

NEBRASKA SHIP NEWSLETTER

Medicare Enrollment Decisions

Deciding if and when to enroll in Medicare can be confusing. Penalties and a delay in coverage can be the result of mistakes. Knowing when to enroll will avoid penalties or gaps in coverage.



Initial Enrollment Period (IEP)

Typically, a person's first opportunity to enroll into Medicare is at age 65; during what is known as the Initial Enrollment Period (IEP). The IEP last for seven months, beginning three months before turning 65, and ending three months after the month of turning 65.

Medicare coverage will begin based on when a person signs up during their IEP, with benefits beginning on the first of the month. People that qualify for Premium-free Part A will have coverage effective the month they turn 65.

Medicare Part B will start based on when the individual enrolls during their IEP. If enrollment happens before turning 65, coverage starts the month the individual turns 65. Enrollment within the month of turning 65 or within the three months after will see a delay in coverage of one to three months, depending on which month enrollment was done.

People can sign up for Part A anytime after turning 65. Part A coverage will start six months back from when a person signs up or when they apply for Social Security or Railroad Retirement benefits. Coverage cannot start earlier than the month a person turns 65. After a person's IEP ends, they may only sign up for Part B during one of the other enrollment periods.

General Enrollment Period (GEP)

This period begins January 1 and ends March 31 of each year. Coverage will begin July 1. Enrollment during this time may result in a monthly late enrollment penalty. The Medicare Part B late enrollment penalty is an extra 10%, of the current year's premium, for each year a person could have signed up for Part B, but didn't. These penalty can be avoided by signing up for Medicare Part B during the Initial Enrollment Period or during a Special Enrollment Period.

Special Enrollment Period (SEP)

In some cases a person may sign up for Part B during a Special Enrollment Period, without paying a late enrollment penalty. The most common SEP is available when a person has group health insurance through employment, from either their own employment or through their spouse's employment.

Do you REVIEW?

Medicare Advantage Open Enrollment Ends March 31.

CALL NEBRASKA SHIP AT 1.800.234.7119

This project was supported, in part by grant number 90MPG0004, from the U.S. Administration for Community Living, Department of Health and Human Services, Washington, D.C. 20201.

Medicare Enrollment Decisions

Special Enrollment Period (SEP) Continued...

Enrollment into either Part A and Part B may be done at any time during the SEP. A person will also have eight months to sign up after they or their spouse stop working or they lose group health plan coverage, whichever happens first. The eight month SEP starts when work ends, even if a person chooses COBRA or other coverage that is not Medicare.

Medicare Part B and Other Insurance

It's important to understand how Medicare works with other types of insurance and know who will pay first. This is known as "coordination of benefits." The first payer is the "primary payer," and will pay what it owes on a person's bills. If there is a "secondary payer," the remainder of the bill will be sent to that payer. If a person has:

- **Retiree insurance:** It almost always pays secondary to Medicare, meaning a person would need to enroll in Medicare when first eligible to be fully covered. One exception is Federal Employee Health Benefits (FEHB) retiree coverage.
- **A Qualified Health Plan (QHP):** This Marketplace policy holder should almost always enroll into Medicare when eligible and disenroll from the Marketplace plan.
- **COBRA:** Medicare-eligible people offered COBRA when they lose job-based insurance should enroll in Part B when first eligible. COBRA does not provide a SEP when it ends.
- **Veterans Affairs (VA):** This coverage and Medicare do not work together. Medicare does not pay for services received from the VA. People with VA should understand that if

- they do not enroll into Medicare, they will not have health insurance for doctors or hospitals outside of the VA health system.

Although these other types of insurance are viable ways to receive health care, they are not options that provide a Special Enrollment Period and do not avoid Medicare penalties. If a person decides to delay enrollment into Medicare when first eligible, they may face lifetime penalties and a gap in coverage.

When a person's Medicare is primary to their current insurance, they should enroll in Part B to avoid incurring higher health care costs. This is because when Medicare is the primary payer to a person's other insurance, their insurance may not pay for costs until Medicare pays first. This means that the individual would be responsible for paying all costs out-of-pocket.



When Medicare is secondary to a person current insurance, that insurance will pay the majority of the cost for covered services. Medicare may pay secondary, depending on services received and what was paid for by the primary payer.

Medicare Drug Coverage

Medicare drug coverage is more flexible than Part A and B. Insurance from other options could be creditable, equal or better, to Medicare. Insurance from these options will avoid Medicare penalty for drug coverage. People with these options should receive communications from the insurance stating that the insurance is creditable. People should keep those notices in the event that they need to enroll into Medicare drug coverage in the future.

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Medicare Educational Events

Nebraska SHIP hosts a number of Medicare educational events to help people understand their Medicare benefits.

People with Medicare, their families, and/or friends are welcome to attend or contact Nebraska SHIP to request education for their group or organization. Nebraska SHIP is available through its statewide hotline at 1.800.234.7119 or by visiting www.doi.nebraska.gov/ship.

Welcome to Medicare:

Lincoln—March 8

Webinar—March 16 & April 12

Kearney—March 21

Scottsbluff—March 23

Falls City—April 7

Grand Island—April 14

Broken Bow & McCook—April 20

Find these words:

ENROLLMENT

PLANNING

IEP

PREMIUM FREE

DELAY

GEP

PENALTIES

SEP

RETIREE INSURANCE

MARKETPLACE

COBRA

VETERAN AFFAIRS

PRIMARY

SECONDARY

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Contact Nebraska SHIP with questions
about your Medicare benefits.

1-800-234-7119

Local help for Nebraskans with Medicare.