception would be anyone with a Health Savings Account—they should check with their employer.



PART B

Who can delay enrollment in Part B if they are still working?

Talk to your employer

If you or your spouse is actively working at a company with at least 20 or more full-time workers AND you get health insurance through them, you can delay enrollment in Part B and get it later on when you retire or if you lose your job-related insurance. Make sure you and your employer agree that you meet these terms.

Saving money

Delaying may save you money. There is a monthly premium for Part B (\$104.90 per

month, and higher for higher earners), and you may not need Part B yet if you are already covered for outpatient medical services through your employer insurance. Check with your office HR department to make sure.

Delaying your Medigap Open Enrollment Period

You can delay your Medigap Open Enrollment Period. When you first sign up for Part B at age 65 or older, you are entitled to a six-month Open Enrollment Period to purchase Medigap insurance (supplements to Medicare that cover some or all of Medicare's deductibles and coinsurance). After that Open Enrollment Period, Medigap insurers can charge you more or deny you coverage based on your health status. You only get one Open Enrollment Period, so be sure not to miss it!

Do you qualify for Special Enrollment?

Know the eight month time period for Special Enrollment. When you delay enrolling in Medicare Part B (as with Part A), you have an eight month Special Enrollment Period to sign up for Part B and/or Part A (the eight months following the month your employer's coverage ends). Make sure you and your employer agree on the date that your

employer insurance ends. If you wait longer than eight months after the end of your employer health insurance to enroll in Part B, you may have to pay a penalty when you join.

If you are disabled and working

If you are disabled and working (or you have coverage from a working family member), the Special Enrollment Period rules also apply as long as the employer has more than 100 employees.

Who should enroll in Part B if they are still working?

If you are still working but do NOT meet the conditions described above (i.e. either you or your spouse do NOT work for a company with 20-plus employees where they provide health insurance), you should probably enroll in Part B when you first become eligible. Sign up on time so you avoid paying penalties for late enrollment.

PART C

Who can delay enrollment in Part C if they are still working?

Talk to your employer

Part C is a Medicare Advantage Plan. You must enroll in Parts A and B to get Part C. Part C normally includes Part D

as well. If you are planning to delay all or some of the parts of Medicare, check with your employer regarding your ability to delay enrollment in a Part C plan.

Do you qualify for Special Enrollment?

Know the 63 day time period for Special Enrollment. When you delay enrolling in Medicare Part C, you have a 63 day Special Enrollment Period to sign up for Part C (the 63 days after your employer's coverage ends). Make sure you and your employer agree on the date that your employer insurance ends.



If you are disabled and working

If you are disabled and working (or you have coverage from a working family member), the Special Enrollment Period rules also apply as long as the employer has more than 100 employees.

Who should enroll in Part C if they are still working?

If you are not planning to delay enrollment in any of the parts of Medicare (A, B, and D) you may want to enroll in a Part C plan, which covers A, B, and sometimes D as well.

PART D

Who can delay enrollment in Part D if they are still working?

Talk to your employer

If you have drug coverage through your job or your spouse's job OR through the Veteran's Administration, you can delay enrollment in Part D and get it later when you retire or lose your job-related drug coverage. Check with your employer regarding your ability to delay enrollment in a Part D plan.

Is the company's coverage creditable?

If you already have prescription drug coverage through your employer or your spouse's employer (or the Veteran's Administration), your insurance plan should send you a letter telling you whether or not the company's coverage is "creditable"—meaning it is equal to or better than what Medicare is offering. If it is "creditable," then you won't have

to pay a late-enrollment penalty if you decide to switch to Medicare Part D later.

Do you qualify for Special Enrollment?

Know the 63 day time period for Special Enrollment. When you delay enrolling in Medicare Part D, you have a 63 day Special Enrollment Period to sign up for Part D (the 63 days after your employer's creditable coverage ends). Make sure you and your employer agree on the date that your employer insurance ends. If you wait longer than 63 days after the end of your employer health insurance to enroll in Part D, you may have to pay a penalty when you join.

If you are disabled and working

If you are disabled and working (or you have coverage from a working family member), the Special Enrollment Period rules also apply as long as the employer has more than 100 employees.

Who should enroll in Part D if they are still working?

You should probably enroll in Part D if you do NOT have prescription drug coverage through your employer or your spouse's employer, OR through the Veterans Administration.

Sign up on time so you avoid paying penalties for late enrollment.

Medicare + Employer Insurance

How will my coverage be affected if I have Medicare as well as another type of health insurance?

Coordination of benefits

If you have Medicare as well as other health insurance or coverage, each type of coverage is called a “payer.” When there’s more than one payer, “coordination of benefits” rules decide which one pays first. Talk to your HR department to determine how having Medicare in addition to your employer insurance will affect your medical costs.

Primary and secondary payers

If you work for a company with 20-plus employees that provides health insurance, your employer insurance becomes the primary payer and Medicare becomes the secondary payer. As a secondary payer, Medicare will only pay your bill if your primary insurance (your employer health insurance) pays less than what Medicare would have paid if it were primary. In general, you’re unlikely to see cost savings from having Medicare in addition to your employer’s plan. Employer health insurance

typically covers more of the cost than what Medicare would have covered, which results in Medicare making no payment.

If your employer health plan doesn’t pay all of your bill, the doctor or healthcare provider should send the bill to Medicare for secondary payment. Medicare will look at what your group health plan paid and pay any additional costs up to the Medicare-approved amount. You’ll have to pay whatever costs Medicare or the employer health plan doesn’t cover.

To get a customized report with guidance on Medicare enrollment, visit www.mymedicarematters.org/take-an-assessment.