

# Can You Have Medicare Part B And Employer Insurance At The Same Time?

December 21, 2023

If you have health care coverage through your employer, you may choose to delay [Medicare open enrollment](#) when you turn 65.

You may be able to sign up for Medicare at a later time through a Special Enrollment Period, without facing a late-enrollment penalty. If you worked at least 10 years and paid Medicare taxes, you generally will receive premium-free Part A coverage.

## Employer Insurance and Medicare Part B

Employer Insurance and [Medicare Part B](#) are two healthcare coverage options that can work together for individuals who are eligible for both. Here's a brief overview of each and how they can be coordinated:

1. **Employer Insurance:** Employer-provided health insurance is coverage that you receive through your job. It may include medical, dental, and other healthcare benefits. Many people continue to work and maintain employer insurance even after they become eligible for Medicare.
2. **Medicare Part B:** Medicare Part B is a component of Original Medicare, a federal health insurance program for individuals aged 65 and older, as well as certain younger individuals with disabilities. Part B primarily covers medical services and outpatient care, including doctor visits, preventive services, and durable medical equipment.

Coordinating Employer Insurance with Medicare Part B:

- If you are still working and have employer insurance when you become eligible for Medicare, you have the option to delay enrolling in Medicare Part B without incurring penalties. You can do this as long as your employer insurance qualifies as "creditable coverage," meaning it provides benefits that are at least as good as those offered by Medicare.
- Once you retire or lose your employer coverage, you can enroll in Medicare Part B during a Special Enrollment Period (SEP) without facing late enrollment penalties. This SEP typically lasts for eight months after your employment or coverage ends.
- It's essential to coordinate the timing of your Medicare Part B enrollment with the end of your employer coverage to ensure uninterrupted healthcare benefits. You can apply for Part B online through the official Medicare website or visit a local Social Security office.

# When to Enroll in Medicare Part B with Employer Insurance

You'll probably want to consider what additional benefits, if any, your employer coverage includes, beyond coverage for doctor visits and hospital stays. For example, does it include routine dental, vision, and/or prescription drug coverage? You generally don't get these benefits under Medicare Part A and Part B. Part A and Part B have limited coverage for prescription drugs, but generally don't cover medications you take at home.

Also consider whether your cost for employer coverage includes coverage for your spouse. If it does, you'll want to factor in the cost for your spouse to get coverage elsewhere before you decide to drop your employer coverage for Medicare. Medicare coverage is for individuals, not married couples or families.

On the other hand, you may be able to get the benefits listed above – routine dental care and prescription drug coverage, for example – through a Medicare Advantage plan.

## Medicare and employer coverage: Do you have to apply for Medicare?

Before you apply for Medicare, be aware that you might have several insurance options. For example, you may be able to:

- Drop your employer coverage and enroll in [Original Medicare](#), Part A and Part B. If you take this route, you might want to think about signing up for prescription drug coverage under Medicare Part D, and/or buying a Medicare Supplement Insurance plan. [Medicare Supplement](#) insurance can help pay the out-of-pocket costs of Medicare Part A and Part B.

Alternatively, you may have the option to receive your Medicare benefits from a [Medicare Advantage plan](#).

- Have both Medicare and your employer coverage? Medicare and employer coverage will need to coordinate benefits, which means that either Medicare or the employer plan pays first for covered care. The other insurance is “secondary” and may also pay a portion of the costs. More on who pays first below.
- Stay with your employer coverage and apply for Medicare later. Keep in mind that being eligible for Medicare doesn't mean you have to take it. However, you might want to enroll in Medicare Part A (hospital insurance) as soon as you're eligible, especially if you qualify for premium-free Part A. You generally qualify for Part A without paying a premium if you've worked at least 10 years (40 quarters) while paying Medicare taxes.

Later, when your employer coverage ends, you can apply for Medicare Part B. To avoid a late enrollment penalty for enrolling in Medicare, make sure you apply for Medicare during your [Special Enrollment Period](#).

It's important that you contact your employer-based health plan administrator to find out how the plan works with Medicare.

To get the best value and health insurance coverage for your situation, learn about your employer coverage costs, and your costs if you apply for Medicare. You'll need to do a little research to determine the best arrangement for you. A licensed insurance agent would be happy to help you figure this out.

## **Can I combine employer health insurance with Medicare?**

If you or your spouse are working and covered through an employer, you can also decide to keep this coverage and enroll in Original Medicare, Part A and/or Part B to get additional health coverage. If you're receiving Social Security benefits, in most cases you will be automatically enrolled into Medicare Part A and Part B at age 65. If you decide to enroll in Medicare Part A and/or Part B while keeping your employer coverage, there is a process in place to determine which insurance will be considered the primary payer called "coordination of benefits." If your employer coverage is determined to be your primary insurer, it pays your health-care costs first. Medicare then covers a certain amount of the remaining Medicare-approved expenses. When your employer plan is the secondary insurer, it only covers a specific amount of leftover expenses. In this scenario, Medicare is the primary insurer and pays its share first.

When considering Medicare open enrollment, if you enroll in Medicare Part A and/or Part B, you should list out any other insurance you have in your Initial Enrollment Questionnaire (IEQ), which lets Medicare know about other health insurance you may have that could be a "primary payer" (meaning it pays before Medicare). Examples of other coverage include employer coverage, veterans' benefits, and workers' compensation.

You can fill out the IEQ online at [MyMedicare.gov](https://www.mymedicare.gov). You should receive a letter in the mail about three months before your Medicare coverage starts with your MyMedicare.gov username, password, and instructions for filling out the IEQ.

If you have questions about how Medicare and other insurance work together, contact your current benefits administrator for more information.

## **Cost considerations**

When considering Medicare open enrollment, there is a lot of things to factor in. If you apply for Medicare, be aware that it's not free. Most people pay a monthly premium for Medicare Part B (medical insurance). However, you may be eligible to receive premium-free Medicare Part A (hospital insurance), as explained above. You may want to apply for Medicare Part A if you want when you are first eligible, and apply for Medicare Part B later when you lose your employer coverage. That might be a cost-conscious way to increase your insurance coverage if you decide to have both Medicare and employer coverage.

Medicare Part A and Part B have deductibles, copayments and coinsurance costs. For example, you'll typically pay 20% after you've met your annual Part B deductible for medical services and supplies covered under Part B.

What about the other "parts" of Medicare – Part C ([Medicare Advantage](#)) and Part D ([prescription drug coverage](#))? These Medicare coverage options might charge monthly premiums. And you still need to keep paying your Part B premium as well – if you have Part B. You must be enrolled in Medicare Part A and Part B to qualify for a Medicare Advantage plan under Medicare Part C.

It's usually simple to find out your employer coverage costs. You can probably see the deduction in your paycheck for your health plan premium. If you're happy with the coverage, and feel the costs are affordable, you may want to keep it.

Review the deductibles and coinsurance cost-sharing amounts of your employer coverage. Increasingly, employer coverage might also include deductibles and coinsurance or copayment amounts.

## Coordination of benefits

Let's say you're going to keep your employer coverage and also apply for Medicare. Medicare coordinates benefits with your employer coverage. Which insurance pays first? That is – which is the primary payer?

The size of the employer helps determine who pays first.

- If you work for a company that employs 20 employees or more, your employer coverage usually pays first. Medicare is the secondary payer, paying its portion for covered services your employer's group health coverage did not pay. You might still have to pay a deductible and/or copayment or coinsurance amount.
- If you work for a small company of fewer than 20 employees, Medicare usually pays first and your employer coverage is the secondary payer. Be mindful, however, of employer coverage that has a Health Savings Account (HSA) feature – you typically can only contribute to your HSA for the portion of the year when you aren't covered by Medicare.

Do you have questions about your Medicare coverage options and how to compare costs with your employer coverage? You can call us and speak with a licensed insurance agent. You can also begin exploring your Medicare plan options right now by clicking [Browse Plans](#) on this page.

The product and service descriptions, if any, provided on these web pages are not intended to constitute offers to sell or solicitations in connection with any product or service. All products are not available in all areas and are subject to applicable laws, rules, and regulations.

## Benefits and drawbacks

Benefits of Coordinating Employer Insurance with Medicare Part B:

1. **Continuous Coverage:** Coordinating your employer insurance with Medicare Part B allows you to maintain uninterrupted healthcare coverage as you transition from employment to retirement.
2. **Delayed Premiums:** If your employer insurance qualifies as creditable coverage, you can delay enrolling in Part B without facing late enrollment penalties. This can save you money until you retire or lose your employer coverage.
3. **Choice and Flexibility:** You have the option to choose when to start Medicare Part B enrollment based on your specific circumstances and healthcare needs.

## Drawbacks of Coordinating Employer Insurance with Medicare Part B:

1. **Limited Network:** Employer insurance plans may have a limited network of healthcare providers, which could restrict your choice of doctors and specialists compared to Medicare's broader network.
2. **Cost Considerations:** While employer insurance may cover some costs, you'll still need to pay Medicare Part B premiums, deductibles, and coinsurance, which can add to your healthcare expenses.
3. **Coordination Challenges:** Coordinating multiple insurance plans can be complex. Understanding the rules and deadlines for enrolling in Medicare Part B while maintaining employer coverage requires careful planning.
4. **Potential Gaps:** Depending on the specifics of your employer plan, there may be gaps in coverage or services that Medicare Part B would otherwise provide.
5. **Medicare Eligibility:** Once you retire and lose your employer coverage, you will need to enroll in Medicare Part B during a Special Enrollment Period (SEP) to avoid late enrollment penalties. Missing this enrollment window could lead to higher costs and gaps in coverage.

It's crucial to carefully evaluate your individual situation and healthcare needs when deciding whether to coordinate employer insurance with Medicare Part B. Consult with your employer's benefits administrator or HR department to understand the implications of your specific employer plan. Additionally, consider seeking guidance from a Medicare expert or licensed insurance agent to make an informed decision.