



Pete Ricketts, Governor

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How Does Medicare Work With Other Insurance?

Lincoln, NE (March 13, 2020) – If you have Medicare and other health insurance options, it is important to understand how your other options will work with Medicare. Depending on the insurance, Medicare may pay primary or secondary to your other insurance options. If you make a mistake in your enrollment, you could end up with less coverage and be stuck paying more than you should.

If you are eligible for Medicare because you are 65 or older and you have insurance from your own or your spouse's employment, the size of the employer will determine who pays first, or primary. If the employer has 20 or more employees, the job-based insurance will pay primary and Medicare will pay secondary. In the event that you are younger than 65 and eligible for Medicare due to disability, the employer rules are different. If the employer has 100 or more employees, the job-based insurance will pay primary and Medicare will pay secondary.

If your job-based insurance will pay primary, you may decide to delay enrollment into Medicare because you already have primary coverage and delaying enrollment will avoid having to pay an additional monthly premium for Medicare Part B. If your job-based insurance will be secondary, you should enroll in Medicare Part B when you are eligible to avoid high costs for care, since your job-based coverage may provide little or no coverage.

If you have a retiree health plan option, insurance provided by a former employer, you should know that retiree coverage always pays secondary to Medicare. This means you need to enroll in Medicare to avoid penalties. It is also important to determine what specific benefits are provided by the retiree plan and decide if the coverage is what you need in your retirement.

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Finally, depending on your situation, you may have access to other types of insurance such as COBRA, VA, or a plan through the ACA. When you become Medicare eligible it is important to know that in most cases enrollment into Medicare Part A and Part B may be necessary to avoid Medicare penalties. Insurance from current active employment, either your own or your spouse's, is the only insurance option that will avoid penalties. Insurance from other sources will not protect you from experiencing a Part A or Part B penalty.

People who incur a penalty will have to pay it for their lifetime, unless they qualify for a Medicare Savings Program. Medicare Savings Programs are available to people with limited income or resources. Qualifying for this program will cancel penalties and help pay the Part B premium.

If you need help understanding your Medicare enrollment options, the Nebraska SHIP can help. Nebraska SHIP is a federal non-profit, managed by the Nebraska Department of Insurance, which provides unbiased Medicare education and counseling. You can speak to your local Nebraska SHIP representative by contacting the SHIP hotline at 1.800.234.7119.

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