



Medicare Coordination of Benefits

Often when an employer has older employees that are eligible for Medicare, there is a question regarding which coverage pays first, group coverage or Medicare...

- Medicare is **Primary** if the employee or spouse is on a group plan of 2 - 19 lives (if over age 65).
- Medicare is **Secondary** if the employee or spouse is on a group plan of 20 or more lives (if over age 65).
- Medicare is **Secondary** if the employee or dependent is under age 65 and disabled on a group plan of 100 or more lives.
- Medicare is **Secondary** for the first 30 months if the individual has permanent kidney failure. **This only applies to the individual with kidney failure**, regardless of group size or who is covered.

Medicare Supplements

- ◆ **Part A** is free; you will be automatically eligible when you turn 65.
- ◆ **Part B** has a small premium (about \$50), and you are eligible if you have Part A.
- ◆ **If your company has 20 or more employees (during at least half of the previous calendar year)...**If you are still working and eligible for group benefits, you **DO NOT WANT TO ENROLL IN PART B!** Once you enroll in Part B, the 6-month Medicare Supplement open enrollment period starts and cannot be extended or repeated.

Open enrollment means that you will not have to pass medical underwriting. You are allowed, however, to waive Part B benefits because of your eligibility for a group plan employment. If you take Part B while you are still covered under a group plan, you will have to pass medical underwriting to get a Medicare Supplement at a later date (if it is more than 6 months past your Part B enrollment).

- ◆ **If your company has fewer than 20 employees (during at least half of the previous calendar year)...** You should enroll in Part B and a Medicare Supplement, because nearly every insurance carrier in the market pays in the secondary position (as if you have Medicare Parts A and B). If you are in a small group and you are not enrolled in Part B, you **WILL HAVE A GAP IN COVERAGE.**
- ◆ If you become eligible and enroll in Part B before age 65 due to **disability or kidney failure**, you are not guaranteed open enrollment for a Medicare Supplement until you reach age 65. This means that the only benefits available to you will be Medicare and any other health insurance coverage you may have.

