

## **Counseling New to Medicare Beneficiaries**

### **Where do I start?**

Medicare may work with the health care coverage the beneficiary already has or qualifies for. What the beneficiary already has may affect their options and choices under Medicare and other decisions they may need to make. The first step in counseling is to find out what other insurance they have in place and will keep in place.

**The beneficiary may have one of the following or may qualify for one of the following:**

-  **My coverage is ending or I don't have other coverage besides Medicare**
-  **Employer Group Health Plan (GHP)**
-  **Federal Employee Health Benefits (FEHB)**
-  **COBRA**
-  **TRICARE/TRICARE for Life**
-  **Veterans Administration (VA) benefits**
-  **Tribal or Indian Health Services (IHS) health and drug benefits**
-  **Medicaid/Medicare Savings Programs (MSP)/Extra Help**
-  **Health Insurance Marketplace (ObamaCare)**



**I am new to Medicare and the coverage I have is ending  
OR I don't have any coverage**

These individuals need help understanding all their options under Medicare. You should also find out if they have looked into other benefits they may be eligible for such as VA benefits.

You should always screen an individual for Extra Help and the Medicare Savings Programs (also known as buy-in in Alaska). Use *Help with Medicare Costs* flyer.

Ask the beneficiary what they know about the Medicare program or what questions they have. This gives a good starting point to the discussion and allows them to explain what their understanding is.

Remember to check on Part D coverage when doing the comparison.

What to cover if a beneficiary is losing coverage from Employer group health plan through current, active employment or from a retiree plan.

**Active Employment**

Find out if the beneficiary has enrolled in Part A and B.

These individuals will also be able to enroll in a Medicare Advantage Plan and/or Part D within 63 days of losing their employer plan.

Also consider Enrollment into a Part D plan.

**Retiree Coverage**

Find out what coverage the beneficiary has with Medicare (i.e., Part A, B, D or Medigap).  
Ask them if they qualify for any other insurance coverage (i.e., V.A., Indian Health Service, coverage under a spouse).

These individuals will have a 63 day guaranteed issue right after their retiree plan ends to enroll in a Medigap. Once this is over, they will be at the mercy of underwriting.

Also consider enrollment into a Part D plan.

## Employer Group Health Coverage

Is the coverage through the active employment of the beneficiary or the beneficiary's spouse?

Answer is Yes

Answer is No

***For 65 year olds (or older)***

Does the employer employ 20 or more employees?

***For under 65 year olds***

Does the employer employ 100 or more employees?

The plan is most likely a retiree plan and will pay secondary to Medicare.

Yes

No

The employer plan will pay primary to Medicare and The beneficiary can put off enrolling in Part B with no penalty.

Employer plan pays secondary to Medicare and may not pay anything if the beneficiary is not enrolled in both Part A and B.

There is still no penalty if the beneficiary puts off enrolling in Part B, but may have to pay the full cost of any Part B covered services if they use them.

The beneficiary may wish to keep it or compare it to what they could get under Medicare.

**Compare:**

Premiums—how much are the premiums compared to Medigap premiums; Medicare Advantage (if available) premiums

Coverage--how does it fill in the cost sharing under Medicare Parts A and B; Does it have dental coverage and/or good drug coverage (as compared to Medicare Part D coverage).

If the beneficiary wants to go off of their group health plan through their current employer, they should find out if and when they can drop the employer plan in favor of Medicare's coverage and then compare.

Advise the beneficiary that most retiree plans will not let them back on if they decide to drop it.

Are there any dependents being covered by the employer plan?	
Yes	No
The beneficiary needs to find out if they drop their employer plan, whether or not it will drop their dependents. If so, they may want to keep it.	The beneficiary just needs to decide if they want to keep it or drop it in favor of coverage under Medicare, Medigap, or Medicare Advantage plans.
Employer plans of either type above (actively employed or retired) may have drug coverage. Is the drug coverage creditable to Medicare's Part D coverage (meaning the coverage is as good if not better than Medicare Part D)?	
Yes it is creditable coverage	No it is not creditable drug coverage
Advise the beneficiary that they need a statement in writing from the insurance company or their human resource department that their drug coverage is creditable. This is required by Federal law.	Advise the beneficiary that they need a statement in writing from the insurance company or their human resource department that their drug coverage is <b>not</b> creditable. This is required by Federal law.
Joining Part D may cause the beneficiary to lose their <i>entire</i> coverage through their employer (either current coverage or retiree coverage).  Having creditable drug coverage protects the beneficiary from any penalties. However, the beneficiary will have to prove to Medicare when they had creditable coverage while not enrolled in Part D if they ever enroll in a Part D plan in the future.	If the beneficiary does not join Part D, then they will possibly pay a 1% penalty per month for each month they were not covered by Part D and did not have creditable coverage.
Advise the beneficiary to check with their employer plan for the letter on creditable coverage (if they do not already have one) and to find out how joining Part D may affect their current employer plan.	Advise the beneficiary to check with their employer plan for the letter on creditable coverage (if they do not already have one) and to find out how joining Part D may affect their current employer plan.

## **Federal Employee Health Benefits (FEHB)**

FEHB follows the same rules for coordination of benefits as those noted on the “Employer Group Health Coverage” Tip Sheet with some exceptions. These are:

- FEHB cannot require you to take Part B even if the beneficiary is retired
- FEHB’s drug coverage is creditable drug coverage, but coordinates with Medicare Part D, so a beneficiary could have both.

If the beneficiary decides not to take Part B, then FEHB will continue to pay for all services that are covered by Part B as the primary payer, even if the beneficiary is retired and on the retiree coverage.

There is still a penalty of 10% for every 12 month period the beneficiary went without Part B and was on the retiree coverage. There is no penalty if the beneficiary is covered by FEHB through their own active employment or the active employment of a spouse with FEHB.

Because there is a penalty, all beneficiaries who choose not to enroll in Part B because of their FEHB, should keep in mind that if the rules ever change and FEHB stops paying claims that Part B would cover or they decide at a later time to add Part B and they are covered as a retiree (not actively employed), they would have to pay a penalty to have Part B and they would only be able to enroll during the Medicare GEP (General Enrollment Period).

FEHB’s drug coverage is credible to Medicare’s, so a beneficiary does not need to enroll in a Part D plan, but they can if they want the extra coverage from a Part D plan.

Any beneficiary who is collecting Social Security Retirement or Social Security Disability Income (SSDI) has to maintain Part A coverage. However, if a beneficiary is not collecting Social Security Retirement or SSDI, they can put off Part A enrollment while on FEHB.

## Consolidated Omnibus Budget Reconciliation Act (COBRA)

If you qualify for Medicare based on age or disability, whether you can have both COBRA and Medicare depends on which you have first.

If you have COBRA first	If you have Medicare First
Your COBRA coverage usually ends on the date you enroll (or are enrolled) in Medicare.	You must be allowed to enroll in the COBRA plan.
Spouse and children may keep COBRA for up to 36 months, regardless of whether you enroll in Medicare.	Medicare will pay primary and COBRA will pay secondary.
Beneficiary should enroll in Part B because COBRA does not protect the beneficiary from the premium penalty nor does it give them an 8 month special enrollment period.	Beneficiary should compare what he/she is getting with COBRA and the price they are paying for it with what they can get with Medicare and a Medigap or Medicare Advantage (if available).
The COBRA plan may allow you to keep certain coverage for services that Medicare does not cover such as dental.	Compare the drug coverage for both. COBRA may offer much better drug coverage that will make the premium worth it to the beneficiary. It may also have dental and eye coverage.
The beneficiary needs to ask the insurance company that provides their COBRA coverage.	Always ask, is the coverage worth the price they are paying for it?
The beneficiary will have to pay the premium for this coverage.	

If the beneficiary is eligible for Medicare because of ESRD, they will probably want to keep the COBRA plan. There is a 30 month coordination period where COBRA will pay primary to Medicare. If COBRA ends before the 30 month coordination period, then Medicare becomes primary. If the beneficiary still has COBRA at the end of the coordination period, the COBRA may end.

## **TRICARE/TRICARE for Life**

Tricare is the health insurance for professional military personnel. Tricare for Life is the health insurance for *retired* professional military personnel. In order to qualify, a beneficiary would have had to serve in the military for 20 years or more. Spouses can also get this coverage.

Tricare is like having an employer plan. If the beneficiary has not yet retired from military service, they have a group employer health plan and they do not have to enroll in Medicare Part B. They will not get a premium penalty and will have an 8 month special enrollment period.

In order to keep their Tricare for Life coverage a beneficiary who is now eligible for Medicare must enroll in both Parts A & B. If they do not, Tricare for Life will not cover their medical services until they are enrolled in Medicare A & B.

Tricare for Life has creditable drug coverage. However, if the beneficiary wants to have Part D, it will coordinate benefits with the Tricare for Life drug coverage. Medicare Part D will pay first and Tricare for Life will pay second.

At this point in time, Tricare for Life will cover the co-pays and deductibles under Original Medicare A and B coverage and the beneficiary will not have any co-pays.

## Veterans Administration (VA) Benefits

VA (Veterans Administration) benefits are not insurance but are a benefit that individuals who have had an honorable discharge and served for less than 20 years in the military may qualify for.

VA only	Medicare and VA
<p>The beneficiary can only get coverage from VA facilities and providers.</p>	<p>The beneficiary can get coverage from VA facilities and private facilities. Medicare will pay at private facility VA will pay at the VA facility</p>
<p>Beneficiaries who are eligible for Medicare Part B coverage but do not enroll in it during their Initial Enrollment Period (IEP) will be liable for a premium penalty if and when they do enroll.</p> <p style="text-align: center;"><b>AND</b></p> <p>They will only be able to enroll in Medicare Part B during the General Enrollment Period (GEP) with coverage starting on July 1<sup>st</sup> of the year they enroll.</p>	<p>Medicare does not coordinate benefits with the VA coverage. Therefore, if Medicare pays generally, the VA will not pay and vice versa. The reasoning for this is both are funded from federal tax dollars.</p>
<p>Veterans will qualify for VA based on their individual circumstances. If they do qualify they may get health and drug benefits from the VA.</p>	<p>VA drug coverage is considered creditable drug coverage to Medicare's Part D coverage. The beneficiary does not need a creditable coverage letter and can join a Part D plan during any applicable enrollment period without being penalized.</p>

Someone with VA coverage can get a Medicare Part D plan that will cover medications at a private pharmacy such as Walmart or Walgreens, as well as medications that are not on the VA formulary. They can still use VA drug coverage for medications they get prescribed to them from a VA doctor and at a VA pharmacy.

Medicare Part D and VA drug coverage do not coordinate benefits.

If a beneficiary is on Part D when they qualify for VA drug coverage, they can drop Part D but cannot get another Part D plan until an applicable enrollment period.

To check on VA eligibility, call local VA office or go to [www.va.gov](http://www.va.gov).

Alaska VA Eligibility: (907) 257-4700

Alaska VA Health Benefits: (907) 257-4738 or 1-888-353-7574 ext. 4738

Alaska VA Healthcare telephone triage line: (907) 257-4710

Patient Representative – Anchorage: (907) 257-5449

Patient Representative – Fairbanks: (907) 361-5242

Patient Representative – Kenai: (907) 395-4100 ext. 3004

## Indian Health Services (IHS)

IHS is coverage (it is not health coverage) for individuals who are enrolled in a Native American tribe and the tribe has medical clinics for its members.

### IHS coverage only

The beneficiary generally has to get all care from the medical clinic the tribe uses. They then have the ability to use IHS money to pay for some or all of their services at those clinics.

IHS drug coverage is creditable drug coverage. The beneficiary does not need a creditable coverage letter and can join a Part D plan during any applicable enrollment period without being penalized.

### IHS with Medicare coverage

Medicare does coordinate benefits with IHS. Medicare pays first and IHS pays last. IHS is a payer of last resort.

The beneficiary may want to enroll in Medicare coverage because it helps save IHS money for those individuals who do not have any other medical coverage choices.

They may also want to enroll in Medicare because it will allow them to go to providers and have access to specialty coverage from outside the tribal medical facilities

Medicare will pay for medically necessary services outside of the tribal health facility.

A beneficiary with IHS may want to enroll in Part D to get coverage from a pharmacy outside the tribal pharmacy. They may also help to save IHS money by getting on Part D after qualifying for Extra Help. This may also save them money.

Part D may cover drugs that are not covered under the IHS formulary.

## Medicaid/Medicare Savings Programs MSP/Extra Help

Eligibility for Medicaid and The Medicare Savings Programs (QMB, SLMB, SLMB Plus (QI) are handled through the State of Alaska, Public Assistance Office. Extra Help is handled through the Social Security Administration.

### Beneficiaries with Medicaid and/or MSP

Beneficiaries will automatically get Extra Help.

Beneficiaries have an on-going special enrollment period to switch, add, or drop a Part D plan and/or Medicare Advantage plan coverage.

Beneficiaries will lose most of their drug coverage they had under the Medicaid program if they were enrolled in Medicaid when they get Medicare.

They will be automatically enrolled in a Part D plan within 3 months of qualifying.

They can use LI NET (through Humana) while waiting for their automatic enrollment, or they can choose a Part D plan that will be effective the following month after enrollment (in most cases).

### Beneficiaries with Extra Help only

The beneficiary will need to apply for this if they do not get it automatically.

There are several levels to this subsidy with the most help being a 100% subsidy and the least help being a 25% subsidy. There is also a 75% and 50% subsidy a beneficiary may qualify for based on their income *and* assets.

Beneficiaries with Extra Help will have an on-going Special Enrollment Period to add, switch, or drop a Part D and/or Medicare Advantage coverage.

Beneficiaries with Extra Help will also get automatically enrolled in a Part D plan if they do not choose one. This can take up to three months to happen.

They can use LI NET (through Humana) while waiting for their automatic enrollment, or they can choose a Part D plan that will be effective the following month after enrollment (in most cases).

**Benefits** of allowing the automatic enrollment are:

- Medicare switches the beneficiary's Part D plan to one that has a zero premium at the beginning of every year (if there is going to be a cost to the beneficiary in the new plan year due to changes made by the plan)
- Beneficiary doesn't get charged a monthly premium.
- Beneficiary doesn't have to make the comparison on their own.

**Weaknesses** of allowing the automatic enrollment are:

- Medicare does not make sure the medications are covered by the plan or the plan works with the beneficiary's choice of pharmacy.
- Each year, it is Medicare that makes the choice for the beneficiary--not the beneficiary.

Benefits and weaknesses described above apply to Medicaid, MSP, and Extra Help auto-enrollment situations.

Beneficiaries with full Extra Help may still want to look at purchasing a Medigap or enrollment into a Medicare Advantage plan (when available).

### Some Extra Information about MSPs to keep in mind.

There is no estate recovery for the Medicare Savings Programs.

SLMB and SLMB Plus (QI) do not pay for Medicare deductibles or co-pays and therefore the beneficiary may want to look at Medigap or Medicare Advantage plans (when available).

## When comparing plans on [www.Medicare.gov](http://www.Medicare.gov)

If you run a personalized search using the beneficiary's Medicare number, date of birth, zip code, effective dates and last name, the plan finder will use whatever information Medicare has on the beneficiary to give you the correct premium, deductible and co-pay information including their subsidy from Extra Help.

However, if Medicare does not have updated records on the beneficiary, then you will need to do a general search and manually put in their subsidy information as shown below:

All fields on the page are required unless noted as Optional.

**Choose this option**

### How do you get your Medicare coverage?

- Original Medicare [?]
- Medicare Health Plan (such as an HMO, PPO, or Private-Fee-for-Service plan) [?]
- I don't have any Medicare coverage yet
- I don't know what coverage I have

### Do you get help from Medicare or your state to pay your Medicare prescription drug costs?

- I get help from Medicaid [?]
- I get Supplemental Security Income [?]
- I belong to a Medicare Savings Program (MSP) [?]
- I applied for and got Extra Help through Social Security
- I pay \$2.65 - \$6.60 for covered drugs [?]
- I pay 15% coinsurance for covered drugs [?]
- I don't get any Extra Help [?]
- I don't know

**Then pick how the beneficiary is qualifying for Extra Help**

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**The beneficiary may only qualify for a partial subsidy. In this case you will need to find out what co-pays they are paying for the medications at the pharmacy to pick the correct one.**

## Health Insurance Marketplace Plans (ObamaCare)

Beneficiaries Already on Medicare	Beneficiaries who are on a Marketplace plan and are now eligible for Medicare
It is illegal to sell a beneficiary on Medicare a Marketplace plan.	<p>Beneficiaries will lose the tax subsidy that is helping pay for their Marketplace plan's premium when their Medicare goes into effect. <b>However, the beneficiary will not be automatically dis-enrolled from the Marketplace plan.</b></p> <p><b>Advise</b> Medicare beneficiaries who are eligible for Medicare that they will need to dis-enroll to get off of the Marketplace plan (it isn't an automatic process when they start Medicare).</p> <p>The <b>consequences</b> are that the beneficiary will pay the full premium for the Marketplace plan for the months that they are still enrolled in the plan and do not have the tax subsidy to pay for it.</p>
If a beneficiary qualifies for premium-free Medicare Part A, they will not be able to get the tax subsidy (called Advance Premium Tax Credit) or cost-sharing reductions if they enroll in a Marketplace plan.	
If a beneficiary does not qualify for premium-free Medicare Part A, they can choose to enroll in a Marketplace plan instead of Medicare and will qualify for the tax subsidy. However; they could face late enrollment penalties if they do not sign up for Medicare when first eligible.	

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**269-3680** in Anchorage **1-800-478-6065** statewide

**[medicare.alaska.gov](http://medicare.alaska.gov)**

Want to become a Medicare volunteer? Call us!



LOCAL HELP FOR PEOPLE WITH MEDICARE