

Medicare and the Health Insurance Marketplace



The health insurance Marketplace is a new way for individuals, families, and employees of small businesses to get health coverage. But it is generally not a place for someone with Medicare to look for health care coverage.

If I have Medicare do I need to do anything?

No. If you have Medicare, you don't have to do anything related to the Marketplace. The Marketplace won't affect your Medicare choices, and your benefits won't change. No matter how you get Medicare, whether through Original Medicare or a Medicare Advantage Plan (like an HMO or PPO), you won't have to make any changes.

Can I get a Marketplace plan in addition to Medicare?

No. It's against the law for someone who knows that you have Medicare to sell you a Marketplace plan. This is true even if you have only Part A or only Part B. The Marketplace plans are not designed to coordinate with Medicare.

Can I buy a Marketplace plan before I become eligible for Medicare?

Yes. If you retire before you're 65 you may use the Marketplace to buy a plan that meets your needs. Depending on your income and family size, you may be able to get lower costs on your monthly premiums and lower copays and deductibles. As you approach age 65 you need to coordinate cancelling your Marketplace plan with when your Medicare coverage starts to avoid a gap in coverage.

What if I become eligible for Medicare after I join a Marketplace plan?

In most cases it's to your advantage to sign up for Medicare when you're first eligible rather than staying with a Marketplace plan because:

- Once your Medicare Part A starts, you won't be able to get lower costs for a Marketplace plan based on your income. The premium tax credit and reduced cost-sharing end.
- If you enroll in Medicare after your Initial Enrollment Period, you may have to pay a late enrollment penalty for as long as you have Medicare.
- You may have Medicare and the Marketplace coverage only if you had your Marketplace coverage before you had Medicare.
- Prescription drug coverage in a Marketplace plan is not required to be as good as Medicare's Part D coverage. If you ever want to enroll in a Medicare drug plan later you could be subject to a penalty.

When you are ready to go on Medicare, contact SHIIP and we can help you with your Medicare choices. Marketplace plans are not required to give notice to members as you approach your Medicare eligibility. It is important to enroll in Medicare in a timely manner to avoid penalty costs later.

Can I choose Marketplace coverage instead of Medicare?

Generally, no. But, there are a few situations where you can choose Marketplace plan instead of Medicare and you would be eligible for the tax credit and cost-sharing reductions:

- You can choose Marketplace coverage if you're eligible for Medicare but haven't enrolled in it because you would have to pay a premium, or
- You haven't enrolled in Medicare because you're not collecting Social Security benefits, or
- If you're paying a premium for Part A, you can drop your Part A and Part B coverage and get a Marketplace plan instead.

Before making this choice, there are two important points to consider:

- If you enroll in Medicare after your initial enrollment period ends, you may have to pay a late enrollment penalty for as long as you have Medicare.
- Generally you can enroll in Medicare only during the Medicare general enrollment period from January 1 to March 31. Your coverage won't begin until July of that year.

Are Marketplace options different if I am on Medicare due to a disability?

If you are entitled to Social Security disability, you qualify for Medicare after a 24-month waiting period. During this waiting period, you can apply for coverage in the Marketplace. Your Medicare coverage is automatically effective on the 25th month of receiving Social Security Disability benefits. If you stay with your Marketplace plan once your Part A coverage starts any premium tax credits and reduced cost-sharing will stop.

If I have Medicare, can I get health coverage from an employer through Small Business Health Options Program (SHOP)?

You can delay enrollment in Medicare Part B without penalty if you're getting health coverage from an employer through the SHOP Marketplace based on you or your spouse's current employment. Contact SHIIP for more information.

Can I get a stand-alone dental plan through the Marketplace?

In Iowa you cannot buy a stand-alone dental plan through the Marketplace.

SHIIP can answer your questions about Medicare and the Marketplace.

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