

CENTER FOR MEDICARE ADVOCACY

MEDICARE & THE MARKETPLACES

National Academy of Social Insurance
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CT (860)456-7790 • DC (202) 293-5760
www.medicareadvocacy.org

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, silver 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:**
 - <http://www.medicareadvocacy.org/health-care-reform-aca/>

- **FAQs on Medicare and the Marketplace (CMS)**
 - <http://marketplace.cms.gov/getofficialresources/publications-and-articles/medicare-and-the-health-insurance-marketplace.pdf>
 - <http://www.cms.gov/Center/Special-Topic/Open-Enrollment/Downloads/Medicare-Marketplace-FAQs.pdf>
 - <http://www.medicare.gov/about-us/affordable-care-act/medicare-and-the-marketplace.html/>

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:**
<http://www.irs.gov/pub/irs-drop/n-13-41.pdf>

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