

What people with Medicare need to know about the Marketplaces – Frequently Asked Questions

1. What are the Marketplaces?

Health Insurance Marketplaces are forums created by the Affordable Care Act (ACA, sometimes known as Obamacare or Health Care Reform) where individuals and families can compare and purchase health insurance plans called Qualified Health Plans (QHPs). Small business owners can also use the Marketplace to purchase health insurance plans for their employees called Small Business Health Options Program (SHOP) plans (Note: This FAQ does not address SHOP plans). Marketplaces are also known as health insurance Exchanges, and they may have state-specific names. Each state has the option of either using the federal Marketplace or operating its own. You can shop for plans through the Marketplace online or over the phone.

Marketplaces provide insurance options to individuals who are uninsured or underinsured (meaning their current coverage is insufficient). In most cases, you do not need to use the Marketplace if you have Medicare or Medicaid. Some states may require that you be screened for other types of insurance before enrolling in a Marketplace plan.

2. Should people with Medicare buy health insurance through the Marketplaces?

No. If you currently have Medicare, you will not be able to enroll in a QHP. It is illegal for a Marketplace representative to sell you a QHP if you have any part of Medicare (Part A, Part B, or both).

It is important to know that Open Enrollment for the Marketplace (November 1-December 15) overlaps with Medicare Fall Open Enrollment (October 15-December 7). You should use the Medicare Fall Open Enrollment Period to review your Medicare benefits and make any changes to your coverage for next year.

3. Are Medigap policies sold through the Marketplaces?

No. Medigap policies are overseen by a state's Department of Insurance, and are not sold through the Marketplaces. For more information on enrolling in a Medigap policy in your state, contact your [State Health Insurance Assistance Program \(SHIP\)](#) or state Department of Insurance.

4. Are Medicare Advantage Plans sold through the Marketplaces?

No. Medicare Advantage plans are overseen by the Centers for Medicare & Medicaid Services (CMS), and are not sold through the Marketplaces. For more information on Medicare choices and enrolling in a Medicare Advantage Plan, contact your SHIP, call 1-800-MEDICARE, or use the [Medicare Plan Finder tool](#) by visiting www.medicare.gov.

5. Are stand-alone Medicare Part D plans sold through the Marketplaces?

No. Part D plans are overseen by CMS, and are not sold through the Marketplaces. For more information on Medicare choices and enrolling in a Part D plan, contact your SHIP, call 1-800-MEDICARE, or use the [Medicare Plan Finder tool](#) by visiting www.medicare.gov.

6. Can I purchase dental coverage through the Marketplace if I have Medicare?

No. While Marketplaces offer stand-alone dental plans, it is only available to those buying other coverage through the Marketplace. Remember, Marketplace representatives cannot sell plans to people with Medicare.

7. If I have Medicare Part A but must wait until the General Enrollment Period (GEP) (January 1-March 31) to enroll in Part B, can I buy a QHP to cover me until my Part B coverage begins in July?

No. Remember, if you have any part of Medicare (Part A or Part B), you cannot be sold insurance through the Marketplace. If you did not enroll in Part B until the GEP and are now facing a gap in coverage, find out if you are eligible for:

- A Medicare Savings Program (MSP): MSPs pay for your Part B premium and can also enroll you in Part B outside of enrollment periods (like the GEP). MSPs are administered by your state Medicaid office. Whether you qualify for an MSP depends on whether you meet the income and asset limits in your state. Contact your SHIP or state Medicaid office to find out if you are eligible for an MSP.
- Equitable relief, which is a process through which Social Security can correct enrollment errors that were caused by false or misleading information received from a representative of the federal government (e.g., an employee of Social Security or Medicare). Through the equitable relief process, you can request immediate or retroactive Part B enrollment, as well as the elimination of any Part B late enrollment penalty. If you think you might qualify for equitable relief, please contact your [SHIP](#) for help filing a request with Social Security.

8. Can I drop my Medicare coverage so I can purchase a QHP through the Marketplace?

Yes. If you disenroll from Parts A and B, you can purchase a QHP, but it usually costs less to keep Medicare instead of enrolling in a QHP. Also remember that it's illegal for a Marketplace representative to sell a QHP to someone with Medicare.

If you qualify for premium-free Part A, meaning you pay no monthly premium for Part A coverage:

- In order to disenroll from Part A, you have to pay Medicare back for all benefits it paid out. That means reimbursing Social Security the full cost of any care your Part A insurance paid for since you enrolled. Additionally, after disenrolling from Part A you are not allowed to collect Social Security retirement benefits and must pay back any Social Security retirement checks you have received.
- You will not qualify to receive cost assistance (tax credits) to help pay QHP premiums. This means you may pay a higher monthly premium for QHP coverage than you would for Medicare.

In addition, disenrolling from Part B means you will likely have a late enrollment penalty and face gaps in coverage if you decide to enroll in Medicare in the future.

Note: Certain people do not qualify for premium-free Part A and pay much higher premiums for coverage. If you pay a premium for Part A, you may want to consider QHP enrollment depending on costs and your coverage needs. You may be eligible to receive QHP cost assistance to help pay your premium. See question 13 for more information.

9. Can I keep the QHP I purchased after I become eligible for Medicare?

Yes, but it may be costly and not provide you with any additional coverage.

If you keep your QHP after you enroll into Medicare, Medicare will usually pay first on your health insurance claims, and your QHP may pay second. However, any QHP premium cost assistance you were receiving ends after you enroll in Part A. This means you will pay a full QHP premium (possibly in addition to Medicare premiums). While the QHP may pay Medicare cost-sharing, like copayments or deductibles, this is not guaranteed.

Choosing Original Medicare with a Medigap policy or enrolling in a Medicare Advantage Plan typically is less costly and provides comprehensive coverage. In addition, you have certain rights to purchase a Medigap policy when you first enroll in Medicare.

You may also want to contact your [State Health Insurance Assistance Program](#) to see if you are eligible for programs that help reduce Medicare costs, including:

- Extra Help, which helps pay prescription drug costs
- Medicare Savings Programs, which at a minimum pay the monthly Part B premium

Information about these programs is available at www.medicare.gov. For state-specific information, contact your SHIP (www.shiptacenter.org).

10. Why should I enroll in Medicare once I become eligible if I already have a plan I purchased through the Marketplace?

There are several reasons why you should not delay Medicare enrollment to stay in a QHP:

- If you are eligible for premium-free Part A, you are not eligible for QHP premium cost assistance, and full QHP premiums are often more costly than Medicare premiums. (If you must pay a premium for Part A coverage, see question 13 to learn more about your options.)
- If you do not enroll in Medicare when you initially become eligible, you will likely face late enrollment penalties and gaps in coverage if you decide to enroll in Medicare in the future.
- There is no guarantee that a QHP will pay for your health costs if you are eligible for Medicare. Your QHP may provide little or no coverage after learning that you should be enrolled in Medicare.

11. Will my QHP let me know that I should transition to Medicare when I become eligible?

It depends. Your QHP may let you know when you become eligible for Medicare, but is not required to do so. It is a good idea to enroll in Medicare during your Initial Enrollment Period (IEP). The IEP is the seven-month period that includes the three months before the month you turn 65, the month you turn 65, and the three months after you turn 65. If you are eligible for Medicare due to a disability, your IEP includes the three months before the 25th month of receiving SSDI, the 25th month you

receive SSDI, and the three months after. During your IEP you can enroll in Parts A and B, and enroll in prescription drug coverage (Part D) if you do not have alternative, creditable coverage (coverage considered as good as or better than Part D).

You also have the choice between enrolling in Original Medicare, the traditional program administered by the federal government, with a stand-alone Part D plan OR a Medicare Advantage Plan. A Medicare Advantage Plan is a private plan that provides your Medicare coverage and may offer additional benefits, but which sets its own costs and restrictions.

Note: You can only purchase a Medigap policy if you enroll in Original Medicare. Medigaps are private supplemental insurance that covers Original Medicare cost-sharing (deductibles, coinsurances, copays), and they are not available to people with Medicare Advantage.

12. I have QHP coverage that I bought through the Marketplace. What should I do when I become eligible for Medicare?

Follow the steps below when you become eligible for Medicare:

- You need to [enroll in Medicare Parts A and B](#) as soon as you are eligible. Visit NCOA's www.centerforbenefits.org or www.medicareinteractive.org for more information on this process.
- You should drop your QHP coverage. Notify your plan at least 14 days before you want your coverage to end.
- After you enroll in Medicare, you should decide if you want to receive your benefits through Original Medicare or enroll in a Medicare Advantage Plan. See question 11 for more information on your options.

Be aware that if you delay Medicare enrollment, you will likely have a late enrollment penalty and face gaps in coverage if you decide to enroll in Medicare in the future.

13. Are there any exceptions to the rule that “QHPs are not for people who are eligible for Medicare?”

Yes. Two groups of Medicare-eligible people should consider whether a QHP is a better option for them than Medicare. If one of these two scenarios applies to you, carefully consider the pros and cons of a QHP versus Medicare.

1. You have to pay a premium for Part A.
 - If you are eligible for Medicare but would have to pay a premium for Part A because you do not have enough work history, you can keep your QHP with cost assistance (if you qualify) as long as you do not enroll in any part of Medicare.
 - You should consider all consequences carefully before deciding to take a QHP instead of Medicare. Remember, you cannot have any part of Medicare when purchasing a QHP. If you decide to enroll in Medicare later, you may have to wait for the General Enrollment Period to sign up. Using the GEP to enroll means you may experience gaps in coverage and incur late enrollment penalties.
2. You are under 65 and are eligible for Medicare due to End-Stage Renal Disease (ESRD).

- If you are eligible for Medicare because you have kidney disease that requires dialysis or a transplant, you have the choice to delay Medicare enrollment and enroll in a QHP with premium cost assistance (tax credits) if you qualify.
- Be sure to consider how QHP plan coverage and costs compare to Medicare before deciding to delay Medicare enrollment.
 - QHPs may offer lower cost-sharing for the costs of your ESRD-related care compared to Medicare.
 - If you do not have any part of Medicare when you become eligible due to ESRD, you can delay Medicare enrollment without future penalties or gaps in coverage.
- If you later become eligible for Medicare due to age or disability, you should enroll (see question 10 for more information).
- For counseling regarding your insurance options, contact your SHIP.

Note: If you receive a kidney transplant and want Part B to cover your immunosuppressant drug costs in the future (if you qualify for Medicare based on age or disability), you must have Medicare Part A at the time of your transplant. If you do not have Medicare when you receive a transplant, your immunosuppressant drugs will later be covered by Part D (if/when you qualify based on age or disability). Part D coverage for this type of drug typically means higher costs and additional restrictions, such as having to go to specific in-network pharmacies for your drugs.

14. Should I enroll in a QHP if I have Medicaid?

No. Like Medicare, Medicaid provides comprehensive benefits at a much lower cost than a QHP. In addition, people who are eligible for Medicaid are not eligible for QHP premium cost assistance, meaning you would have to pay the full QHP premium.

15. I am enrolled in a QHP but qualify for expansion Medicaid. What should I do?

You should disenroll from your QHP if you are eligible for expansion Medicaid. As a result of the Affordable Care Act, some states expanded Medicaid income limits and categories of people who can receive Medicaid benefits (referred to as expansion Medicaid). Expansion Medicaid offers comprehensive benefits and may be less costly than a QHP. Remember, QHPs are usually only for individuals who do not qualify for any other type of insurance. Also keep in mind that once you become eligible for Medicaid, you are no longer eligible for QHP premium cost assistance.

16. Where can I find more information about Qualified Health Plans?

Learn more about this topic and/or receive additional assistance by contacting:

- The federal Marketplace
 - www.healthcare.gov/
- Your state Marketplace