

# MEDICARE NEWSLETTER

## MARCH 2020

LICENSED  
INSURANCE AGENT

MEDICARE MINUTE®  
FACILITATOR

## MEDICARE + EMPLOYER-BASED COVERAGE

### WHAT IS THE DIFFERENCE BETWEEN PRIMARY AND SECONDARY COVERAGE?

When you have Medicare and another type of insurance, Medicare will either pay primary or secondary for your medical costs. Primary insurance pays first for your medical bills. Secondary insurance pays after your primary insurance. Usually, secondary insurance pays some or all of the costs left after your primary insurance has paid (for example, deductibles and copays).

### WHO PAYS PRIMARY AND WHO PAYS SECONDARY?

INSURANCE TYPE	CONDITIONS	PRIMARY	SECONDARY
<b>65+ with job-based insurance</b>	Fewer than 20 employees	Medicare	Employer
	20+ employees	Employer	Medicare
<b>Disabled job-based insurance</b>	Fewer than 100 employees	Medicare	Employer
	100+ employees	Employer	Medicare
<b>Retiree insurance</b>	Not eligible for Medicare	Retiree	N/A
	Eligible for Medicare	Medicare	Retiree
<b>COBRA</b>	Had COBRA before enrolling in Medicare	Medicare	N/A*
	Had Medicare before becoming eligible for COBRA	Medicare	COBRA

\*COBRA ends if you had COBRA before enrolling in Medicare.

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### HOW DOES MEDICARE WORK WITH JOB-BASED INSURANCE?

Job-based insurance is coverage you have from your, your spouse's, or sometimes your family member's current work.

#### **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
- Job-based insurance is secondary if it is from an employer with fewer than 20 employees. Medicare is primary.

#### **If you are eligible for Medicare because you've collected 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.
- Job-based insurance is secondary if it is from an employer with fewer than 100 employees. Medicare is primary.

If your job-based insurance will be primary, you may decide to delay Medicare enrollment because you already have primary coverage and do not want to pay the additional monthly Part B premium. If your job-based insurance will be secondary, you should enroll in Medicare Part B when you're eligible to avoid high costs for your care. If Medicare is supposed to be your primary coverage, your job-based coverage may provide little or no coverage if you are not enrolled in Medicare Part B.

### HOW DOES MEDICARE WORK WITH RETIREE INSURANCE AND COBRA COVERAGE?

**Retiree insurance is a form of health coverage an employer may provide to former employees.** Retiree coverage is almost always secondary to Medicare. This means you need to enroll in Medicare to be fully covered.

**COBRA is a federal law that extends the option to purchase coverage to employees and their spouses/dependents once the employee leaves their job or otherwise loses coverage.** If you have COBRA when you become Medicareeligible, COBRA coverage usually ends the date you get Medicare. You should enroll in Part B right away. If you have Medicare Part A or Part B when you become eligible for COBRA, you must still be allowed to enroll in COBRA. Medicare is primary insurance, and COBRA is secondary insurance.