



Medicare and Employer Group Health Insurance for People with Disabilities Under 65

I am 50 years old and just became eligible for Medicare Part A and Part B due to a disability. I have insurance through my current employer. Do I need to keep my Medicare or can I drop it?

~ Mr. James

Dear Mr. James,

The enrollment rules for people under 65 years old who are eligible for Medicare due to a disability are different from the enrollment rules for people who are 65 and over. As you know, if you've been receiving Social Security Disability Insurance (SSDI) for 24 months you will be automatically enrolled in Medicare Parts A and B. You should have received a package in the mail from Medicare three months before your Medicare started. Most people take Part A since it is generally free (no premium). However, there is a monthly premium for Part B. Some people choose to turn down Part B because they have primary insurance from a current employer.

If your current employer has 100 or more employees, your insurance is called a large group health plan and your health plan pays first. This means that your employer group health plan is the primary payer. If you choose to keep Medicare, Medicare will pay after your employer's insurance. Many people with large group health plans turn down Medicare Part B because they are adequately covered under their employer's insurance.

The best way to find out how your health coverage will work with Medicare is to contact the benefits administrator for your insurance plan or work with your employer's benefits counselor. If you're happy with your group health plan and it is your primary insurance, then you can delay enrolling in Part B until a later time when you are no longer working or the group health plan no longer covers you – whichever happens first. It is important to sign up for Part B as soon as you stop working or lose employer coverage in order to avoid late enrollment penalties.

If your employer has less than 100 employees, your insurance is called a small group health plan and Medicare pays first and your employer pays second. This means that you should stay in Medicare Part A and Part B. You will need the primary coverage through Medicare - only having secondary insurance is like having no insurance at all.

Sometimes multiple employers with less than 100 employees come together and create what is called a **multi-employer plan**. If only one employer within the multi-employer plan has 100 or more employees, then the multi-employer plan acts like a large group health plan, meaning the plan pays first and Medicare pays second.

It is always a good idea to call your health plan's benefits administrator to find out exactly how your coverage will work with Medicare and ask what kind of plan they are and how many employees are counted. Be sure to keep careful records of your conversations, including the date, who you spoke with and what they told you. Try to get all information you receive from your benefits counselor or

insurance company in writing. You may need to remind them that the rules for primary and secondary insurance coverage for a person with Medicare who is under age 65 are based on 100 employees, while the deciding number for a person age 65 or older would be 20 employees.

Important tip: In addition to speaking to your employer, you should speak to someone at the Social Security Administration (800-772-1213) any time you make a decision about enrolling in or declining Part B to be sure you understand the consequences of your decisions. Write down the date, time, representative's name and the information you received – this information could be important if there is any problem with your benefits in the future.

Here is where you can go for additional information or if you need help:

Medicare: 800-MEDICARE (800-633-4227) or TTY 877-486-2048

Social Security Administration: 800-772-1213 or TTY 800-325-0778

Online Resources:

Medicare Part D for People Who Have Drug Coverage Through an Employer or Union:

<http://www.medicare.gov/Publications/pubs/pdf/11107.pdf>

Who Pays First: <http://www.medicare.gov/publications/pubs/pdf/02179.pdf>



AgeOptions on behalf of the Make Medicare Work Coalition



Getting Medicare right

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