

From Marketplace to Medicare



Transitioning from Marketplace to Medicare Coverage

July 29, 2020

The information provided in this document is intended only to be a general informal summary of technical legal standards. It is not intended to take the place of the statutes, regulations, or formal policy guidance that it is based upon. This document summarizes current policy and operations as of the date it was presented. We encourage readers to refer to the applicable statutes, regulations, and other interpretive materials for complete and current information. This communication was produced and disseminated at U.S. taxpayer expense.

Topics

- Background on Medicare
- Automatic versus active enrollment
- Premium and Premium-free Medicare Part A effective dates
- How to end or make changes to Marketplace coverage
- Medicare Periodic Data Matching (PDM)
- Medicare and eligibility for financial assistance through the Marketplace
- Scenarios

What is Medicare?

Medicare is a federal health coverage program for:

- People 65 or older,
- People under 65 with certain disabilities, and
- People of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant).

What is Medicare? (Cont.)

There are four different parts of Medicare: Part A, B, C, D:

- Medicare Part A (Hospital Insurance) - minimum essential coverage (MEC)*
- Medicare Part B (Medical Insurance)
- Medicare Part C (Medicare Advantage Plans) - MEC*
- Medicare Part D (Prescription Drug Coverage)

Understanding Medicare Part A (Hospital Insurance)

Medicare Part A Coverage includes:

- Hospital Care
- Skilled care in a nursing facility
- Hospice
- Home health services for homebound individuals who require skilled services, observation, or education
- **Part A is considered MEC**



Understanding Medicare Part B (Medical Insurance)



- Part B covers many services in two main categories:
 - **Medically necessary items and services:** Services or supplies that are needed to diagnose or treat your medical condition and that meet accepted standards of medical practice.
 - **Preventive services:** Health care to prevent illness (like the flu) or detect it at an early stage when treatment is most likely to work best.
- Medicare Part B covers medically necessary services such as outpatient doctor visits, ambulance services, durable medical equipment, and other benefit categories.
- **Part B is not considered MEC**

How Much Does Part B Cost?

- Consumers will need to pay a premium for Part B. In 2020, most consumers will pay the standard monthly premium amount, which is \$144.60 per month.
- If your modified adjusted gross income (MAGI) as reported on your IRS tax return from two years ago is above a certain amount, you may pay an Income Related Monthly Adjustment Amount (IRMAA) in addition to the standard monthly premium amount for Part B. (You may also pay an IRMAA in addition to the monthly premium if you enroll in a Part D plan.)
- Many individuals may be eligible for assistance with paying the Part B premium through the Medicare Savings Programs (MSPs). In addition, the program may cover deductibles, coinsurance, and copayments if you meet certain conditions. For more information, visit [Medicare.gov/your-medicare-costs/get-help-paying-costs/medicare-savings-programs](https://www.Medicare.gov/your-medicare-costs/get-help-paying-costs/medicare-savings-programs).

Medicare Parts C (Medicare Advantage or “MA”) and D (Prescription Drug)

- Private insurance companies provide Medicare benefits through Medicare Advantage (MA) plans. MA plans provide Part A (Hospital Insurance) and Part B (Medical Insurance).
- Most MA plans also provide Part D, or prescription drug, benefits. In addition, many MA plans include dental, vision, hearing, and other health benefits and wellness incentives that are not covered or offered under Part A or Part B.

How Consumers Enroll in Medicare Part A: Automatic Versus Manual Enrollment

- Enrollment in Medicare Part A is automatic for people who:
 - Turn 65 and have already been receiving Social Security benefits (SSB) or Railroad Retirement Board (RRB) benefits at least four months prior to their 65th birthday.
 - Are under age 65 and have been receiving Social Security disability benefits or RRB disability benefits for 24 months.
 - Have amyotrophic lateral sclerosis (ALS) and have been receiving Social Security or RRB disability benefits.



How Consumers Enroll in Medicare Part A: Automatic versus Manual Enrollment (Cont.)

- Groups that must actively (i.e., manually) apply to enroll into Medicare Part A and B include:
 - Those who are not receiving SSB or RRB benefits at least four months prior to their 65th birthday.
 - Those who have ESRD and receive a regular course of dialysis or a kidney transplant.
 - Those who must pay a premium for Medicare Part A (i.e., those not eligible for Premium-free Medicare Part A).
 - If you live in Puerto Rico you are signed up for Part A automatically if you receive SSB or RRB. You must sign up for Part B manually.

Knowledge Check #1

Which of the following would qualify a consumer for automatic enrollment into Medicare Part A and B?

- A. A consumer who has ESRD and is receiving regular treatment.
- B. A consumer who must pay a premium for Medicare Part A.
- C. A consumer who is over age 65 and is not receiving SSB.
- D. A consumer who is age 65 and has been receiving SSB for at least four months prior to their 65th birthday.

Knowledge Check #1 Answer

Which of the following would qualify a consumer for automatic enrollment into Medicare Part A and B?

- A. A consumer who has ESRD and is receiving regular treatment.
- B. A consumer who must pay a premium for Medicare Part A.
- C. A consumer who is over age 65 and is not receiving SSB.
- D. A consumer who is age 65 and has been receiving SSB for at least four months prior to their 65th birthday.

How Consumers Enroll in Medicare: Automatic Enrollment

- If automatically enrolled, the consumer will receive a Medicare card in the mail three months before their 65th birthday.
- Medicare Part A and Part B coverage usually begins on the first day of the month the consumer turns 65.



How Consumers Enroll into Medicare: Active (i.e., “Manual”) Enrollment

- Consumers can sign up with Social Security by:
 - Visiting [Socialsecurity.gov](https://www.socialsecurity.gov).
 - Calling Social Security at 1-800-772-1213 (TTY: 1-800-325-0778).
 - Visiting a local Social Security office.
 - If a consumer has retired from the Railroad, he or she can enroll with the RRB by calling his or her local RRB office or 1-877-772-5772 (TTY: 312-751-4701).
- Assisters should refer clients to a local State Health Insurance Assistance Program (SHIP) for additional help with Medicare eligibility and enrollment and information about Medicare benefits (www.shiptacenter.org).

Who Qualifies for Premium-free Medicare Part A?

- Consumers can get Premium-free Medicare Part A at 65 or older if:
 - They or their spouse worked for the equivalent of 10 years, either consecutively or non-consecutively, in Medicare-covered employment (this is what is called the “40 quarters of work” requirement).
 - They are already receiving (or are eligible to receive) retirement benefits from Social Security or the RRB.
 - They or their spouse had Medicare-covered government employment.
- Consumers can get Premium-free Medicare Part A before age 65 if:
 - They have received SS or RRB disability benefits for 24 months or have ALS and are receiving SS or RRB disability benefits.
 - They have ESRD and meet other specific requirements.

The Medicare Initial Enrollment Period (IEP)



- The Initial Enrollment Period (IEP) to sign up for Medicare Part A and for Medicare Part B, if not automatically enrolled, is seven months long.
- Consumers who must actively sign up for Medicare are encouraged to sign up during their IEP.
- Most consumers may have to wait until Medicare's General Enrollment Period (GEP) or qualify for a Special Enrollment Period (SEP) if they do not enroll during their IEP. These consumers may also be subject to a late enrollment penalty that has to be paid as long as the consumer has Part B.

The Medicare Initial Enrollment Period (IEP) (Cont.)

The IEP begins three months before the consumer's 65th birthday, including the birth month, and ends three months after their 65th birthday.

Note: If the consumer's birthday falls on the first of the month, his or her IEP starts four months prior to the consumer's 65th birthday.

When is Premium-free Medicare Part A Coverage Effective?

- Coverage is effective for those automatically enrolled into Medicare on the first of the month they turn 65.
- Consumers who are turning 65 and must actively sign up for their premium-free Part A can sign up any time after their IEP begins. If they sign up during their IEP:
 - Their coverage will begin the first day of the month they turn 65, or
 - The first day of the month before they turn 65 if their birthday is the first of the month.

When is Premium-free Medicare Part A Coverage Effective? (Cont.)

- If consumers sign up after their IEP has ended, their Premium-free Part A coverage start date will go back (retroactively) up to six months from when they submit the application for Medicare Part A, but no earlier than the first day of the month in which they turn 65 or the month before they turn 65 if their birthday is the first of the month.



When is Premium-free Medicare Part A Coverage Effective? (Cont.)

- Consumers who are newly eligible for premium-free Medicare Part A should report this change to the Marketplace and either end their Marketplace coverage or, if they choose, remain in their Marketplace plan.
- Once consumers are considered eligible for Medicare Part A, they will no longer be eligible for any premium tax credits or other cost savings they may be getting for their Marketplace plan. Consumers considered eligible for Medicare Part A will have to pay full price for the Marketplace plan.
- Individuals receiving advanced payments of the premium tax credit (APTC) while dually enrolled in coverage through the Marketplace and Medicare may have to pay back all or some of the APTC received for months the individual was enrolled in both Marketplace coverage with APTC and Medicare Part A when they file their federal income tax return.

Knowledge Check #2

Fill in the blank: Premium Medicare Part A or Premium-free Medicare Part A?

Consumers who are considered eligible for _____ are no longer eligible to receive financial assistance for their current Marketplace plan. Consumers are encouraged to compare their Medicare benefits and costs with the current Marketplace plan (understanding they will be responsible for the full cost of the Marketplace plan premium). Consumers who do not enroll in Medicare Part B during their initial IEP but enroll after their IEP has ended may incur a penalty for the duration of the time they are enrolled in Medicare Part B.

Knowledge Check #2 Answer

Fill in the blank: Premium Medicare Part A or Premium-free Medicare Part A?

Consumers who are considered eligible for _____ are no longer eligible to receive financial assistance for their current Marketplace plan. Consumers are encouraged to compare their Medicare benefits and costs with the current Marketplace plan (understanding they will be responsible for the full cost of the Marketplace plan premium). Consumers who do not enroll in Medicare Part B during their initial IEP but enroll after their IEP has ended may incur a penalty for the duration of the time they are enrolled in Medicare Part B.

Premium-free Medicare Part A

When can Consumers Sign up for Premium Part A?

Consumers who are eligible for Premium Part A must sign up during their IEP or they may have to wait until the Medicare GEP or qualify for an SEP to sign up.

- The Medicare GEP begins in January and ends in March, with coverage beginning July 1.
- SEPs for Medicare are not the same as SEPs for the Marketplace.
- Terminating Marketplace coverage does not result in an SEP to enroll in Medicare.
- If these consumers do not enroll during their IEP, they could face late enrollment penalties that make Medicare premiums more expensive for as long as they are enrolled in Medicare.

Premium Medicare Part A and Part B Effective Dates

Initial Enrollment Period									
3 months before	2 months before	1 month before	Month turn age 65	1 month after	2 months after	3 months after	4 months after	5 months after	6 months after
Enroll in any of these months →			Coverage starts						
			Enroll →	Coverage starts					
				Enroll →		Coverage starts			
					Enroll →			Coverage starts	
						Enroll →			Coverage starts
							Enroll (SEP) →	Coverage can start*	
								Enroll (SEP) →	Coverage can start*

*The SEP can only be used once the individual's IEP is over.

Why Consumers Should Set a Date to End Their Marketplace Coverage

- To avoid paying double premiums for overlapping coverage (in the Marketplace and Medicare).
- To avoid gaps in coverage.
- To prevent unintentionally ending coverage for other members on the Marketplace plan.
- To avoid having to pay back all or some of the APTC they may have incorrectly received while eligible for or enrolled in Medicare.

When Consumers Should End Marketplace Coverage

- Consumers should end their Marketplace plan the day before their Medicare coverage begins.
 - Consumers should select the date they want to end coverage. Generally, consumers can set a date for their Marketplace coverage to end.
- For more instructions on how to time ending Marketplace coverage and signing up for Medicare, visit [HealthCare.gov/medicare/changing-from-marketplace-to-medicare/](https://www.healthcare.gov/medicare/changing-from-marketplace-to-medicare/).

How Consumers Should End Marketplace Coverage

- Most consumers will want to end Marketplace coverage when they become eligible for Medicare.
- In some cases, consumers will need to end their Marketplace coverage by calling the Marketplace Call Center.
- In other cases, consumers can end their coverage on HealthCare.gov. This depends on:
 - If everyone on the application is ending their coverage or just some people; and
 - If the person who is ending their Marketplace coverage is the household contact on the application.

How to End Coverage: When the Person Transitioning from Marketplace Coverage to Medicare is the Household Contact

Call the Marketplace Call Center to:

- End the household contact's Marketplace coverage.
- Designate a new household contact.
- Ensure that those remaining on their Marketplace plan do not lose their coverage.



Note: Do not try to change or remove the household contact online unless you're ending coverage for everyone on the plan

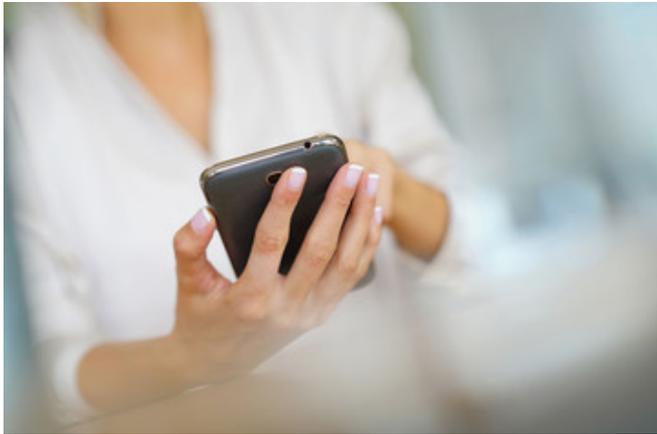
Complex Case Scenario

Beth, the policy owner on a Marketplace plan, is turning 65 on September 1, 2020.

- She is married to John, who is 63.
- Their daughter Mary, 24, is a dependent enrolled on the same Marketplace plan as her parents.
- Beth would like to enroll in Medicare but is confused about how to end her Marketplace coverage. She tried to end her coverage online but isn't sure if she followed the process correctly.



Points to Discuss and Helpful Tips



- To avoid a gap in coverage, Beth should not terminate her Marketplace plan before her Medicare coverage begins. Once Beth knows when her Medicare coverage starts, she can terminate her Marketplace plan.
- Beth should not try to change or end Marketplace coverage online unless she wants to end coverage for everyone on the plan. Ending her coverage by phone instead ensures the enrollee who wants to end her coverage gets the desired termination date for herself and that coverage for the other enrollees in the Marketplace plan continues uninterrupted.
- Beth should therefore contact the Marketplace Call Center for assistance.

Applicable Rules

If you're enrolled in a Marketplace plan first and then become eligible for Medicare, you can choose to remain enrolled in your Marketplace plan at least through the end of the plan year. However, there are important considerations:

- You no longer qualify for APTC or cost-sharing reductions (CSRs) once your premium-free Medicare Part A begins or the first full month after your IEP ends, even if you do not enroll in premium-free Medicare Part A.
- You will be paying for potentially duplicative coverage.
- Medicare doesn't coordinate benefits with Marketplace plans.
- If you choose to terminate your Marketplace plan, pay close attention to disenrollment timeframes.

Medicare Periodic Data Matching (PDM): Notices to Dually-Enrolled Consumers

- The Marketplace sends Medicare PDM notices to consumers who may be dually enrolled in Medicare that is MEC (referred to as MEC Medicare) and Marketplace coverage with APTC and CSRs. Medicare Part A is MEC Medicare. Notices are uploaded to the consumer's My Account or mailed via the US Postal Service, depending on the consumer's stated preference.
- Medicare PDM Notices will include:
 - Name(s) of consumer(s) found to be dually-enrolled.
 - A recommendation that individuals found to be enrolled in MEC Medicare and a Marketplace plan should end their Marketplace coverage.
 - Instructions on how to end Marketplace coverage or Marketplace financial assistance.
 - Where to find contact information to confirm if they are enrolled or if they have any questions about Medicare.

Medicare PDM (Cont.)

PDM process updates occurred in 2019. Applicants now have the option to provide written consent for the Exchange to end their Marketplace coverage if they are later found to be enrolled in Medicare through the Medicare PDM process by using a newly added attestation to the Marketplace application.

If anyone on your application is enrolled in Marketplace coverage and is later found to have other qualifying health coverage (like Medicare, Medicaid, or the Children's Health Insurance Program (CHIP)), the Marketplace will automatically end their Marketplace plan coverage. This will help make sure that anyone who's found to have other qualifying coverage won't stay enrolled in Marketplace coverage and have to pay full cost.

- I agree to allow the Marketplace to end the Marketplace coverage of the people on my application in this situation.
- I don't give the Marketplace permission to end Marketplace coverage in this situation. I understand that the affected people on my application will no longer be eligible for financial help and must pay full cost for their Marketplace plan.

Medicare PDM Process

- If you have both Medicare and a Marketplace plan with APTC and CSR, you'll now have 30 days from receipt of the notice to return to the Marketplace to either end:
 - APTC and CSRs, or
 - Your Marketplace plan, if you so choose.
- You'll get specific instructions in your PDM notice based on your Medicare enrollment status.
- You'll also have the option to:
 - Disagree with the results of the Medicare PDM notice if you think you aren't enrolled in Medicare; or
 - Change your attestation response from agree to disagree if you no longer want the Marketplace to end your coverage.

Medicare PDM Process (Cont.)

- If you don't take any action after the 30-day period ends, the Marketplace will either:
 - End APTC and CSRs, or
 - End Marketplace coverage (if you permitted the Marketplace to act on your behalf and end your Marketplace coverage if found to be enrolled in both Medicare and the Marketplace at a later date).
- The rules around eligibility for Medicare Part A and APTC differ depending on whether the consumer must pay a premium for Medicare Part A and when they sign up.

Eligibility for APTC for Consumers with Premium-free Medicare Part A

- For consumers automatically enrolled into their Premium-free Medicare Part A:
 - These consumers are generally no longer eligible for financial assistance through the Marketplace the first day of the month they turn 65.
- For consumers who must sign up for their Premium-free Medicare Part A:
 - These consumers are no longer eligible for financial assistance through the Marketplace starting the first day of the first full month they can start using their Medicare coverage.

Eligibility for APTC for Consumers with Premium Medicare Part A

- Consumers who must pay a premium for their Medicare Part A would remain eligible for financial assistance through the Marketplace unless and until they sign up for and can start using their Medicare coverage, assuming they are otherwise eligible.
- If they sign up for Medicare coverage, they would no longer be eligible for financial assistance through the Marketplace the month their Medicare coverage actually begins (refer to the effective date chart).
- These consumers may face late enrollment penalties or experience a gap in coverage if they sign up after their IEP ends.

Eligibility for APTC for Consumers with Premium Medicare Part A (Cont.)

- These consumers should compare their benefits and total premiums under Medicare with their Marketplace plan.
 - Many individuals may be eligible for assistance with paying premiums for Part A and B through MSPs.
 - In addition, the programs may cover deductibles, coinsurance, and copayments if you meet certain conditions.
- For more information, visit [Medicare.gov/your-medicare-costs/get-help-paying-costs/medicare-savings-programs#collapse-2614](https://www.Medicare.gov/your-medicare-costs/get-help-paying-costs/medicare-savings-programs#collapse-2614).

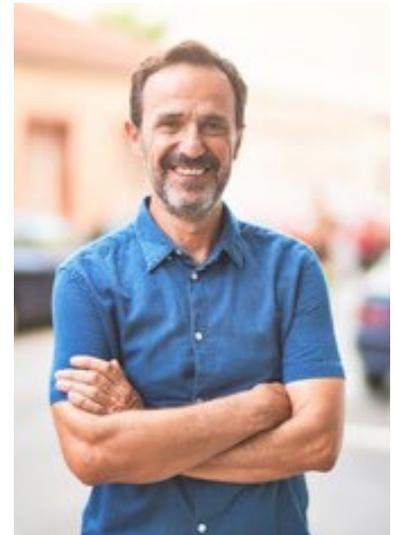
Medicare and Eligibility for APTC Scenario: Eligible for Premium-free Medicare Part A and Enrolls

Scenario: Paul turns 65 on June 5

- He currently has a Marketplace plan with APTC for a premium of \$75.00 a month.
- Paul is eligible for Premium-free Medicare Part A.
- He must actively enroll into Medicare coverage.
- His IEP began.

He enrolls mid-July, during his IEP.

Is Paul still eligible for APTC?



Medicare and Eligibility for APTC Scenario: Eligible for Premium-free Medicare Part A and Enrolls (Cont.)

Paul is also considering Part B enrollment:

- Paul's premium for Medicare Part B is \$144.60, which appears higher than his premium for his Marketplace plan with APTC.
- Part A is Hospital Insurance and is not FULL medical coverage. Part B is medical insurance for physician's services, certain preventive services, and other types of outpatient care.
- Paul loses APTC eligibility based on his eligibility for Premium-free Part A Hospital Insurance whether he enrolls in Part B or not.
- If Paul does not sign up for Part B during his IEP, he may be subject to late enrollment penalties for the lifetime of his Medicare coverage.

Medicare and Eligibility for APTC Scenario: Eligible for Premium-free Medicare Part A and Enrolls (Cont.)

Paul turns 65 on June 5.



- Paul signs up for Medicare Parts A and B in mid-July.
- His Premium-free Medicare Part A coverage would start retroactive to the first day of the month that he turned 65—June 1.
- Paul would no longer be eligible for APTC on August 1, the first day of the month after he signs up for Medicare. This is true even though his Medicare coverage is effective before that.

Medicare Part B and Effective Date Scenario

When Paul signs up for Medicare Part B in mid-July, his effective date will be in September.

- Paul should consider signing up for Part B in any of the three months before he turns 65 so that his Part B coverage will be effective on June 1 with his Part A.
- Paul should compare his Medicare Part B premium to his full Marketplace premium without APTC because he will pay the full cost of his Marketplace coverage beginning August 1.
- Paul should also consider that not signing up for Part B during his IEP will subject him to a lifetime late enrollment penalty if and when he does sign up for Part B in the future.



Medicare and Eligibility for APTC Scenario: Eligible for Premium-free Medicare Part A and Does Not Enroll

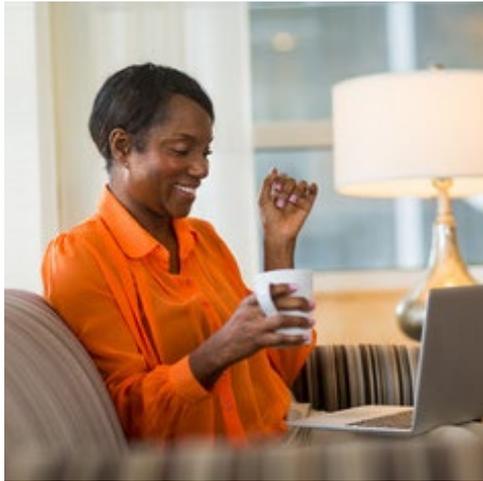


Scenario: Sally turns 65 on June 3

- Sally has a Marketplace plan with APTC.
- Sally qualifies for Premium-free Medicare Part A.
- She must actively enroll into Medicare coverage.
- Her IEP has begun.
- She doesn't want to enroll in Medicare; she wants to keep her Marketplace coverage.

Is Sally still eligible for APTC?

Medicare and Eligibility for APTC Scenario: Eligible for Premium-free Medicare Part A and Does Not Enroll (Cont.)



- Sally chooses not to sign up for Medicare and is not automatically enrolled.
- For purposes of APTC eligibility, Sally will be considered “eligible” for Medicare benefits on October 1, the first day of the first full month after her IEP ends.
- Sally will lose eligibility for APTC beginning October 1.
- She will need to return to the Marketplace and report she is now eligible for Medicare so that she will no longer receive APTCs. If Sally does not report her Medicare eligibility, she will be responsible for paying back any APTC received beginning October 1.
- Sally will pay the full price of her Marketplace plan beginning October 1.

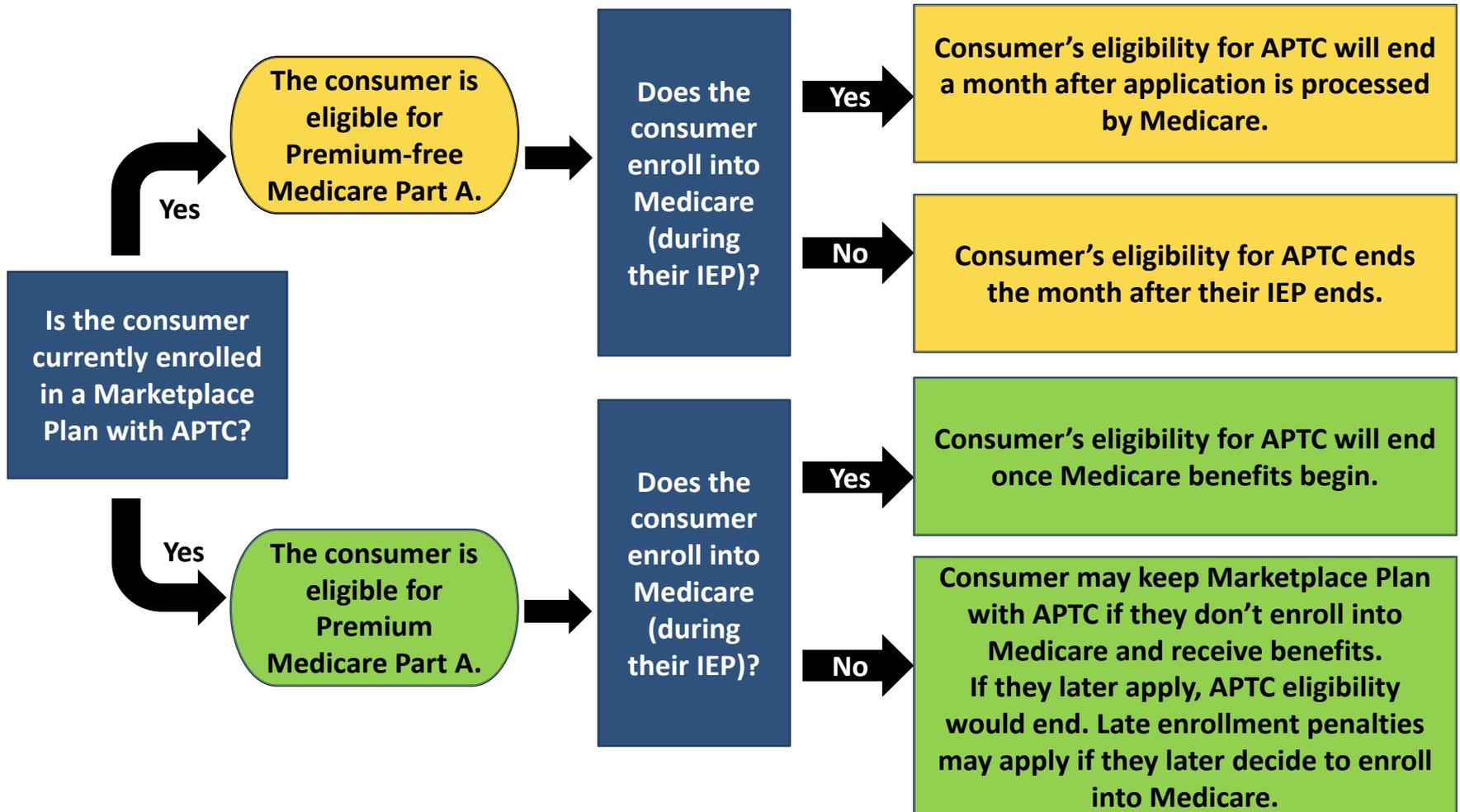
Medicare and Eligibility for APTC Scenario: Eligible for Premium Medicare Part A and Does Enroll

Scenario: Hannah recently signed up for Medicare Part A and Part B

- She signed up for Medicare Part A and Part B in September, the last month of her IEP.
- Her Medicare coverage (both Part A and Part B) begins three months after she signs up, on December 1.
- Hannah's eligibility for APTC would end December 1, when she starts receiving Medicare Part A coverage.



Medicare and Eligibility for APTC



New Letters Being Mailed to Consumers Turning 65



- In December 2019, CMS started a new monthly mailing to all Exchange enrollees who will turn 65 within the next month to notify them of the important decisions related to Medicare enrollment.
- Letters are available in both English and Spanish.
 - English: [Marketplace.cms.gov/applications-and-forms/notice-for-consumers-turning-65.PDF](https://www.marketplace.cms.gov/applications-and-forms/notice-for-consumers-turning-65.pdf)
 - Spanish: [Marketplace.cms.gov/applications-and-forms/notice-for-consumers-turning-65-spanish.pdf](https://www.marketplace.cms.gov/applications-and-forms/notice-for-consumers-turning-65-spanish.pdf)

SHIP Resources

Assisters should encourage consumers to reach out to their local SHIP counselor for assistance. SHIPs provide local, in-depth, and objective insurance counseling and assistance to Medicare-eligible individuals, their families, and caregivers.

For more information visit shiptacenter.org



Other Resources

- Step-by-step instructions: How & when to cancel your Marketplace plan and enroll in Medicare: [healthCare.gov/medicare/changing-from-marketplace-to-medicare/](https://healthcare.gov/medicare/changing-from-marketplace-to-medicare/)
- Premium-free versus Premium Medicare Part A: medicare.gov/your-medicare-costs/part-a-costs/part-a-costs.html
- How consumers should sign up for Medicare Parts A & B: medicare.gov/sign-up-change-plans/get-parts-a-and-b/when-how-to-sign-up-for-part-a-and-part-b.html
- Information on Medicare Savings Programs: medicare.gov/your-medicare-costs/help-paying-costs/medicare-savings-program/medicare-savings-programs.html
- Transitioning from Marketplace to Medicare: cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/Downloads/Assisting-Clients-with-Transitions-from-Marketplace-to-Medicare-Coverage.pdf
- Frequently Asked Questions on the relationship between Medicare and Marketplace coverage: [cms.gov/Medicare/Eligibility-and-Enrollment/Medicare-and-the-Marketplace/Downloads/Medicare-Marketplace Master FAQ 4-28-16 v2.pdf](https://cms.gov/Medicare/Eligibility-and-Enrollment/Medicare-and-the-Marketplace/Downloads/Medicare-Marketplace%20Master%20FAQ%204-28-16%20v2.pdf)
- The late enrollment penalty for delaying enrollment in Medicare Part B: medicare.gov/your-medicare-costs/part-b-costs/part-b-late-enrollment-penalty
- Medicare & You Handbook: medicare.gov/Pubs/pdf/10050-medicare-and-you.pdf