

## **Becoming Medicare Eligible Soon?**

*A Word About Your Medicare Medical/Rx Benefit Coverage Decisions*

### **Becoming Medicare eligible and still working full time?**

Your obligation to enroll in Medicare is driven by the size of the staff employed by your employer/church.

#### **Large Employer—EPC Medical/Rx coverage remains primary**

Federal regulations require **large employers** that provide medical/Rx benefits to continue providing coverage to Medicare eligible full-time employees. (A “large employer” for this purpose is generally defined as an employer/church with 20 or more full time equivalent employees.) Your benefit administrator can tell you if your church is obligated to provide benefits to Medicare eligible full-time employees. If that is the case, your church will continue to provide the EPC medical/Rx benefit to you as your primary coverage as it has in the past and you don’t need to purchase Medicare related insurances until retirement. However, even if you are employed by a large employer, general advice is that you should still enroll in Medicare A (which is free) when you become Medicare eligible because Medicare may pay certain benefits for you as a secondary payor to the extent that your employer provided benefits are less than what would be covered by Medicare.

#### **Small Employer—Medicare Coverage becomes primary**

If your employer/church is a “small employer” (For this purpose, an employer with fewer than 20 full-time equivalent employees) then upon becoming eligible for Medicare, even as a full-time employee, you will need to enroll in Medicare directly and select an original Medicare Plan with Medicare Supplemental insurance, or a Medicare Advantage Plan for your medical/Rx coverage. Upon the commencement of your Medicare coverage at your eligibility date your EPC provided coverage will be terminated. If you are still employed full time at that time your church/employer can arrange to reimburse you for your Medicare related premiums consistent with the benefits provided to you in your Terms of Call. Spouses and dependents who are not Medicare eligible can remain covered under the EPC medical/Rx benefit as permitted under your Terms of Call.

### **Overview of Medicare Plan Options**

- Original Medicare Plans coverage choices: Original Medicare consist of Part A (hospital) which is free, and Part B (medical) which is optional and requires payment of a premium.



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- Original Medicare coverage is often coupled with optional private Medicare Supplement insurance (also called Medigap insurance) that adds additional coverages to original Medicare A and B coverages; and also with Medicare Part D prescription drug coverage. These Medicare Supplement policies require payment of an additional premium.
- Medicare Advantage Plans (also called Part C) is your other choice. Part C Plans are available through private Insurance companies that are approved and regulated by Medicare and subsidized by the federal government. They combine Part A and Part B and often include Part D prescription drug coverages and act as your sole coverage in place of original Medicare. If you choose a Medicare Advantage Plan it will need to include prescription drug coverage to maintain the level of benefit coverage you are receiving from the EPC.

**To have the complete coverage you are accustomed to with the EPC Medical/Rx benefit under Medicare, you will need to sign up for original Medicare Parts A and B and also enroll in a Medicare Supplemental Insurance\* policy that includes Part D prescription drug coverage.** Medicare Supplement coverage providers are approved by Medicare and subject to Medicare regulatory oversight. You will pay additional premiums for these supplemental coverages.

**\*Medicare Supplemental Insurance (Medicare Supplement Plans)**

Medicare Supplement Insurance is designed to “supplement” coverages provided by “original” Medicare. That means if you are enrolled in original Medicare A & B coverages, Medicare pays your eligible claims first as your “primary payor” then the Medicare Supplement Policy that you purchase pays an additional portion of remaining costs as the secondary payor.

**IMPORTANT**—Because the costs and benefit levels provided by Medicare Supplement providers and Medicare Advantage providers vary widely by Medicare “region”, you should look carefully at the options available in your region through Medicare Supplemental providers of Part A, B and D coverages and compare coverages and costs. Similarly, you should look at the coverages and costs of various Medicare Advantage Plans in your region and find the package that most economically provides the level of benefits and specific coverages you are looking for. You can look at the benefits provided by your current EPC medical/Rx plan as posted on the EPC website and compare them to Medicare Supplement and Medicare Advantage plan offerings to find the one that most closely matches to your EPC benefit.

### **Frequently Asked Questions:**

**I am still working full-time. Will my church continue to cover my healthcare expenses as it has in the past once I'm covered under Medicare?**

Yes, your church will continue to cover the cost of your Medical/Rx benefits as it has in the past in accordance with your Terms of Call. The most efficient way for it to do this would be for your church to set up a Health Reimbursement Account (HRA) to reimburse you on a pre-tax basis for any out-of-pocket monthly Medicare B or Medicare Supplement/Medicare Advantage insurance premium expenses you are paying.

**What about coverage for my spouse and dependents when I move over to Medicare?**

If your church's current EPC provided benefit includes coverage for your non-Medicare eligible spouse or dependents they may continue coverage under the EPC Plan until they become Medicare eligible or you would have otherwise become ineligible for benefits in accordance with your Terms of Call.

**What if my EPC covered spouse becomes eligible for Medicare before I do?**

Medicare coverage is always purchased individually. If your spouse becomes eligible before you do, he/she should follow the same guidance given above for the covered employee as far as enrolling in original Medicare. If you are employed in a small church that is not required to continue providing coverage to Medicare eligible plan participants, your spouse should enroll in a Medicare Plan including prescription drug coverage that provides comparable coverage to your current EPC provided Plan. Once enrolled in Medicare the cost of your spouse's Medicare premiums can be reimbursed to you in accordance with the benefit levels provided for in your Terms of Call. If your spouse becomes eligible for Medicare before you, you and any other covered dependents can remain on the EPC plan.

**Becoming Medicare eligible and planning to retire soon?**

If you are employed by a large employer/church you can continue receiving your EPC provided Medical/Rx health benefits until the time you retire. At least 3 months prior to your planned retirement date (or if you are employed by a small employer/church at least 3 months prior to becoming Medicare eligible) you should begin the Medicare coverage selection process described above so you are prepared to transition to Medicare. If you are in a high deductible health plan you are required to stop making contributions to your Health Savings Account (HSA) 6 months prior to becoming eligible for Medicare.



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### **Where can I find Medicare Information Resources?**

Your starting point to learn about Medicare coverage, costs and the Medicare Plans available in your region is online at [www.medicare.gov/index](http://www.medicare.gov/index). There also are brief videos by Medicare:

- Medicare open enrollment and making a change during open enrollment:  
[www.youtube.com/watch?v=RGCyPzZBF9s&feature=youtu.be](http://www.youtube.com/watch?v=RGCyPzZBF9s&feature=youtu.be)
- Understanding your Medicare coverage choices:  
[www.youtube.com/watch?v=WZVQSFbq2uw](http://www.youtube.com/watch?v=WZVQSFbq2uw)