

Medicare Q&A

Medicare and Retiree Benefits

Q: I have retiree insurance. Do I need Medicare?

A: Yes. Retiree insurance is always secondary to Medicare. This means that it only pays after Medicare pays. If you do not take Medicare Part A and Part B when you become eligible for it, it will be as if you have no insurance. Since each retiree plan is different, you should contact your plan's benefits administrator to find out about your plan's out-of-pocket costs and the services it covers.

Q: I have Medicare. Do I need to keep my retiree insurance?

A: Whether you keep your retiree insurance is up to you. Retiree insurance can act as supplemental insurance to Medicare. This means that it may pay out-of-pocket costs that Medicare does not pay for. It may also cover things that Medicare does not cover such as routine vision or dental care. Remember, you are responsible for paying your Medicare premiums as well as your retiree plan's premiums.

Q: How will my employer-based coverage change when I turn 65?

A: If you are still working when you turn 65, your employer insurance may look the same but it might function differently. If you work at a company with fewer than 20 employees, your employer insurance will become secondary and Medicare becomes your primary insurance.

If Medicare is primary and you do not sign up for it, it is as if you do not have any insurance. If you work at a company with 20 or more employees (100 or more employees if you are disabled) then your employer insurance is primary and you can delay enrolling in Medicare.

If you are retired, your retiree insurance will be secondary to Medicare.

Q: I have creditable drug coverage. Do I need a Part D prescription drug plan?

A: If you have creditable drug coverage, you do not have to enroll in Part D when you first become eligible for Medicare. Creditable drug coverage is drug coverage that is at least as good as a basic Part D prescription drug plan.

If you have creditable drug coverage, you have a Special Enrollment Period to enroll in Part D later without a penalty if you lose your creditable drug coverage. This Special Enrollment Period lasts 63 days and begins on the first day you lose your coverage. You should get a letter from your current drug plan every year stating that the drug plan is creditable.

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Q: I lost my creditable drug coverage. What can I do?

A: You should enroll in a Part D prescription drug plan right away to avoid facing a penalty or gaps in coverage. To avoid a penalty, you must enroll within 63 days of losing your creditable coverage.

Q: My retiree plan is a Medicare Advantage plan. Do I need to do anything else to sign up for Medicare?

A: If you are automatically enrolled in a Medicare Advantage plan through your retiree plan, you should have Part A and Part B. You do not have to do anything else to sign up for Medicare.

You should check to see if your Medicare Advantage plan has drug coverage. If not, see if you can sign up for a stand-alone Part D plan.

Q: My retiree plan is a Medicare Advantage plan, do I have to keep it?

A: If your retiree plan is a Medicare Advantage plan, you can drop it. However, you should be careful. If you drop retiree coverage, you may not be able to get it back. If you have dependents that are being covered by your retiree coverage but are not eligible for Medicare, dropping your Medicare Advantage plan may affect their benefits.



AgeOptions on behalf of the Make Medicare Work Coalition

