

Navigating Medicare For Over age 65 Working Seniors

By Mary Kesel, CEBS

The number of U.S. workers planning to retire at age 65 has dropped from 50 percent in 1996 to 29 percent in 2010 according to a recent Gallup survey. The number of people planning to work after age 65 continues to increase steadily year after year. And, more and more employers are terminating retiree medical coverage.

As early retirement becomes a thing of the past for many, it's important for seniors who are still employed to learn more about Medicare. Working seniors need to educate themselves on enrolling in Medicare while still employed, when Medicare is primary or secondary and what one needs to do when deciding to retire.

Here are 11 tips to help working seniors navigate Medicare:

1. Medicare considers anyone older than 65 to be "currently working" as long as they have employment rights with their employer, even if they do not work on a regular basis, are on sick leave, or have been temporarily laid-off.
2. One is not considered to be working if one receives Social Security Disability Insurance, has received disability benefits from an employer for more than six months, or if one receives insurance through COBRA. "Currently working" status is an important factor and determines when and how to enroll in Medicare A&B.
3. Anyone who is age 65 or older, is a citizen (or a lawfully admitted alien with five years of residency in the United States) has paid payroll taxes and is eligible for Social Security benefits will be eligible for Medicare Parts A & B. Part A is automatic, has no cost and covers hospital expenses. Since working seniors are not collecting Social Security benefits it is recommended they contact Medicare/Social Security three months before one's 65th birthday to apply for Medicare A. If required, based on size of the employer (see below) one can sign up for Medicare Part B at the same time. Medicare B requires a monthly premium and covers outpatient services like doctor visits and preventive screenings. To get Medicare Part A and B, one may apply at www.Medicare.gov or call Social Security at 1.800.772.1213.
4. Once working seniors turn age 65, are still currently employed by a small employer with fewer than 20 employees, Medicare becomes the senior's primary insurance. If the employer has more than 20 employees, the employer group health plan is primary and Medicare will be secondary insurance in most cases.

5. If the employer has fewer than 20 employees, working seniors need to sign up for Medicare Part B. If one does not enroll in Medicare Part B, out-of-pocket expenses likely will be higher. This is because the most group health plans will pay claims as if you have Medicare B.
6. If one's employer has more than 20 employees, one can wait to sign up for Part B until retirement or termination. Working seniors can sign up for Medicare Part B without penalty any time within eight months following retirement or eight months from the date benefits end, whichever comes first. This is called Special Enrollment. Working seniors will need to call the Medicare Coordination of Benefits Contractor at 1.800.999.1118, give their name and the address of the health plan, the policy number, and the date the coverage stopped and why.
7. If working seniors know when they are going to retire, they will want to apply for Medicare Part B ahead of time, so there is no lapse in coverage.
8. If the employer offers a retiree health plan, they are required to have both Medicare Parts A and B prior to enrolling in the retiree plan. This will ensure that all their medical bills are paid correctly.
9. After retirement, Medicare becomes the primary insurance coverage and the retiree group plan is secondary. Because most employer health plans coordinate with Medicare, if one does not enroll in Medicare Part B, there will be no payment for Medicare Part B services, such as doctor visits or outpatient care.
10. If a senior goes to work with an employer after reaching age 65, and enrolls in their group plan, they will need to call the Medicare Coordination of Benefits Contractor at 1.800.999.1118 to make sure benefits are coordinated correctly with the new employer's group plan.
11. Medicare part D is an optional plan that provides some prescription drug coverage. If one's employer group plan does not provide drug coverage or if the employer plan does not qualify as creditable coverage, signing up for Medicare Part D might be beneficial. The cost ranges from \$18-\$100 per month. If the employer group coverage does not cover drugs at all, signing up for a Medicare Part D plan makes sense. Remember, working seniors may not have both a retiree prescription drug plan and a Medicare D plan. It pays to review the employer's plan to see what drugs are covered, whether there is a donut hole (coverage gap between the initial coverage limit and the catastrophic coverage limit) and or if a Medicare D plan may be a better option.

When in doubt how your group health plan works with Medicare check with your Human Resources Department, go online to www.medicare.gov for more information or call 1.800.772.1213.

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