

# MEDICARE AND THE ALLIANCE HEALTH PLAN

## FREQUENTLY ASKED QUESTIONS

### PARTICIPANTS UNDER A "SMALL EMPLOYER" (EMPLOYER WITH FEWER THAN 20 EMPLOYEES)

#### WHEN IS MY MEDICARE AGE-ELIGIBILITY DATE?

The 1st day of the month of your 65th birthday, unless your birthdate falls on the 1st of a month. If your birthdate is the 1st day of the month, your Medicare-eligibility date is the 1st day of the month prior to your 65th birthday. (For example: DOB 7/15/53 = Medicare 7/1/18. DOB 7/1/53 = Medicare 6/1/18.)

#### AM I REQUIRED TO ENROLL IN MEDICARE?

If your employer has fewer than 20 employees and you choose to continue coverage on the Alliance Health Plan once eligible for Medicare, the Alliance Health Plan requires you to enroll in Medicare Parts A (Hospital), B (Outpatient/Doctor visits), & D (Drug coverage).

#### WHEN I ENROLL IN MEDICARE, DOES MY HEALTH COVERAGE ON THE ALLIANCE HEALTH PLAN END?

No. You can be enrolled in Medicare and remain enrolled in the Alliance Health Plan. Your Alliance Health Plan coverage will not end unless you request coverage to end or you become ineligible to participate on the plan (for example, end of employment or employer no longer eligible to participate in the group health plan).

#### CAN MY SPOUSE AND/OR CHILD(REN) REMAIN ENROLLED IN THE ALLIANCE HEALTH PLAN IF I CHOOSE TO END MY COVERAGE?

No. The Alliance Health Plan is an employer group health plan, which means an eligible employee of a C&MA-affiliated employer must be enrolled in the Alliance Health Plan for a spouse and or child(ren) to be eligible for coverage on the plan. Alliance Benefits does not sell individual insurance policies. If you terminate your coverage on the Alliance Health Plan, coverage for your spouse and/or child(ren) will end.

#### ONCE ENROLLED IN MEDICARE, WHAT HAPPENS TO MY HSA (HEALTH SAVINGS ACCOUNT)?

Per IRS guidelines, once the owner of an HSA account is enrolled in any medical plan that is not a high-deductible plan, such as Medicare, the owner of the account is no longer eligible to make or receive contributions into their HSA. The annual allowable maximum for HSA contributions is prorated based on the number of months in the calendar year the owner is not enrolled in Medicare. The HSA monies built up in your account prior to being enrolled in Medicare still belong to you and can continue to be utilized for eligible healthcare expenses until the balance in your HSA reaches \$0. The owner of the HSA account can continue to utilize HSA funds to pay healthcare expenses for their spouse and any child(ren) they claim as a dependent on taxes, regardless of health plan enrollment.

#### IF I AM ENROLLED IN THE ALLIANCE HEALTH PLAN AND MEDICARE, WHICH PLAN PAYS MY MEDICAL CLAIMS?

If your employer has fewer than 20 employees, Medicare becomes the primary payer of your medical claims, and your Alliance Health Plan medical coverage becomes secondary payer. The Alliance Health Plan requires you to enroll in Medicare Part A (Hospital) and Part B (Outpatient/Doctor visits), because Medicare will be primary payer of your medical claims.

#### IS "SECONDARY" MEDICAL COVERAGE THE SAME AS "SUPPLEMENTAL" MEDICAL COVERAGE?

No. With Medicare Part A & B medical as primary payer over the Alliance medical plan, this means your Alliance coverage as secondary payer will only pay on a medical claim if the Alliance medical plan covers a higher percentage for a service than Medicare covers. For example, if you have a medical claim Medicare covers at 80%, and the Alliance Health Plan pays 80% for the same service, Medicare as primary will pay 80% of your claim and the Alliance Health Plan will pay nothing.

Alliance Benefits does not sell supplemental coverage. The Alliance Health Plan is not a supplemental plan.

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#### WHICH MEDICAL ID CARD DO I GIVE TO MY DOCTOR AND OTHER MEDICAL PROVIDERS?

For all medical healthcare visits, including doctor/outpatient or hospital services, present both your Medicare ID card (Medicare Part A & B) and your Alliance Health Plan medical coverage ID card, and tell them your medical coverage is Medicare Primary and your Alliance medical plan is Secondary.

#### AM I REQUIRED TO ENROLL IN MEDICARE PART D DRUG PLAN FOR PRESCRIPTION COVERAGE?

The Alliance Health Plan requires you to enroll in Medicare Part D drug coverage, because prescription coverage on the Alliance Health Plan is considered "non-creditable" (non-affordable) by Medicare guidelines. If you do not join a Medicare drug plan when you are first eligible, you will pay a higher monthly premium for Medicare Part D drug coverage when you enroll in the future, for the life of your Part D enrollment. For more information, please refer to the annual disclosure from Alliance Benefits called "Important Notice From The Christian and Missionary Alliance About Your Prescription Drug Coverage and Medicare." This annual notice is provided every year to participants age 64+ on the Alliance Health Plan, prior to the Medicare drug plan open enrollment period which begins in October.

You must first be enrolled in Medicare Part A or Part B, to be eligible to enroll in Medicare Part D.

#### IF I AM ENROLLED IN THE ALLIANCE HEALTH PLAN & MEDICARE PART D, WHICH PLAN PAYS MY PRESCRIPTION CLAIMS?

There is no coordination of benefits between your Alliance prescription coverage and Medicare Part D. This means you can determine which prescription plan is most financially beneficial for you to utilize when purchasing prescriptions.

#### WILL MY ALLIANCE HEALTH PLAN MONTHLY PREMIUM BE REDUCED SINCE THE PLAN REQUIRES ME TO ENROLL IN MEDICARE?

Because the Alliance Health Plan requires you to enroll in Medicare Part A, B, & D, we will reduce our monthly health plan billing by the 2019 national average cost of Medicare Part B (\$135.50) and Part D (\$33.19). Part A is of no cost. In 2019, the total discount comes to \$168.69 per month. To begin the discount, you must provide copies of your Medicare Part B and Part D drug coverage cards to Alliance Benefits, showing you have enrolled in the required parts of Medicare effective your eligibility date.

Alliance Benefits automatically stops billing your employer for HSA contributions, on the date you are eligible for Medicare.

#### HOW DO I FIND INFORMATION ABOUT ENROLLING IN MEDICARE?

Alliance Benefits is not a licensed broker and cannot advise participants making healthcare decisions. To search for a local insurance broker you can visit [www.nahu.org](http://www.nahu.org). On this website, you can also find more information including the "Consumer Guide to Medicare": <https://nahu.org/looking-for-an-agent/helpful-guides/consumer-guide-to-medicare>.

Extensive information is available at [www.medicare.gov](http://www.medicare.gov).

Medicare & You 2019 Handbook: <https://www.medicare.gov/medicare-and-you>

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