

Mysteries of Medicare: Medicare and Employer-Based Insurance

If you are covered by a group health plan (GHP) at the company where you or your spouse is actively employed at the time you become eligible for Medicare it is important to understand how Medicare and employer-based insurance plans share costs.

For those becoming eligible for Medicare because of age, if your GHP coverage is through a company with 20 or more employees, that plan is your primary insurer until you (or your spouse if the source of your coverage) retire or otherwise lose coverage. This means that you do not need to sign up for Medicare until the GHP coverage ends, at which time you will have a Special Enrollment Period when you can enroll in Medicare, a Medigap or Medicare Advantage plan, and Part D (prescription) plan. However, if your coverage comes through a company with fewer than 20 employees, your GHP is usually secondary to Medicare. You must have a primary insurer to be assured of coverage, so if this is your situation it is important to enroll in Medicare when you turn 65. If you become eligible for Medicare because of disability, the only difference is that if the company has 100 or more employees, the GHP coverage is primary, under 100 employees, it is secondary. Always confirm the type of coverage you have with your employer.

To find out more, contact an APPRISE counselor by calling your local senior center to set up an appointment, calling the APPRISE helpline at 610-344-5004, or by email at apprisèchesco@outlook.com. APPRISE is Pennsylvania's statewide program of free insurance consultation under the auspices of the Chester Co. Department of Aging Services and the State Health Insurance Assistance Program. Visit our website at <http://www.chesco.org/477/Apprise-Health-Insurance-Counseling>