

## Medicare Minute Script – December 2016 Who Pays First: Medicare or Other Insurance?

Medicare has rules about how it works with other insurance you may have. Depending on this other insurance, Medicare either pays first (primary) or second (secondary) on your health care claims (bills). This Medicare Minute addresses the basics of Medicare's coordination with other types of insurance.

### Point 1: Understand which types of insurance pay primary to Medicare.

Insurance from your or your spouse's **current employment** pays primary to Medicare if you:

- Are eligible for Medicare because you are 65 or older, and the company has **20 or more employees**.
- Are eligible for Medicare because you have received Social Security Disability Insurance (SSDI) payments for more than 24 months, and the company has **100 or more employees**.
  - **Note:** If you have Medicare due to disability, the insurance based on current employment can also be from your family member's current work.

**Federal Employee Health Benefits (FEHB)** based on current work always pay primary to Medicare because the government has more than 100 employees. Further, unlike other retiree insurance, FEHB retiree insurance will also pay primary if you do not sign up for Medicare Part B; however, you may face penalties and delays in accessing Part B if you don't enroll when you are first eligible.

**TRICARE military insurance** for active duty service members and their families always pays primary to Medicare – active duty is considered current work.

### Point 2: Understand which types of coverage pay secondary to Medicare.

Insurance from your or your spouse's **current employment** pays secondary to Medicare if you:

- Are eligible for Medicare because you are 65 or older, and the company has **fewer than 20 employees**.
- Are eligible for Medicare because you have received Social Security Disability Insurance (SSDI) payments for more than 24 months, and the company has **fewer than 100 employees**.
  - **Note:** If you have Medicare due to disability, the insurance based on current employment can also be from your family member's current work.

Most **retiree insurance** pays secondary to Medicare, including:

- Insurance from a former employer or a union.
  - In limited circumstances, some of these plans will choose to pay primary, but they are not required to do so. If the retiree plan pays primary, make sure that you get this decision in writing.
- Federal Employee Health Benefits (FEHB) for retirees if you are enrolled in Medicare Parts A **and** B
- TRICARE for Life (TFL), which is Medicare-wraparound coverage for TRICARE beneficiaries who have Medicare Parts A **and** B.

**COBRA continuation coverage** pays secondary to Medicare.

**Medigaps**, also known as Medicare supplemental insurance, pay secondary to Medicare.

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**Note:** Veterans’ Affairs (VA) benefits do not coordinate with Medicare. Rather, VA benefits generally pay for services at any VA facility, and Medicare generally pays for services at any non-VA facility. There may be some exceptions, such as for emergencies.

**Point 3: Know what questions to consider before delaying Medicare enrollment.**

Before delaying Medicare enrollment, you should determine whether your other insurance will pay primary to Medicare **and also** whether you will face penalties and/or delays if you sign up for Medicare later. If your other insurance will pay secondary, it is not advisable to delay Medicare enrollment. This is because your secondary insurance may refuse to cover you until you are also enrolled in Medicare, or it may take back any payments it made when you were eligible for Medicare but not enrolled.

To avoid a Part B (or Part A, if applicable) late enrollment penalty (LEP), you need to qualify for a Medicare Special Enrollment Period (SEP). You will qualify for a SEP to sign up late for Medicare if you lose current employee coverage, such as through retirement. You can use the SEP while you are still covered or up to eight months after losing coverage.

**Take Action:**

1. If you have other insurance, learn how it works with your Medicare coverage. Before delaying Medicare enrollment, speak with the Social Security Administration (800-772-1213) and consider your options carefully.
2. Contact your State Health Insurance Assistance Program (SHIP) for personalized, one-on-one counseling and assistance with understanding how Medicare works with your other insurance, including how to avoid late enrollment penalties.
3. If you receive bills for health care services that you think should have been covered by Medicare or your other insurance, contact your Senior Medicare Patrol (SMP) program for education and assistance regarding suspected Medicare fraud, errors, or abuse.

Iowa SHIP	Iowa Senior Medicare Patrol (SMP)
<b>SHIP toll-free: 1-800-351-4664</b>	<b>SMP toll-free: 1-800-423-2449</b>
<b>SHIP email: <a href="mailto:shipt@iid.iowa.gov">shipt@iid.iowa.gov</a></b>	<b>SMP email: <a href="mailto:iowaSMP@nei3a.org">iowaSMP@nei3a.org</a></b>
<b>SHIP website: <a href="http://www.therightcalliowa.org">www.therightcalliowa.org</a></b>	<b>SMP website: <a href="http://www.iowasmp.org">www.iowasmp.org</a></b>
<b>To find a SHIP in another state:</b> Call 877-839-2675 or visit <a href="http://www.shiptacenter.org">www.shiptacenter.org</a> .	<b>To find an SMP in another state:</b> Call 877-808-2468 or visit <a href="http://www.smpresource.org">www.smpresource.org</a> .

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