



Medicare Factsheet

If you are enrolled in Medicare, you do not need to do anything with Covered California. If you have Medicare you are covered. No matter how you receive your Medicare benefits, whether through Original Medicare or a Medicare Advantage Plan, your Medicare coverage will continue as usual.

Medicare is not part of Covered California and if you are enrolled in Medicare, you cannot purchase a Covered California health plan. Covered California does not offer Medicare supplement insurance, Medigap, or Part D drug plans.

However, if you are low income and meet other requirements, you may still be eligible for additional coverage through Medi-Cal, which you can enroll in through Covered California. Enrollment in Medi-Cal could help pay for Medicare costs and may cover benefits that are not covered by Medicare, like dental coverage and nursing home care.

What is Medicare? Medicare is the federal health insurance program for people who are 65 or older, certain younger people with disabilities, and people with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a transplant, sometimes called ESRD). There are different parts of Medicare to help cover specific services:

- **Original Medicare (Part A and Part B)** is the traditional Medicare coverage program offered through the federal government. It provides Part A, which covers inpatient hospital stays, care in a skilled nursing facility, hospice care, and some home health care. It also provides Part B, which covers certain doctors' services, outpatient care, medical supplies, and preventive services.
- **Medicare Advantage Plan (Part C)** is a type of Medicare health plan offered by private companies that contract with Medicare to provide you with all your Part A and Part B benefits. If you are enrolled in a Medicare Advantage Plan, Medicare benefits and services are covered through the private health insurance plan. Most Medicare Advantage Plans include prescription drug coverage.
- **Prescription Drug Plans (Part D)**, add prescription drug coverage to Original Medicare (Part A and B) and are typically offered by insurance companies and other private companies approved by Medicare.
- **Medicare Supplemental Plans (Medigap)**, are sold by private companies and can help pay some of the health care costs that Original Medicare doesn't cover, like copayments, coinsurance, and deductibles. Some Medigap policies also offer coverage for services that Original Medicare doesn't cover, like medical care when you travel outside the U.S.

A Medigap policy is different from a Medicare Advantage Plan and Part D Prescription Drug plans. The Medicare Advantage plan and Part D Prescription Drug plan provide Medicare benefits, while a Medigap policy only supplements your Original Medicare benefits.

If you are enrolled in Medicare, you do not need to do anything. If you are enrolled in Medicare you are covered. You do not need to do anything with Covered California or anything else related to the new health care law. No matter how you get Medicare, whether through Original Medicare or a Medicare Advantage Plan, you will still have the same benefits and security you have now.

Covered California does not offer Medicare or Medicare Supplemental plans.

Covered California does not sell Medicare Advantage plans (such as Medicare HMOs and PPOs), Medicare Part D prescription drug plans, or Medigap policies. These plans will be available as they were before.

You can enroll in a Medicare Advantage plan or a Medicare Part D plan on [the Medicare website](#), by signing up directly with the company that offers the plan, or by working with a licensed insurance agent. To learn more about your coverage options and how to enroll in Medicare, including the Medicare Advantage plans, Part D drug plans, and Medigap supplemental policies available in your area, you can go to the Medicare Plan Finder on www.Medicare.gov or call 1-800-MEDICARE.

Getting Medicare and purchasing coverage in Covered California: Most people enrolled in Medicare do not qualify for and should not purchase a Covered California health plan. Purchasing a Covered California health plan would give you the same health benefits you are already receiving on Medicare. However, you may be eligible for additional coverage through Medi-Cal. The Covered California application automatically checks to see if you qualify for Medi-Cal. If you are enrolled in Medicare, you can complete the Covered California application to see if you also qualify for Medical.

If you qualify for Medicare but have to pay a premium for Part A and do not enroll in Medicare Part A, you may be eligible for a Covered California health plan. Depending on your income, you may be eligible for premium assistance and cost-sharing subsidies for the Covered California health plan. However, if you choose to enroll in a Covered California health plan instead of Medicare and then enroll in Medicare later, your premium for Part A, and possibly Part B, could increase by 10% due to paying a late enrollment penalty. (See scenario #3 below.)

Becoming eligible for Medicare while enrolled in a Covered California health plan with premium tax credit: If you are enrolled in a Covered California health plan and you become newly eligible for premium-free Medicare (upon turning 65 for example), you must report your Medicare eligibility to Covered California within 30 days of becoming eligible. You have until the end of your Medicare open enrollment period (which begins three months before the month of your 65th birthday and ends three months after the month of your 65th birthday for a total of seven months) to sign up for Medicare and cancel your Covered California plan.

If you do not report your Medicare eligibility to Covered California and continue receiving premium tax credit, you are deemed ineligible for premium tax credit as of the first day of the fourth calendar month following your 65th birthday (or the date of the event that establishes your Medicare eligibility) and you may have to pay some or all of the premium tax credit you received after that date to the IRS at tax time even if you never sign up for Medicare. (See scenario #4 below.)

Medi-Cal could help with Medicare Costs and could provide additional benefits. If you are currently on Medicare, you may be Medi-Cal eligible, depending on your income and assets. Other requirements also apply. A Medicare beneficiary may be eligible if they are over age 65, blind or have disabilities. If you qualify for both [Medi-Cal and Medicare](#), Medi-Cal will help pay for Medicare premiums and cost-sharing requirements, and may also cover some benefits that are not covered by Medicare, such as dental services, nursing home care, and personal care services. Also, you might qualify for extra financial assistance to help with the cost of [Medicare Part D prescription drug coverage](#).

Getting Information on Medicare or Enrolling: You can review and compare your Medicare options on [the Medicare website](#), by calling 1-800-MEDICARE, or by working with a licensed insurance agent. For questions about changing your address, Medicare Part A or Part B, or a lost Medicare card, call the Social Security Administration at 1-800-772-1213. You can also contact the Health Insurance Counseling & Advocacy Program (HICAP) for free, individual counseling on Medicare coverage questions, your rights, and health care options. Call 1-800-434-0222 to schedule an appointment at a HICAP office near you.

The Medicare open enrollment period for Part D (prescription drug coverage) and Medicare Advantage plans runs from October 15 through December 7 each year.

The Medicare open enrollment period for Medicare Parts A and B (for people who did not sign up when they first became eligible) runs from January 1 through March 31 each year.

You may also be eligible to sign up for any part of Medicare during a special enrollment period if your circumstances have changed. Signing up for Medicare is limited to these enrollment periods and may involve additional costs if you delay enrolling. For more information about enrolling in Medicare, visit [the Medicare website](#), call 1-800-MEDICARE, or work with a licensed insurance agent.

Scenarios:

Scenario 1: I have Medicare, but it is expensive and does not cover everything I need. Can I purchase additional coverage in Covered California? Can I receive assistance to help pay for the coverage?

Covered California does not sell Medicare Advantage plans (such as Medicare HMOs and PPOs), Medicare Part D prescription drug plans, or Medigap policies. If you are enrolled in Medicare, you are not eligible to purchase a subsidized or unsubsidized Covered California health plan.

However, you may still be eligible for Medi-Cal, depending on your income and assets. Anyone who completes a Covered California application is automatically screened to see if they qualify for Medi-Cal. A Medicare beneficiary whose income is low or who meets other requirements may qualify if they are over age 65, blind or have other disabilities. If you qualify for both Medi-Cal and Medicare, Medi-Cal will help pay for Medicare premiums and cost-sharing requirements. Medi-Cal may also cover some

benefits that are not covered by Medicare, such as dental services, nursing home care, and personal care services. Also, Medi-Cal may provide extra financial assistance to help with the cost of Medicare Part D prescription drug coverage.

Scenario 2: *Can I enroll in Medicare and purchase a Covered California health plan and receive tax credits to help me pay for it?*

No. Generally, someone who is eligible for Medicare – even if they do not enroll in it – cannot receive tax credits to help them pay for a Covered California health plan. However, there is an exception for people who have to pay a premium for Medicare Part A (which is free for most people). More information is provided in Scenario 3.

Scenario 3: *Person is eligible for Medicare, but s/he would have to pay a premium for Part A, can s/he instead enroll in a health plan through Covered California? Can s/he receive assistance to help pay for the coverage?*

If someone qualifies for Medicare but has to pay a premium for Part A, depending on his/her income, s/he may be eligible for premium assistance and cost-sharing subsidies in Covered California, so long as s/he does not enroll in Medicare Part A. However, it is important to know that if you choose to enroll in a Covered California health plan instead of Medicare and then enroll in Medicare later, your premium for Part A, and possibly Part B, could increase by 10% due to paying a late enrollment penalty.

For Part A, the penalty may cause the individual's monthly premium to go up by 10% for 2x the number of years s/he could have had Part A, but did not sign up. For example, if someone was eligible for Part A for two years but did not enroll until the third year, that person would have to pay the higher premium for the first four years of enrollment in Part A.

A penalty applies to Part B, as well. The monthly premium for Part B may go up 10% for each full 12-month period that the individual could have had Part B, but did not sign up for it. For example, if someone was eligible for Part B for two years but did not enroll until the third year, the person would have to pay the higher premium for the first two years of enrollment in Part B.

Individuals who are eligible for Medicare but not enrolled will be subject to the individual shared responsibility tax penalty if they fail to obtain qualifying coverage—such as by paying the premium to enroll in Medicare, or purchasing coverage through Covered California.

Scenario 4: *An individual who is enrolled in a Covered California health plan and receives premium tax credit becomes eligible for Medicare upon turning 65. Can the individual continue receiving premium tax credits?*

An individual who is enrolled in a Covered California health plan and receives premium tax credit turns 65 on June 3, 2015, and becomes eligible for premium-free Medicare. However, s/he must enroll in Medicare to receive benefits. The individual fails to enroll in the Medicare coverage during his/her initial enrollment period (March 1, 2015 through September 30, 2015). The individual is deemed ineligible for premium tax credit as of

October 1, 2015, the first day of the fourth month following the event that establishes his/her eligibility (turning 65). S/he may have to pay some or all of the premium tax credit s/he received after October 1, 2015 back to the IRS at tax time even if s/he never enrolls in Medicare.

Scenario 5: An individual has a permanent disability, but is not eligible for Medicare due to the two-year waiting period for people receiving SSDI payments. Would the individual be eligible for health coverage through Covered California or Medi-Cal?

An individual who has a permanent disability, but is not yet eligible for Medicare due to the two-year waiting period for people receiving SSDI payments, may purchase health coverage through Covered California. If the individual's income is between 138% and 400% of the federal poverty level (about \$16,243 to \$46,680 for an individual in 2015), s/he will qualify for premium assistance and/or cost-sharing subsidies to help pay for the cost of a Covered California Health Plan. The individual may also be eligible for Medi-Cal, either through the newly expanded adult program or through other Medi-Cal programs, such as those based on age, disability or blindness.

SSDI recipients who apply for and receive premium assistance and/or cost-sharing subsidies for a Covered California Health Plan, will lose eligibility for the premium assistance and/or cost-sharing subsidies when they become eligible for Medicare. At that point, they will be able to drop their private health plan coverage through Covered California and enroll in Medicare. Similarly, if SSDI recipients enroll in the newly expanded adult Medi-Cal program (covering adults 19-64 up to 138% of the federal poverty level, or \$16,242 for an individual in 2015) will lose eligibility for that program when they become eligible for Medicare. At that time, Medi-Cal will automatically reevaluate their circumstances to see if they are eligible for another Medi-Cal program.