

# Transitioning from Marketplace to Medicare Health Coverage for Ryan White HIV/AIDS Program Clients

Helping people enrolled in Marketplace health plans to transition smoothly to Medicare coverage once they become eligible can be a complicated process.

This resource provides Ryan White HIV/AIDS Program (RWHAP) staff and program administrators with the information to help their clients navigate the transition from Marketplace to Medicare and includes answers to the most frequently asked questions on this topic.

## Key Takeaways:

### 1. Clients should enroll in Medicare when eligible.

When clients who are enrolled in Marketplace health coverage become eligible for Medicare, it's important that they enroll in Medicare for several reasons that are discussed in detail throughout this resource. Delaying enrollment or dropping Medicare coverage may result in financial penalties, and clients may miss out on more comprehensive and/or affordable coverage.

### 2. Enrollees may be able to keep their Marketplace coverage after transitioning to Medicare.

If a Marketplace enrollee wants to keep their Marketplace coverage in addition to Medicare, they can do so, but they need to terminate any Marketplace financial assistance (advance premium tax credits/cost-sharing reductions) they receive.

### 3. Medicare enrollees should drop Medicare coverage before enrolling in Marketplace.

It is not recommended for Medicare enrollees with HIV to change over to Marketplace coverage. They will need to drop their Medicare coverage first, and therefore will experience a gap in coverage. Also, if they receive premium-free Medicare Part A (hospital coverage), they will also have to repay the government for all the health care services they received while enrolled in Medicare, as well as their Social Security or Railroad retirement benefits.

### 4. Provide assistance with Medicare enrollment questions before assisting with Marketplace enrollment.

Overall, if someone is enrolled in or eligible for Medicare or does not know if they are eligible for Medicare, enrollment assisters should address any Medicare enrollment questions first, before assisting with Marketplace enrollment. Each state has a State Health Insurance Program (SHIP) that provides free help with Medicare enrollment.

Visit [TargetHIV.org](https://targethiv.org) for more Medicare resources for RWHAP clients and other people with HIV:




- The Basics of Medicare for RWHAP Clients
- Medicare Prescription Drug Coverage for RWHAP Clients
- How Medicare Enrollment Works

[targethiv.org/ace/medicare](https://targethiv.org/ace/medicare)

# Medicare At-A-Glance

People may qualify for Medicare if they are age 65 or over, or under age 65 with a qualifying disability. While there are multiple parts to Medicare, people only enroll in one of two coverage options: Original Medicare or Medicare Advantage.

This table compares the two Medicare enrollment options.

Original Medicare (Parts A and B)  	Medicare Advantage (also called Part C) 
<b>Includes:</b> <ul style="list-style-type: none"><li>▪ Part A Hospital Coverage</li><li>▪ Part B Medical Coverage</li><li>▪ <i>Supplemental (optional)</i> Medicare Part D Prescription Drug Coverage</li></ul>	<b>A “bundled” plan that includes:</b> <ul style="list-style-type: none"><li>▪ Part A Hospital Coverage</li><li>▪ Part B Medical Coverage</li><li>▪ Part D Prescription Drug Coverage</li></ul>

**Most RWHAP programs recommend that clients enroll in Original Medicare,** though this decision depends on the Medicare Advantage market in your area. Work with your state AIDS Drug Assistance Program (ADAP) and SHIP program to review the Medicare Advantage plans available in your jurisdiction to determine if they are a good option for your clients.

## Frequently Asked Questions

### Section 1: Transitioning from Marketplace to Medicare Coverage

#### 1. Can Marketplace enrollees who become eligible for Medicare decline Medicare enrollment?

**It’s not a good idea.** Overall, when a client is enrolled in Marketplace coverage and becomes eligible for Medicare, it’s important that they transition to Medicare for several reasons:

- If they delay enrolling in Medicare, they may face **late enrollment penalties** once they eventually decide to enroll.
- If they are receiving financial assistance from the Marketplace, or are eligible for or enrolled in Medicare Part A (hospital coverage) or Part C (Medicare Advantage), they will become ineligible for Marketplace [advance premium tax credits \(APTCs\)](#) and [cost-sharing reductions \(CSRs\)](#). See question 3 below.
- Their Medicare coverage may be more comprehensive and/or less costly than their Marketplace coverage.

#### 2. Can individuals who are enrolled in Marketplace coverage (prior to enrolling in Medicare) keep it once they get Medicare?

**Yes, with caution.** Individuals are not required to drop their Marketplace coverage upon enrolling in Medicare, but they may need to terminate their APTCs/CSRs. Medicare Parts A (hospital coverage) and C (Medicare Advantage) are considered minimum essential coverage; therefore, individuals who are eligible for or enrolled in this coverage are **ineligible** for APTCs/CSRs. See the next question for more information.

**Clients can choose their preferred coverage option** when they first enroll in Medicare and during the Medicare Open Enrollment Period (October 15 to December 2) or Medicare Advantage Open Enrollment Period (January 1 to March 31). See our How Medicare Enrollment Works fact sheet for more information.

[targethiv.org/ace/medicare](https://targethiv.org/ace/medicare)

#### **Minimum Essential Coverage**

Any insurance plan that meets the Affordable Care Act requirement for having health coverage. Learn more:

<https://www.healthcare.gov/glossary/minimum-essential-coverage/>

### 3. Can Marketplace enrollees receiving APTCs continue receiving them after becoming eligible for/enrolling in Medicare?

**It depends on what type of Medicare they are eligible for or enrolled in.** Individuals who are eligible for premium-free Medicare Part A and/or Medicare Part C (Medicare Advantage) are ineligible for APTCs/CSRs, **even if they do not actually enroll** in Part A or Part C.

If a Marketplace enrollee continues receiving APTCs after their Medicare Part A and/or Part C coverage begins, they may have to repay all or part of the APTCs received for the months they were dually enrolled. Therefore, it's important that Marketplace enrollees terminate their APTCs/CSRs after enrolling in Medicare.

In contrast:

1. Individuals who must **pay a monthly premium for Medicare Part A** are still eligible for APTCs/CSRs as long as they have not yet enrolled in Medicare Part A.
2. Individuals who are eligible for or enrolled in **Medicare Part B (medical coverage) only** are still eligible for APTCs/CSRs, since Medicare Parts B or D (prescription drug coverage) alone are not considered minimum essential coverage.

#### Premium-Free Medicare Part A: Who qualifies?

Most people do not have to pay a monthly premium for Medicare Part A (hospital coverage). Individuals must have 40 quarters of work credits (roughly 10 years of full-time employment) to qualify for premium-free Part A. People earn work credits when they work in a job and pay Social Security taxes.

## Section 2: Transitioning from Medicare to Marketplace Coverage

### 1. Can individuals who have Medicare also enroll in Marketplace coverage?

**No.** Insurance companies are prohibited from selling or issuing Marketplace coverage to Medicare enrollees under a Social Security Act provision that makes it illegal to sell or issue duplicate coverage to Medicare beneficiaries. Therefore, current Medicare enrollees cannot purchase Marketplace coverage unless they drop their Medicare coverage first. See the next question for more detail on why this is **not recommended**.

### 2. Can individuals who have Medicare drop it and enroll in Marketplace coverage instead?

**It's not a good idea.** First, individuals enrolled in premium-free Medicare Part A cannot drop it without also dropping their retiree benefits and repaying all Social Security or Railroad retirement benefits and Medicare costs incurred.

Second, since Medicare enrollees are prohibited from enrolling in duplicate coverage, individuals will need to disenroll from Medicare before buying a Marketplace plan, and therefore will experience a gap in coverage.

Third, individuals who are eligible for premium-free Medicare Part A (hospital coverage) and/or Medicare Part C (Medicare Advantage) are ineligible for APTCs/CSRs, even if they are not enrolled in these programs, and therefore Marketplace coverage may be expensive for these individuals.

### **3. Can individuals who are eligible for Medicare, but not yet enrolled, choose to enroll in Marketplace coverage instead?**

**It's not a good idea.** Individuals who are eligible for premium-free Medicare Part A cannot refuse it without also foregoing their Social Security benefits. And as already mentioned, they may face late Medicare enrollment penalties if they do not enroll in Medicare during their Initial Enrollment Period. Additionally, individuals who are eligible for premium-free Part A (hospital coverage) and/or Part C (Medicare Advantage) are also ineligible for APTCs, even if they're not enrolled in these programs, and therefore Marketplace coverage may be more expensive for these individuals.

## **Section 3: Transitioning between Marketplace and Medicare Coverage**

### **1. Does the Marketplace screen applicants for Medicare eligibility or enrollment?**

**Yes.** The Marketplace (including HealthCare.gov and state-based exchanges) screens applicants who are seeking APTCs/CSRs for Medicare enrollment. However, HealthCare.gov does not have the functionality to prevent a Medicare enrollee from enrolling in a Marketplace plan at full price.

Additionally, the Marketplace periodically examines available data sources to identify individuals who are also enrolled in Medicare that qualifies as minimum essential coverage (Parts A and C), and sends periodic notices to these consumers via the mail. After receiving this notice, the individual is then responsible for following the instructions in this notice for ending their Marketplace coverage.

### **2. Will a Marketplace plan automatically terminate once an individual enrolls in or becomes eligible for Medicare?**

**It depends.** In 2018, a new question was added to the HealthCare.gov application that allows individuals to authorize the Marketplace to act on their behalf and terminate their coverage if they are found to be dually-enrolled in Marketplace coverage and Medicare. If an individual selects this option, their plan may be terminated on their behalf. If an individual does not select this option, they can terminate their Marketplace coverage on their own (see call-out box for instructions).

**To avoid a gap in coverage,** clients should not end their Marketplace plan until they know for sure when their new Medicare coverage starts.

### **Local One-on-One Medicare Enrollment Resources**

The **State Health Insurance Assistance Programs (SHIPs)** provide free, local insurance counseling and assistance to Medicare-eligible individuals, their families, and caregivers. The program may have a different name in your state.

Use the **SHIP locator** at [www.shiptacenter.org](http://www.shiptacenter.org) to find a program in your area, or call 1-877-839-2675.

Once the client knows when their Medicare coverage will begin, they should contact the Marketplace **at least one month before** their new coverage start date to request that their plan end **the day before**.

- For example, if their Medicare coverage begins July 1, be sure to contact the Marketplace on or before June 1 to make a plan for termination on June 30.
- This helps avoid both gaps in coverage and making overlapping premium payments for both Medicare and Marketplace coverage and/or owing back APTC payments for July.

### **3. Will APTCs/CSRs automatically terminate once a consumer enrolls in or becomes eligible for Medicare?**

**Yes.** In 2018, HealthCare.gov gained the functionality to terminate APTCs/CSRs for individuals who are dually-enrolled in Medicare. After receiving notice of their dual enrollment in Medicare and Marketplace coverage with APTCs, enrollees will have 30 days to return to the Marketplace and either end their APTC/CSRs, end their Marketplace coverage entirely, or verify that they are not enrolled in Medicare.

It is strongly recommended that individuals actively take action within the 30-day window. If not, the Marketplace will either end coverage for dual enrollees who permitted the Marketplace to act on their behalf, or end APTCs/CSRs for those dual enrollees that did not permit the Marketplace to act on their behalf. They may also have to repay APTCs/CSRs for any months when they were dually covered.

## **Section 4: Medicare and Other Types of Health Coverage FAQs**

### **1. Can Medicare enrollees purchase Medigap, dental, or other supplemental coverage in the Marketplace?**

**No.** Medigap policies (supplemental insurance to cover the costs of Original Medicare – Parts A and B) are not available in the Marketplace, and Marketplace dental plans are only available to Marketplace enrollees.

However, Medicare enrollees can purchase Medigap and dental plans outside of the Marketplace. Federal law does not prohibit issuers from selling stand alone dental plans to Medicare beneficiaries outside of the Marketplace or through state-based marketplaces (though some may not support this functionality).

### **2. How does Medicare work with other types of coverage, such as coverage for employees or retirees?**

Generally, Medicare-eligible individuals who are over age 65 and covered by employer-sponsored plans can delay Medicare enrollment until their employer (group) coverage ends. These individuals can sign up for Medicare during a Special Enrollment Period after they lose group coverage, and usually do not have to pay a late enrollment penalty.

#### **HealthCare.gov: Changing from Marketplace to Medicare**

Includes step-by-step instructions for how and when to cancel a Marketplace plan.

<https://www.healthcare.gov/medicare/changing-from-marketplace-to-medicare/>

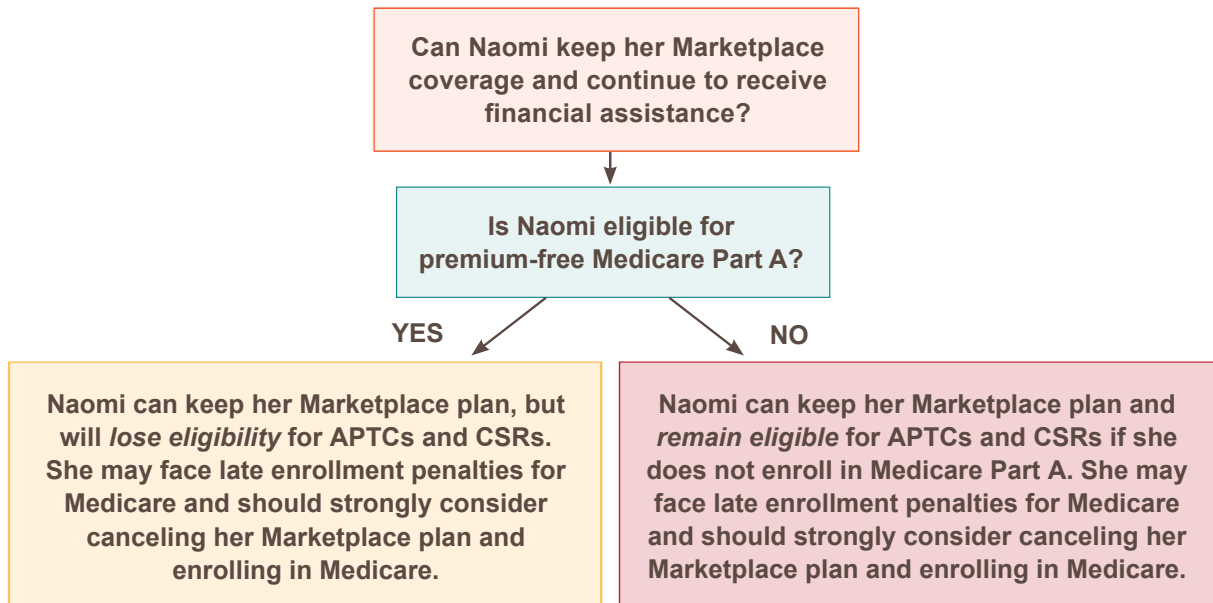
#### **ACE TA Center Resource: How Medicare Enrollment Works**

Learn more about the different enrollment periods for Medicare and when clients need to enroll in Medicare to avoid late enrollment penalties

<https://targethiv.org/library/how-medicare-enrollment-works>

# Questions for Consumers Currently Enrolled in Marketplace Coverage and Eligible for Medicare—but Not Yet Enrolled

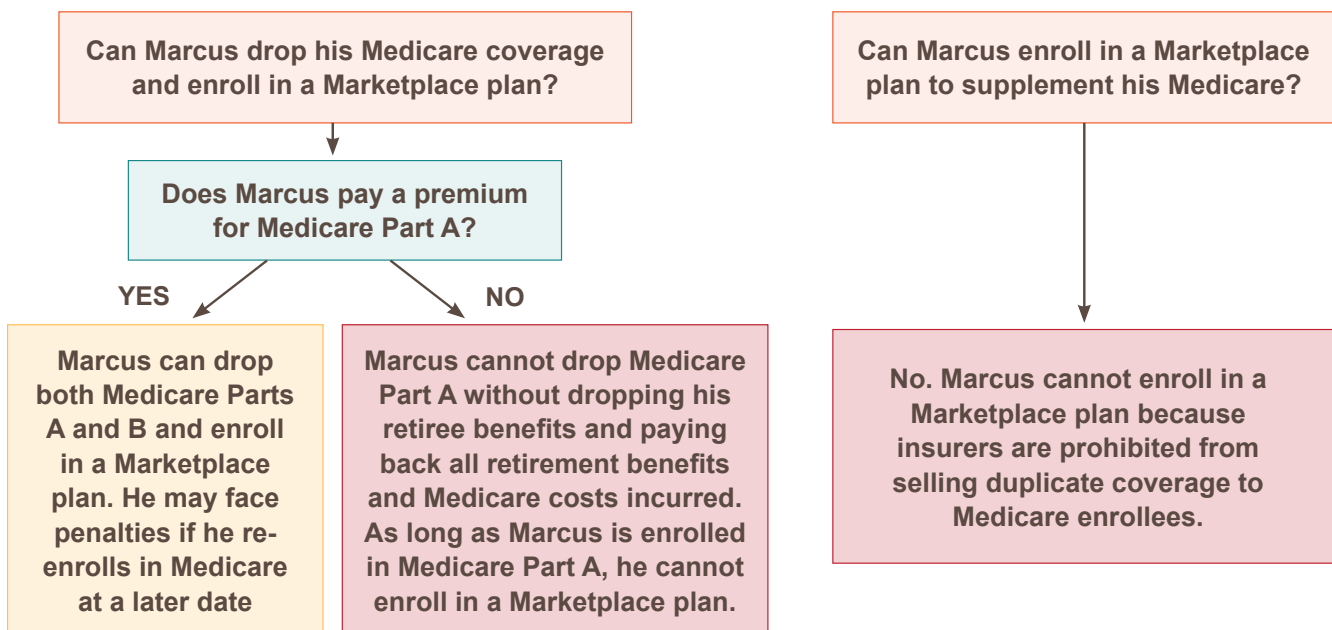
Tomorrow is Naomi’s 65th birthday. She is eligible for—but not yet enrolled in—Medicare. She is currently enrolled in Marketplace coverage and receives financial assistance in the form of APTCs and CSRs.



See **Section 1** for more details on why it is important for clients to enroll in Medicare when they are first eligible.

# Questions for Consumers Currently Enrolled in Medicare—but Not Enrolled in the Marketplace

Marcus, age 70, is retired and enrolled in Original Medicare (Parts A and B).



This resource was adapted from *Medicare and the Marketplace*, a tool created in 2017 by In the Loop, a joint project of **Community Catalyst** and the **National Health Law Program (NHeLP)**.

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The Access, Care, and Engagement TA Center (ACE) Technical Assistance (TA) Center builds the capacity of the RWHAP community to navigate the changing health care landscape and help people with HIV to access and use their health coverage to improve health outcomes. For more information, visit: [www.targethiv.org/ace](http://www.targethiv.org/ace)

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