Individual Health Insurance and Medicare

- Some individuals have private, individual insurance policies when they become eligible for Medicare and choose to keep them.
- Medicare will be primary; not all policies will coordinate with Medicare.
  - Depends on plan rules, state law.
  - Some individual plans may offer benefits not covered by Medicare.
Individual Health Insurance and Medicare

- Confusion re: coordination with Medicare, whether or not to retain plan
- Failure to disclose Medicare enrollment to private plan can lead to financial liability and coverage problems for enrollees
Affordable Care Act (ACA) & Health Insurance Marketplaces

- ACA is bringing more standardization and consumer protection to individual insurance through the Marketplace (AKA Exchange)

- Available through Marketplaces:
  - Qualified Health Plans (QHP)
    - Individual, private insurance policies: “Platinum, gold, sliver and bronze”
    - Tax credits for premiums and subsidies for cost-sharing
  - Small Business Health Options Program (SHOP):
    - Virtual forum where small businesses and their employees can search for and purchase health coverage (Employers of less than 50)
    - Tax credits available to qualified employers
  - Medicaid (Discussion to follow)
ACA & Health Insurance Marketplaces

- **NOT** Available through Marketplaces
  - Medicare Advantage (MA)
  - Part D
  - Medicare Supplemental Policies (Medigaps)
  - Stand-alone vision policies
  - Stand-alone dental policies
    - Not through federal Exchange
    - A few state-based exchanges
Medicare & The Marketplaces

- HHS: It is illegal to sell someone with Medicare Part A or Part B an individual Marketplace plan (QHP)
  - See 42 USC §1395ss (“Anti-duplication statute”)
- People who are eligible for Medicare may not receive tax credits to purchase insurance in the Marketplaces
  - Exceptions: Individuals ineligible for premium-free Part A. Individuals with ESRD who have not enrolled in Medicare
- QHPs will not coordinate well with Medicare if people choose to keep them after enrolling in Medicare
Moving from Marketplace to Medicare

Who are we talking about?

- Now: Relatively few individuals who do not have Employer Group Health Plans or Medicaid, and
- Who obtain individual plans in the Marketplace (QHPs), and
- Become eligible for Medicare
Moving from Marketplace to Medicare

Moving from Marketplace QHPs to Medicare

- The numbers of such individuals will increase over time as more and more people obtain coverage through individual Qualified Health Plans in the Marketplace/Exchange and later become eligible for Medicare
Moving from Marketplace
to Medicare

- From Qualified Health Plan (QHP)
  - Individual enrolled in QHP should enroll in Medicare when they become eligible
  - QHP will not terminate automatically and the enrollee must give the plan “reasonable notice” of at least 14 days

- If individual has a QHP with a premium tax credit
  - The premium tax credit should terminate automatically upon becoming eligible for Medicare Part A
    - Unless the person has Medicare due to ESRD or would have to pay a premium for Part A
Moving from Marketplace to Medicare

Medicare Enrollment for People in Individual QHPs

• Individuals in QHPs should enroll in Medicare during the first three months of the Initial Enrollment Period

• If Part B enrollment is delayed, beneficiaries face a late enrollment penalty and have to wait to enroll for the General Enrollment Period to enroll. Thus coverage may be delayed.
Moving from Marketplace to Medicare

- SHOP (Small Business Option Plans) and Medicare
- SHOP = Marketplace option of Employer Group Health Plan (EGHP) for small businesses
- Thus, Medicare coordination of benefit rules for EGHP also apply to SHOP plans
  - An individual enrolled in a SHOP plan may be able to delay Medicare enrollment
Additional Concerns for Low-Income People

- Loss of tax subsidies when becoming eligible for Medicare (Don’t exist in Medicare)
  - Cost-sharing may increase once enrolled in Medicare
  - QMB, SLMB, QI: Less valuable than tax credit and undersubscribed

- Lack of adequate information/education/educators
  - Role of plan as educator – Marketing concerns regarding transition to Medicare?
  - Role of employer as educator – Notice issues, consequences of misinformation
  - SHIPS – Too much work, too little time and funding
Resources

- Center for Medicare Advocacy website w/ link to key CMS and other documents:

- FAQs on Medicare and the Marketplace (CMS)
Resources (Cont’d)

- NAIC Coordination of Benefits Model Regulation (adopted by 40 states):
  http://www.naic.org/store/free/MDL-120.pdf
- NSCLC Duals Eligible Demonstration tracker:
  http://dualsdemoadvocacy.org
- IRS Guidance on tax credits for people with ESRD and premium Part A: