

What is Medicare?

Medicare is a government health care program available to those who have paid Medicare taxes while working or to non-working spouses of such individuals. Medicare is available when these individuals reach age 65. Citizens who have never paid Medicare taxes may be eligible if they pay a Medicare premium. Individuals under age 65 may also be eligible if they are considered disabled by Social Security or the Railroad Retirement Board for more than 24 months.

	Traditional Medicare	Medicare Advantage (usually limited to a network of providers)
Part A: inpatient hospital insurance	✓	✓
Part B: doctors, tests and outpatient hospital insurance	✓	✓
Medigap: standardized plans that cover Part A and Part B co-pays and deductibles	✓	Not available
Part D: prescription drug insurance	✓	✓ Most plans include Part D
Prescription drug co-pays and deductibles	Not covered	Not covered
Most vision, dental and hearing expenses	Not covered	✓ Coverage varies by plan
Long-term care*	Not covered	Not covered

Reference

*Medicare does not cover most long-term care costs. Medicare does pay for medically necessary skilled nursing facility or home health care on a very limited basis. Custodial care is not covered.

65 and working: Should I sign up for Medicare?

**START
HERE**

Does your workplace
employ 20+ people?¹

Y **N**

Do you contribute to a
Health Savings Account
(HSA)?

Y **N**

Have you filed for Social
Security benefits?

Y **N**

Sign up for Medicare¹

- Enroll in Parts A, B and D up to 3 months before your 65th birthday month to ensure no gap in coverage and no late enrollment penalties
- Decide on and enroll in Medigap or Medicare Advantage (most Medicare Advantage plans include Part D)

Consider signing up for Part A

- Part A is free for people who paid payroll taxes for 40+ quarters (about 10 years)
- Employer coverage is primary (check with plan administrator about any conflicts)

Consider not signing up for Medicare

- “Creditable” employer insurance benefit is primary (pays first)
- IRS tax penalties apply if you sign up for Medicare and also contribute to an HSA

Stop HSA contributions and consider opting out of Medicare Part B

- Once you start Social Security benefits, you will automatically be enrolled in Part A, retroactive six months back to age 65
- IRS tax penalties apply if you are enrolled in Part A and contribute to an HSA
- You may contact Medicare to opt out of Part B

WHAT IF I HAVE COBRA OR RETIREE COVERAGE?

- You must sign up for Medicare when you are first eligible, or you will face late enrollment penalties for Part B and possible underwriting for Medigap if you sign up for these later.
- Most retiree coverage works with Medicare Parts A and B (check with your plan administrator).
- If your COBRA coverage (a temporary extension of your employer coverage) or retiree prescription plan will continue and is “creditable” (ask your plan administrator for documentation), you may choose to delay enrollment in Part D without penalty.

Reference

¹ Most employer coverage for <20 people will end at age 65 or become secondary after Medicare has paid. Late penalties will apply if you don't sign up in your initial enrollment window and Medigap plans may deny coverage or underwrite after the initial enrollment period.

For more information see www.mymedicarematters.org/enrollment/am-i-eligible, sponsored by the National Council on Aging and Medicare.gov.