Emerging Medicare Transition Issues

National Academy of Social Insurance
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Medicare Transitions Explained

An already complicated transition

- Automatic for many—Part A & Part B
- Others newly eligible must actively enroll
  - Multiple enrollment periods
  - Differing coverage start dates
- People must decipher coverage rules
  - Enroll in Part A, Part B, or both (?)
  - Key decision point—coordination of benefits
Transitions Questions Answered

www.medicareinteractive.org

- Visual guide and scripts on transition points

ENROLL IN MEDICARE AND SPEAK TO YOUR EMPLOYER ABOUT HOW MEDICARE WORKS WITH YOUR INSURANCE

- Current employer-based (less than 20 employees if 65+; less than 100 if under 65 but disabled):
  - Medicare pays first
  - Small employer plan pays after Medicare.

- Small Business Health Options Program (SHOP) (less than 20 employees if 65+):
  - Medicare pays first
  - Small SHOP plans pay after Medicare for people over 65. All SHOP Plans pay after Medicare for people under 65 with disabilities.

- Retiree (including union/association):
  - Medicare pays first
  - Retiree insurance always pays second. Sometimes retiree coverage becomes a Medicare private plan once you become eligible. Ask your employer how your retiree coverage works with Medicare. Get answers in writing.
**Why Transitions Matter**

*Seamless transitions are critical*

- A poorly managed transition can result in:
  - Gaps in health coverage
  - Medicare premium penalties
Why Transitions, Why Now?

- **Demographics**
  - **10,000** Baby Boomers turn 65 each day
  - Living longer, working longer

- **New Transition Points**
  - Affordable Care Act
  - Injury set asides for future medical care
  - Defense of Marriage Act (DOMA) overturned
Emerging Transition Points

After the Affordable Care Act

- Marketplaces → Medicare
  - QHP → Medicare
  - SHOP plan → Medicare

- Expanded Medicaid → Medicare
  - Expanded Medicaid → Medicare only
  - Expanded Medicaid → Medicare/Traditional Medicaid
  - Expanded Medicaid → Medicare + MSP + Extra Help
Emerging Transition Points

Personal Injury and Worker’s Compensation:

- Proposed policy requires those *not yet eligible* to set aside future cost of care once enrolled in Medicare

After DOMA:

- Newly eligible awaiting SSA determination
  - Place of marriage vs. place of residence
  - Equal treatment may not yet be fully realized
Easing Transition Pitfalls

Policy Solutions:

- Improve beneficiary-friendly education
  - Adequately fund unbiased counselors (SHIPs)
  - Provide additional warning about delayed enrollment

- Enhance notice requirements
  - Actively train and involve employers
  - Leverage Marketplace plans, with caution
Easing Transition Pitfalls

Policy Solutions:

- Alleviate late enrollment penalties
  - Expand equitable relief
  - Restructure Part B enrollment periods

- Align and simplify programs
  - Adjust income and asset eligibility thresholds
  - Enforce low-income assistance screenings by states
  - Simplify and align application and renewal systems
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