CALIFORNIA HEALTH ADVOCATES

Medicare & Other Health Insurance

Some Medicare beneficiaries may have other health insurance coverage besides Medicare. This fact sheet discusses some of these other forms of health coverage and who pays first when someone has more than one insurer.

In addition to Medicare, beneficiaries may also have health insurance coverage from the following:

1. Employer Group Health Plans (GHPs)
2. COBRA or CalCOBRA
3. Retiree plans
4. VA Medical Benefits Package
5. TriCare for Life
6. Individual Health Insurance

If you have one of these types of health coverage, it is important to understand the rules for these plans and how they coordinate with your Medicare coverage. If you have questions, contact your local Health Insurance Counseling and Advocacy Program (HICAP) at 1-800-434-0222 for more information.

Employer Group Health Plans (GHP) While Working

If you become eligible for Medicare and continue to work, or your spouse continues to work, you may have group health insurance through the employer or union. For information about which employers are required under federal law to offer health care benefits to their Medicare-eligible employees, see our online Medicare Topics section “Other Health Insurance” and click on the link for “Coverage While You or Your Spouse Works” at cahealthadvocates.org. This section also explores whether and when to enroll in Medicare Parts B and D, and who pays first if you choose to have both the employer GHP plan and Medicare. Note that the Affordable Care Act (Obamacare) does not change any of the rules for people with Medicare who have employer sponsored health insurance.

COBRA and CalCOBRA

COBRA is a federal law which allows you to continue your group health benefits at group rates when your benefits might otherwise end due to job loss, divorce or death. Your COBRA benefits are the same as those you had in the employer plan.

COBRA applies only to companies with at least 20 employees. CalCOBRA provides the same protection under California state law for workers of employers with 2 to 19 employees, but that protection does not apply for people who have Medicare. If you take advantage of COBRA or CalCOBRA, you must pay the full amount of the premium, plus an administrative fee.

Certain events such as layoffs, death and divorce trigger eligibility for COBRA or CalCOBRA benefits. The plan administrator must notify the employee and the covered spouse of their right to continue coverage within 44 days of the event, except during a legal separation or divorce. In those cases, the employee must first notify the plan administrator of the separation or divorce, then the administrator has 14 days to notify them of their COBRA rights. The employee has 60 days from the date s/he receives the COBRA notice to notify the administrator if s/he wants COBRA benefits.

Note: Special rules apply when a person becomes disabled or has more than one qualifying event. For more information, contact the U.S. Department of Labor at dol.gov.

The chart below shows events that may trigger COBRA and CalCOBRA benefits, as well as the maximum period of time you will be covered.

Events Triggering COBRA and CalCOBRA Benefits

Qualifying Event for COBRA or CalCOBRA	Person Covered	Maximum Length of Coverage
Employment ends, or hours are reduced	Employee, spouse, and dependent child/children	18 months*
• Employee becomes eligible for Medicare • Divorce or legal separation • Death of a covered employee	Spouse and dependent child/children	36 months
Loss of Dependent Child Status	Dependent child	36 months
Bankruptcy of former employer	Retired employee, spouse, and dependent child/children	• 36 months (if the bankrupt company continues to have a health plan; includes the 18-month extension under CA law*) • 0 months (if bankrupt company has no health plan) • Union member may be eligible for COBRA through a collective bargaining agreement • In rare cases, a bankruptcy court may order continuation of COBRA coverage

** California law requires most companies to extend COBRA benefits for a total of 36 months when a person is entitled to fewer than 36 months of federal COBRA coverage. Some companies are exempt from this requirement. Contact the California Department of Insurance online at insurance.ca.gov or call 1-800-927-4357 to find out if your employer is required to comply with this extension. This right does not apply when someone has Medicare.*

If the employer changes the group health benefits, your COBRA or CalCOBRA benefits will also change. If the employer stops offering group health benefits, your COBRA or CalCOBRA coverage will end. If you lose your employer-sponsored continuation coverage, or you can no longer afford to keep it, contact your local HICAP office for help with other coverage.

Medicare and COBRA

If you already have COBRA or CalCOBRA coverage and then become eligible for Medicare, the COBRA or CalCOBRA coverage will end. However, if you are eligible for Medicare and then become eligible for COBRA coverage, Medicare will automatically become your primary coverage if you accept COBRA coverage. This transisition in coverage will happen regardless of whether you actually sign up for Medicare.

1. If you elect COBRA coverage, you will need to pay premiums for both Medicare and COBRA coverage. Medicare will be your primary coverage and COBRA coverage will be your secondary coverage. **Note this exception**: For

people who have Medicare due to end stage renal disease (ESRD) and are also eligible for COBRA coverage, the plan under COBRA is required by federal law to pay first (as the primary insurer) during any part of the 30-month coordination of benefits period, and Medicare pays second. After this period, Medicare pays first.

2. If you decline COBRA coverage, you will have Medicare only.

Note: It is not advisable to ignore Medicare eligibility and elect COBRA coverage. If you are eligible for Medicare, even if you don't sign up and pay premiums, the COBRA insurer can recover from you any benefits it mistakenly pays for your primary coverage. In addition, you may be charged a late enrollment premium penalty if you sign up for Medicare later than the 8th month after your first month of COBRA coverage. COBRA coverage is not considered by the Internal Revenue Service to be health insurance from current employment.

If you are eligible for Medicare when you become eligible for COBRA coverage, you have an 8-month period from the date your employment ends to enroll in Medicare. If you do not enroll during this 8-month special enrollment period, you may be required to pay a late enrollment penalty when you enroll in Part B later, and the effective date of your benefits may be delayed. Since there is generally no premium for Part A, there is no penalty for late enrollment. See our Medicare Topics section under Other Health Insurance called "Coverage While You or Your Spouse Works."

If you are considering whether to elect COBRA coverage as a secondary insurer to Medicare or decline COBRA coverage and buy a Medigap policy or enroll in a Medicare Advantage plan, you may call the Health Insurance Counseling and Advocacy Program (HICAP) to discuss the pros and cons of each of these options.

COBRA Premiums

If you have health coverage through COBRA or CalCOBRA, you are responsible for paying the premiums. Any premium for COBRA is in addition to any premiums you pay for Medicare and is not reduced when COBRA is secondary coverage to Medicare. For COBRA, the premium is 102% of what the employer pays. For CalCOBRA, the premium is:

- At least 110% of the premium the employer pays if it is based on the age of covered employees.
- A maximum of 213% of the group rate the employer pays if it is not based on age. (This is the total premium the employer pays divided by the number of employees.)

Your premium will change each time the employer's premium changes, regardless of the method used to calculate your premium.

Retiree Plans

Some Medicare beneficiaries have health care benefits through their retiree plans from their former employer or union. Retiree plans are different from employer group health plans (GHPs) mentioned above. Although both are employer-sponsored plans, employer GHPs cover active employees while retiree plans cover retired employees. Retiree benefits are secondary to Medicare. For more information about retiree plans, please refer to fact sheet "Retiree Plans."

VA Medical Benefits Package

Some Medicare beneficiaries are veterans who have health benefits from the Department of Veterans Affairs (VA). The VA Medical Benefits Package provides health benefits to veterans of any age, except those who have been dishonorably discharged. These health benefits have no premiums and provide: inpatient care, primary health care, diagnostic and laboratory services, mental health and substance abuse treatment, home health care, respite care, hospice care, some urgent and limited services outside VA facilities, and prescription drugs. The VA may also provide nursing home care, adult day health care, dental care, and eyeglasses.

To receive benefits from the VA Medical Benefits Package, you must be a veteran, apply and be accepted into the VA health system and receive services from VA providers and facilities.

If you are enrolled in the VA Medical Benefits Package and also have Medicare, Medi-Cal, federally funded coverage through TRICARE, or other private health insurance, you may use your existing coverage in addition to your VA health care benefits. The programs are independent and do not coordinate. For example, you cannot use your Medicare card at a VA facility because the VA cannot bill Medicare. To use Original fee-for-service Medicare, you must go to doctors and facilities that accept Medicare assignment. You are responsible for paying all Medicare premiums, deductibles and coinsurance. The VA does not pay for these Medicare costs.

For more information, visit the VA website at va.gov/healthbenefits. You can also learn about the Veterans Community Care program that may allow you to receive health care through a provider in your community, depending on your health care needs or circumstances, and if you meet specific eligibility criteria. See va.gov/COMMUNITYCARE/programs/veterans/General_Care.asp or call the Community Care Call Center for more info at 1-877-881-7618. Also see our Medicare Topics section under Other Health Insurance called “Veterans Affairs Benefits.”

TriCare for Life (TFL)

Some Medicare beneficiaries are also in TRICARE For Life (TFL), a program that provides coverage to all uniformed service retirees, their spouses, survivors, and other qualified dependents. TFL requires members to enroll in Medicare Part A and Part B and pay the Part B monthly premium.

TriCare for Life:

- Has no premiums;
- Provides supplemental coverage to Medicare Part A and B benefits for services covered by TriCare; and
- Includes prescription drug coverage (beneficiary may have a copayment).

If you have Medicare and TFL, Medicare is the primary insurer (pays first) and TFL is the secondary insurer for services covered by both plans.

For more information, call 1-866-773-0404, visit the TFL website at tricare4u.com and see our Medicare Topics section under Other Health Insurance called “TRICARE for Life.”

Individual Health Insurance

Some people may have bought individual health insurance prior to becoming eligible for Medicare. Or, they might have previously had COBRA or CalCOBRA benefits and purchased individual health insurance when their COBRA benefits ended. **Note:** Under the Affordable Care Act, companies are required to sell you an individual health insurance policy, regardless of your health condition. This right provides important access to coverage if you are not yet age 65 or eligible for Medicare.

Individual Health Insurance and Medicare

If you have individual health insurance and are becoming eligible for Medicare, the Centers for Medicare and Medicaid Services (CMS) advises you to notify the insurance company of your new Medicare eligibity. Any premium subsidy that is paid to the insurance company on your behalf will end, whether you enroll in Medicare or not. Later you will be billed for any subsidy paid on your behalf after you became eligible for Medicare.

Note: If you delay enrolling in Medicare when you are eligible, you may incur late enrollment penalties later. See our online Medicare Topics section called The Basics, and view the information under “Enrolling in Medicare.”

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This fact sheet contains general information and should not be relied upon to make individual decisions. If you would like to discuss your

specific situation, call the Health Insurance Counseling and Advocacy Program (HICAP). HICAP provides free and objective information and counseling on Medicare and can help you understand your specific rights and health care options. You can call **1-800-434-0222** to make an appointment at the HICAP office nearest you.

Note: Online access to all CHA fact sheets on Medicare and related topics is available for an annual subscription. See https://cahealthadvocates.org/fact-sheets/.