

# *Medicare and Other Insurance for People with Disabilities*

March 2020

## ***Becoming Eligible for Medicare:***

When you are entitled to Social Security disability benefits for 24 months, you are eligible for Medicare beginning the 25<sup>th</sup> month. An exception applies 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 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, date, exact question asked and the response provided 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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### **Automatic for Most People:**

Generally, enrollment in Medicare Part A and Part B is automatic. If you are receiving disability benefits, you will receive a Medicare card showing the date your Medicare benefits begin.

You receive **Medicare Part A premium-free**. The premium for Medicare Part B is \$144.60 per month (2020). You need both Medicare Part A and Part B for the best coverage. If you don't enroll in Part B when you should, you may pay a higher premium later. If you are covered under an employer group health plan, you may be able to delay enrollment in Medicare Part B (see below).

**If you are paying a higher premium because you enrolled late in Medicare Part B, the 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 second payer. You can wait to enroll in Part B until you or your working family member is no longer actively employed. You have up to eight months to enroll in Part B after you or your family member quits working.

## *Benefit Options When You Have Medicare*

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

With Original Medicare you share in the cost of your health care. Most people like to have supplemental insurance to pay some deductible and coinsurance amounts.

#### **• 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.** Then, you can't be turned down for any plan being sold. 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. (Also see COBRA, page 5.)

### **Other Medicare Choices:**

You may choose to receive your Medicare Part A and Part B benefits including Medicare prescription drug coverage through a Medicare Advantage plan instead of Original Medicare. The plan has a contract with Medicare to handle your Medicare benefits for you.

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

Some plans require you to pay a premium to the plan; others have no premium. Benefits begin from the first day the plan is effective for you.

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 for services. **You do not need to pay for a Medicare supplement when enrolled in one of these Medicare health plans and the Supplement will not pay.**

**A Medicare Advantage plan has to take you if you are on Medicare because of disability, you have both Medicare Part A and Part B and you do not have permanent kidney failure.**

Medicare Advantage plans are available in most counties in Iowa except Dubuque and Taylor. Medicare beneficiaries who live in one of these counties do not have the option of enrolling in a Medicare Advantage plan.

There are several different types of Medicare Advantage plans in Iowa including: Health Maintenance Organization (HMO) and HMO with Point-of-Service

(HMO-POS), Preferred Provider Organization (PPO), Private Fee-For-Service (PFFS) and Special Needs Plans (SNP).

Medicare Cost plan is another choice to provide your Medicare benefits and is available in 67 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 at this time. Contact SHIIP to review your Medicare and health insurance options before your Medicare coverage starts.

### **Medicare Prescription Drug Benefit:**

You can join a Medicare 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. 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 the Medicare Drug Benefit.

## *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 2020, your resources must be less than \$7,860 for an individual or \$11,800 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 March 1, 2020)</b>		<b>Medicare Savings Programs May Pay</b>
\$1,084 or less (individual)	\$1,457 or less (couple)	Your Medicare premiums, deductibles and coinsurance. You must use doctors who participate with Medicaid.
Over \$1,084 but less than \$1,456 (individual)	Over \$1,456 but less than \$1,960 (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 2020 is \$783 for one and \$1,175 for a couple. Your resources must be less than \$2,000 for one and \$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.

## ***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, **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 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 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.

## *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 disabled. Part A will be **premium-free for up to 8 ½ years**; after 8 ½ years you can continue Medicare Part A by paying the premium. It is \$458 per month in 2020. 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 or SHIIP is an objective source of information. SHIIP doesn't sell insurance or make recommendations, but SHIIP does have factsheets on all the Medicare choices available to you. We will help you understand your options and refer you to other sources for additional assistance when needed.

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