

# *Medicare and Other Insurance for People with Disabilities*

## *Becoming Eligible for Medicare*

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When you are entitled to Social Security disability benefits for 24 months, you are eligible for Medicare beginning the 25<sup>th</sup> month – except if you have been diagnosed with Amyotrophic Lateral Sclerosis (ALS, also known as Lou Gehrig’s disease). If you have ALS, Medicare begins the first month you are entitled to Social Security disability benefits.

If you have questions about your Medicare eligibility and enrollment, you should contact your local Social Security Office.

### **Provide them with this information:**

- When your disability benefits began.
- Whether you or a family member is actively working for an employer with 100 or more employees, and whether you are covered by the employer group health plan.

### **Ask these questions:**

- Will Medicare pay first or will other insurance I have pay first?
- Should I sign up for Medicare Part B?
- If I do not sign up for Medicare Part B, will I have to pay a penalty later?
- Document the name of the person you talked to, date, exact question(s) asked, and their responses for future reference.

If you have questions about information in this factsheet, call the Senior Health Insurance Information Program or SHIIP:

**1-800-351-4664 (TTY 1-800-735-2942)**

**Website:** [shiip.iowa.gov](http://shiip.iowa.gov)

**E-mail:** [shiip@iid.iowa.gov](mailto:shiip@iid.iowa.gov)



## *Enrolling in Medicare*

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For most people who are on Medicare due to disability, enrollment in Medicare Part A (hospital insurance) and Part B (medical insurance) is automatic. If you are receiving disability benefits, you will receive a Medicare card in the mail before your coverage starts, and the card will include the date your Medicare benefits begin.

You receive Medicare Part A premium-free, but Medicare Part B has a monthly premium that changes each year. You need both Medicare Part A and Part B for the best coverage. If you are covered under an employer group health plan, you may be able to delay enrollment in Medicare Part B (see details in next section). But if you don't enroll in Part B when you should, you may pay a higher monthly premium later. **If you end up paying higher premium because you enrolled late in Medicare Part B, that penalty will end when you turn 65.**

### **Enrollment When Covered by an Employer Plan**

Employers with **100 or more** employees are required to continue your health insurance coverage. **You must be currently employed** or covered under an employer group health plan of a **family member who is currently employed**.

As long as employment continues and the employer has 100 or more employees, the employer group plan will pay first for your health care. Medicare will be a secondary payer. You can wait to enroll in Part B until you or your working family member is no longer actively employed. Once you or your family member quits working, you have up to eight months to enroll in Part B without a penalty.

## *Benefit Options When You Have Medicare*

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### **Original Medicare with Supplemental Insurance**

With Original Medicare, many people pay to have supplemental insurance to cover some deductible and coinsurance amounts that Medicare doesn't cover.

- **Medicare Supplement Policies:**

A small number of insurance companies sell Medicare supplement policies to those under age 65 who have Medicare. These companies are listed in the current *Iowa Medicare Supplement & Premium Comparison Guide* available from SHIP at **1-800-351-4664**. A few of the plans available are "guarantee issue." That means they won't turn you down; however, these plans may be expensive.

You don't have an open enrollment for Medicare supplement policies when you are under age 65. However, **at age 65 you will have a six-month open enrollment period**, meaning – within those six months – you can't be turned down for any supplement plan being sold, and you can't be charged a higher premium because of any health conditions.

If you become covered by an employer group health plan, you can suspend your Medicare supplement policy indefinitely.

- **Employer Insurance:**

If you continue to be covered under an employer group health plan after you or your family member quits working, the employer plan can supplement Medicare. It will pay after Medicare pays. These plans may have drug coverage and other benefits not available in Medicare supplement policies. (See COBRA section on page 5.)

### **Other Medicare Choices**

You may choose to receive your Medicare benefits (Part A, Part B, and even Part D prescription drug coverage) through a Medicare Advantage (MA) plan instead of Original Medicare. In that case, the plan has a contract with Medicare to handle your Medicare benefits for you, and your benefits begin on the first day the plan is effective for you. **A Medicare Advantage plan has to allow you to enroll if you are on Medicare because of disability, you have both Medicare Part A and Part B, and you live in the plan's service area.**

Medicare Advantage plans cover **all the same services as Original Medicare**, though many plans often cover additional services such as routine physicals, and hearing and vision services, etc.

Some plans require you to pay a premium to the plan; others have no premium – but no matter what, you need to make sure your Medicare Part B monthly premium is still being paid **in addition to any MA plan premium.**

Plans operate in different ways, and your costs with each plan will differ. You may pay a deductible, a set copayment amount, or a percentage of the cost of services. **You do not need to pay for a Medicare supplement when enrolled in a Medicare Advantage plan – in fact, you cannot have both an MA plan and a Medicare supplement.**

As of 2023, Medicare Advantage and/or Special Needs plans are available in all counties in Iowa. Original Medicare continues to be a choice in all areas. No matter which option you choose, you are still in the Medicare program. Understanding the options available will help you to make an informed decision.

There are several different types of Medicare Advantage plans in Iowa including Health Maintenance Organizations (HMO) and HMOs with Point-of-Service (HMO-POS), Preferred Provider Organizations (PPO), Private Fee-For-Service (PFFS), and Special Needs Plans (SNP).

A Medicare Cost plan is another choice to provide your Medicare benefits and is available in several counties in Iowa. This plan has a network of providers. When you use plan providers, the services you receive are billed to the Cost Plan. When you do not use plan providers, Medicare will pay.

Call SHIIP at **1-800-351-4664** to request a copy of the *Medicare Advantage & Other Health Plans in Iowa Guide*. This guide includes basic information to help you understand the Medicare Advantage and Cost plan choices in Iowa.

### **Medicare and the Health Insurance Marketplace**

During the 24-month waiting period, before your Medicare starts, you can apply for coverage in the Marketplace. If you stay with your Marketplace plan once your Part A coverage starts, any premium tax credits and reduced cost-sharing will stop. Your policy may pay little or no benefits once you are enrolled in Medicare. Check your policy. You may also face penalties if you delay enrolling in Medicare Part B and Part D (drug coverage) once you are first eligible. Contact SHIIP to review your Medicare and health insurance options before your Medicare coverage starts.

### **Medicare Prescription Drug Benefit**

You can join a Medicare Part D prescription drug plan when you first become eligible for Medicare or from October 15 to December 7 each year. If you currently have drug coverage, you **may not** need to enroll in a Part D plan. But if you delay enrollment and do not have coverage as good as Medicare's coverage, you will have to pay a higher premium if you join later. Call SHIIP if you have questions about Medicare Part D.

## ***Assistance if You Have Limited Income and Resources***

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Income limits change for most programs each year. Adjustments are made for some types of income. If you think you might be eligible, you can apply at your local Department of Human Services office. \

### **Medicare Savings Programs\***

To be eligible for these programs in 2025, your resources must be less than \$9,660 for an individual or \$14,470 for a couple. An additional \$1,500 can be

exempt if it is designated for funeral expenses. Resources do not include your home, car, or household belongings.

<b>If your monthly income is: (amounts effective April 1, 2025)</b>	<b>Medicare Savings Programs may pay:</b>
\$1,325 or less (individual)      \$1,783 or less (couple)	Your Medicare premiums, deductibles, and coinsurance. You must use doctors who participate in Medicaid.
\$1,781 or less (individual)      \$2,400 or less (couple)	Your Medicare Part B premium.

**SSI Medicaid\***

This program covers all your medically necessary health care including, prescription drugs and vision, hearing, and dental care. The income limit for 2025 is \$967 for one or \$1,450 for a couple. Your resources must be less than \$2,000 for one or \$3,000 for a couple.

**Medically Needy Program\***

You may qualify for this program if you have high medical expenses not covered by insurance. Medical expenses are subtracted from your income to see if you meet the limit of \$483 income per month. Your resources must be less than \$10,000 per household.

\*the income levels for these programs usually update in the 1<sup>st</sup> quarter of each year

***Other Insurance Options***

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**COBRA**

If your employer group health coverage ends because you or a family member quits working, you may be able to continue coverage for up to 29 months by paying the premium yourself. When you become eligible for Medicare Part A, your COBRA coverage will end. You will need to enroll in Medicare Part B. If you don't enroll in Part B at this time, you may pay a higher premium later.

If you already have Medicare on or before the date you become eligible for COBRA, you may continue Medicare along with COBRA coverage.

Request the *COBRA* brochure from SHIIP at **1-800-351-4664** for more information.

## **Veterans**

Some veterans who meet certain income guidelines may qualify for health benefits including prescription drugs. For more information contact your nearest VA facility or call the VA Health Benefits Hotline (toll-free): 1-877-222-8387.

## **HIPIOWA**

A Health Insurance Plan of Iowa policy is available to individuals unable to buy health insurance due to certain health reasons. These policies can be used as a supplement to Medicare for individuals under 65. For more information call the State of Iowa Insurance Division at 1-877-955-1212 or look online at [hipiowa.com](http://hipiowa.com).

## *If You Go Back to Work*

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### **Continued Eligibility for Medicare Part A**

You may remain eligible for Medicare Part A if you go back to work, as long as you are considered medically disabled. Part A will be premium-free for up to 8½ years; after 8½ years, you can continue Medicare Part A by paying the monthly premium. Medicaid may pay that premium if your income is below 200% of the federal poverty level.

You can continue to be enrolled and pay the premium for Medicare Part B as long as you are enrolled in Part A. If you have employer health benefits and don't need Part B, you may be able to drop it and enroll later if necessary. Call your local Social Security Office with questions.

### **Medicaid for Employed Persons with Disabilities**

This program allows those under age 65 with disabilities to work and to have access to Medicaid assistance. You must have earned income from employment. Eligibility is based on net family income and must be less than 250% of the federal poverty level. Resource limits are \$12,000 for an individual and \$13,000 for a couple. Call your local Department of Human Services office to see if you are eligible.

## *SHIIP can help*

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The Senior Health Insurance Information Program (SHIIP) is an objective source of information. SHIIP doesn't sell insurance or make recommendations, and we can help you understand your options or refer you to other sources for additional assistance when needed.