

WHAT IF I HAVE EMPLOYER GROUP INSURANCE?

A **big mistake** I see New Medicare Enrollees make is to just jump right out and start looking at all of the plans that are being offered by all of the companies in the industry. I have no doubt that you may already have a stack of brochures, benefit packages, outlines, and more being piled up every day in your mailbox. If not, they will be coming soon. Before you start looking at everything that is being offered, wouldn't it be prudent to first take a few minutes and consider what might be available to you right now?

Wouldn't it be smart to think about what your actual needs are? By doing so, it can help you eliminate a lot of options that you don't have to waste time examining. I worked with a couple that was spinning their wheels by going to seminars, reading manuals, doing everything to look at lots of plans. Finally, someone referred them to me. One of the first questions I asked them is "Will you have any other insurance from an Employer, Union, or the Veterans Administration (VA)"? They indicated "Yes, I retired from XYZ company and they sent me a package to look at too."

I took a few minutes to examine the company's benefit package and the costs associated with them. It was clear to me right away that the Employer Coverage being offered was their best option. They could have avoided a lot of time, effort, and headaches by knowing and examining exactly what was available to them right at the start.

Take a few minutes and contemplate the following questions. This will give you a baseline look at your current situation.

1. Do you have any current insurance from an Employer, Union, or the VA?
2. Will this coverage continue after you become eligible for Medicare Benefits?

**** If you answered YES to both questions, then continue reading ****

3. If you **DO** have other insurance and it will continue, then look into the following:
 - a. Check to see what the premiums will be once you go on Medicare.
 - b. Ask if the Group Plan mandates that you take Part B Medicare.

Contact the Company's Human Resource Director for this information

This information will help you decide what direction to go. If you plan to continue working and you are satisfied with your current Plan benefits & premiums, and you **DO NOT** have to take Medicare Part B, you can simply decline Part B and stay with the Group Insurance until you retire.

You also can use the information to shop for a New Medicare Plan. Take the amount you would pay your Group Plan and use this amount to compare against other Medicare Plans. You may be able to lower your costs, and/or improve your coverage. You can decide what the best fit is for your situation.

4. Is your current Group Plan just for yourself, or does it also cover a spouse or other family members?

This is very important if you are the person becoming eligible for Medicare and you carry a younger spouse (or other dependent) on the policy. Even though it might be in your best interest to leave the Group Plan, you might lose the coverage on your spouse (or dependent) if you leave. You may need to continue your Group until your younger spouse (or dependent) is eligible for Medicare.

On the other hand, if your spouse (or dependent) **IS** eligible for Medicare, you have more options. You may both drop the Group Plan and do better with another Medicare Plan. Or it may cost you very little to keep the Group Plan on yourself and drop your spouse (or dependent) from the plan and put them on a competitive Medicare Plan only. Don't get hung up on both spouses having the same Medicare Plan. Go in the direction that has the most advantages for you both.

Please note that people who retire from a company that is continuing Medical Coverage tend to be very loyal to the Employer and take whatever coverage that is offered at whatever price it is. With the new health care reform this can be expensive. Large companies are being affected enormously with all of the Federal mandates. This often raises insurance rates for the Employers. There is no cut and dry formula, but if a retiree is paying \$250 to \$300 a month, then it is worth shopping around to see if a Medicare Supplement or Medicare Advantage Plan might be a smart alternative.

If Group Insurance and Medicare is decided upon, you should understand how the two policies (Medicare and Group) will work together. The next chart will show how Medicare coordinates claims with Employer Group Coverage.

When you have other insurance (like Employer Group Health Coverage), there are rules that decide which insurance pays first. The insurance that pays first is called the “**primary payer.**” The one that pays second is called the “**secondary payer.**”

GROUP PLAN PAYS FIRST	MEDICARE PAYS FIRST
(1) If you have Medicare because of End-Stage Renal Disease (ESRD): The Group Health Plan will pay for the first 30 months after you become eligible for Medicare. After 30 months, Medicare pays first.	(1) If you have RETIREE insurance (insurance from former employment)
(2) If you’re 65 or older , have Group Health Plan coverage based on your (or your spouse’s) current employment, and the employer has 20 or more employees	(2) If you’re 65 or older , have Group Health Plan coverage based on your (or your spouse’s) current employment, and the employer has less than 20 employees
(3) If you’re under 65 and disabled , have Group Health Plan coverage based on your (or a family member’s) current employment, and the employer has 100 or more employees	(3) If you’re under 65 and disabled , have Group Health Plan coverage based on your (or a family member’s) current employment, and the employer has less than 100 employees

Here are some important facts to remember:

- The insurance that is the primary payer, pays up to the limits of its coverage.
- The one that pays second (secondary payer) only pays if there are costs the primary insurer didn’t cover.
- The secondary payer may not pay all of the uncovered costs.
- If your Employer Group insurance is the secondary payer, you may need to enroll in Part B before your insurance will pay.

These types of insurance usually pay first for services related to each type:

- No-fault insurance (including automobile insurance)
- Liability (including automobile insurance)
- Black Lung benefits
- Workers’ Compensation

Medicaid and TRICARE never pay first for services that are covered by Medicare. They only pay after Medicare, Employer Group Health Plans, and/or Medicare Supplement Insurance has paid.