

The Medicare Map . . .

Helping you and your clients navigate the Medicare Maze



Help your clients avoid the pitfalls of COBRA and Medicare!

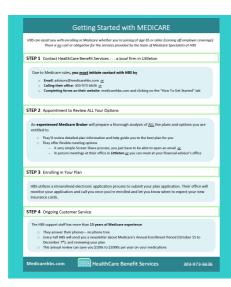
The Federal rules that apply while someone is <u>still working</u> and eligible for Medicare are very different from when someone <u>stops</u> <u>working</u> and is on COBRA.

Here's what you need to know:

- 1. To delay enrolling in Medicare past age 65 one must have "creditable coverage" (ie. still working and covered by an employer group health plan). This avoids late penalties and gives eligibility for a Special Enrollment Period (SEP) to enroll in Medicare when the group plan ends. COBRA is NOT creditable coverage by Medicare's definition because the still working requirement is not met.
- 2. If a person goes beyond 12 months without Medicare Part B after losing group coverage, they will be subject to a lifetime penalty. **COBRA does NOT qualify as coverage**.
- 3. People who are enrolled in COBRA and do not enroll in Medicare Part B within 8 months of losing group coverage, will not be eligible for an SEP. They will be required to enroll in Medicare during the General Enrollment Period which is January 1 March 31st (meaning the earliest they could have Medicare start would be February 1st).
- 4. In general, COBRA benefits are paid <u>secondary</u> to Medicare. Meaning if someone covered by COBRA doesn't have Medicare **they may not have insurance at all**.
 - If a COBRA carrier pays as primary and later learns a person was Medicare eligible, they may <u>try and recover</u> <u>benefits paid.</u>

NOTE: Just to make things more confusing, **COBRA** is **considered** "**creditable drug coverage**" for most plans. Meaning late enrollment penalties for Medicare Part D (prescription drug plans) can be avoided by being on COBRA.

The complexities of Medicare and COBRA are significant (more than our highlights here), and everyone's situation applies differently. Our experience is that employers and HR departments **do not** always provide accurate guidance. The best way for you to help your Medicare aged clients is to have them contact HBS **before** making decisions about COBRA.



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- We are NOT your competition -Medicare and Long Term Care are all we do

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To learn more about our process, visit <u>our website</u> or call our office 303-973-6636.

Feel free to forward The Medicare Map monthly newsletter to other advisors you think would benefit from the services of Tammey and her team.



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