

# AARP HEALTH LAW ANSWERS

*HealthLawAnswers.org*



## *What To Do If You Are Losing Your Health Insurance*

At some point in our lives, we go through life events that cause a loss of health coverage. The Affordable Care Act (ACA) makes sure you have coverage options. Here's what you need to know to get new coverage.

### **You are Losing Your Job-based Health Insurance**

Whether you quit, retire or are getting laid off, there are options for you. It is important to compare the coverage and costs for each of these options to make sure you choose what works for you and your family.

#### **COBRA**

Most employers must offer COBRA for 18 months and up to 36 months in some cases. COBRA allows you (and family) to stay on your old workplace plan. If you choose COBRA:

- Your COBRA plan can be the exact same plan you had at your old job.
- You must pay all of the monthly payment (premium) of the plan, including any part your employer may have paid when you were an employee.

- Once your employer coverage ends (you'll receive a notice that provides the date), you have up to 60 days to sign up for COBRA.
- If you start COBRA and later decide to switch to Marketplace coverage, you'll have to wait until the COBRA runs out or the next open enrollment period, which is usually November through January of each year.
- Unlike Marketplace coverage, you cannot get financial help to cover the costs of the coverage.

## **Marketplace coverage**

The Health Insurance Marketplace allows you to compare plans and buy coverage. If you choose to shop through the marketplace:

- Marketplace plans will probably have different benefits, costs, and covered providers than what you've been used to.
- The monthly payment (premium) for marketplace plans is often cheaper than COBRA but may also require you to pay more out of pocket for your care.
- You'll have 60 days from the date your employer coverage ends to sign up.
- You'll learn whether you qualify for financial help, Medicaid, or CHIP (for children).
- If you've paid deductibles on your job plan, you'll have to meet the new deductible.

- You can avoid gap in coverage by enrolling in COBRA until your Marketplace coverage can begin.

## **Retiree coverage**

Some employers offer retiree coverage to people not yet eligible for Medicare. If you choose retiree coverage:

- It may be different from the plan for active workers.
- If you enroll in retiree coverage, you can't get financial help for a Marketplace plan. If you decide not to enroll in retiree coverage, you may be able to get financial help.

## **You are Turning 65 and Eligible for Medicare**

There are many factors—your current coverage, your and your family's coverage needs—to keep in mind as you become eligible for Medicare. Most people will enroll in Medicare during the [Initial Enrollment Period](#). Here's what you need to know as you transition from other coverage to Medicare.

### **You have Marketplace coverage**

You must enroll in Medicare during the [Initial Enrollment Period](#) to avoid a penalty.

- You can cancel your marketplace coverage when your Medicare coverage starts.
- Once you become eligible for Medicare Part A, you generally won't be eligible for financial help.

- You cannot use marketplace coverage as supplemental coverage for Medicare.
- Your family members can stay on the Marketplace plan when you shift to Medicare. You'll just need to report the change to the Marketplace.

## **You have retiree coverage or COBRA**

- You must enroll in Medicare during the [Initial Enrollment Period](#) to avoid a penalty.
- If your spouse is on your retiree plan, check with your former employer to see whether he/she can stay on the plan.
- If your spouse is on your COBRA plan, he/she can remain on COBRA even if you drop your coverage to enroll in Medicare.
- To avoid a gap in coverage, make sure your old plan doesn't end until Medicare will start.

## **You have job-based coverage**

- If you are covered by your or your spouse's job and that employer has fewer than 20 employees, you must enroll in Medicare during the [Initial Enrollment Period](#) to avoid paying a late enrollment penalty.
- If you are covered by your or your spouse's job and that employer has 20 or more employees, you can delay enrolling in Medicare until the job ends and not pay a late enrollment penalty. Once the job coverage ends, you have 8 months to enroll without penalties. To avoid a gap in coverage, enroll in

Medicare the month before your employer coverage will end.

- If you don't sign up for Medicare during your Initial Enrollment Period or the special enrollment period when your job ends, there is a general enrollment period that runs from January 1st through March 31st. If you sign up during that time, your coverage won't begin until July and you'll pay a late enrollment penalty.
- If your spouse is on your job-based plan, check with your former employer to see whether he/she can stay on the plan.

## Medicare's Initial Enrollment Period

- Unless you have [job-based coverage](#), you must sign up for Medicare during the Initial Enrollment Period—a seven month period that begins with the three months before your 65th birthday, your birthday month, and the three months after your 65th birthday. See the example in the chart below.

### Initial Enrollment Period (Example)

March April May June Birthday July August September

- Avoid the penalty. If you miss the Initial Enrollment Period, you'll pay a penalty (fee) for *as long as you have Medicare*.

## More Information

- Visit the [Medicare Plan Finder](#) or call 1-800-MEDICARE.
- Find your [State Health Insurance Assistance Program](#).
- Read [Medicare and the Affordable Care Act](#).

# You are Aging Out of Parent’s Plan or Losing Your Student Health Plan

Planning is important. If on your parent’s plan, coverage usually ends during your 26th birthday month.

## Job-based health insurance

Check to see whether your (or your spouse’s) job offers a health plan and if you are eligible for coverage under the plan.

## Marketplace health insurance

- Find out if you qualify for financial help or Medicaid.
- Enroll before your 26th birthday to avoid a gap in coverage. See when coverage starts based on your enrollment date in the chart below.

<b>When You Enroll</b>	<b>When Your Coverage Starts</b>
Anytime up to your 26th birthday	The month after your birthday month
Enroll after June 7 – June 30	The first day of the month after you pick a plan

## Catastrophic coverage

- You may be able to get catastrophic coverage, a special kind of health insurance plan only offered to people under age 30 that protects you from very high medical costs.
- A catastrophic plan usually has lower monthly payments (premiums) and protects you from serious health issues, such as if you get very sick or injured.

- A catastrophic plan covers three doctor visits per year at no cost and free preventive benefits. Beyond that, you will pay the full costs of most routine medical expenses on your own.

## Get More Information

- Learn more about [what to consider when selecting your health insurance plan](#).
- If you are shopping for a plan from the Health Insurance Marketplace, use this [calculator](#) to see if you may be eligible for financial help with the costs.