



CALIFORNIA HEALTH ADVOCATES

## Supplementing Medicare: An Overview

Many Medicare beneficiaries find ways to cover costs or services that Original fee-for-service Medicare does not. Some of these options directly supplement Medicare, such as Medigap plans and low-income assistance programs for those who qualify. Other options offer benefits not covered in Original Medicare, and some offer an alternative way to receive your Medicare benefits.

This fact sheet outlines 9 other types of health care coverage that Medicare beneficiaries may have:

1. Employer Group Health Coverage
2. Retiree Plans
3. COBRA and CalCOBRA
4. TriCare for Life
5. Veterans Affairs Benefits
6. Medi-Cal (Medicaid in California)
7. Medicare Savings Programs
8. Medigap Policies (Medicare Supplement Insurance)
9. Medicare Advantage Plans (HMOs, PPOs, PFFS plans, SNPs, MSAs)

See our list of fact sheets for more detailed information on these options at [cahealthadvocates.org](http://cahealthadvocates.org).

### 1. Employer Group Health Coverage

#### **If You Are 65 Years or Older**

If you are 65 years or older, and you or your spouse still works, you may have health care coverage from your employer. If your employer has 20 or more employees, your employer must offer you the same coverage that is offered to the other employees. If you choose to have both the employer's group health plan and Medicare, the employer plan is primary (paying first), and Medicare is secondary (paying after the employer plan).

#### **If You Are Younger Than 65**

If you are younger than 65 years and have Medicare due to a disability, you may have group health benefits through your own or a family member's employment. If the employer has 100 or more employees, the employer must offer you the same coverage as other employees. If you choose the employer's health plan, it pays first and Medicare pays after the employer plan.

For more information, see our fact sheet "Coverage While You or Your Spouse Works" at [cahealthadvocates.org](http://cahealthadvocates.org).

#### **Coverage If You Are Younger Than 65 and Have Permanent Kidney Failure**

If you have Medicare due to kidney failure, also known as End Stage Renal Disease (ESRD), and are also covered by an employer group health plan, the employer plan is required to pay first (be your primary payer) for the first 30 months of your Medicare coverage. This is true regardless of the size of the group and regardless of whether the person with ESRD is working.

For more information, see our fact sheet "Medicare and People with End Stage Renal Disease" at [cahealthadvocates.org](http://cahealthadvocates.org).

### 2. Retiree Plans

Some people receive health insurance as a retirement benefit from their or their spouse's former employer or union. Benefits and costs vary widely from plan to plan. Some plans cover costs that are not covered by Medicare, such as dental and vision benefits. Others have large deductibles that must be met before any benefits will be paid. Some retiree health plans act like Medigap plans, covering Medicare deductibles and cost-sharing (more information below), while

other retiree health plans are offered through Medicare Advantage Organizations or non-Medicare managed care plans.

Employers can change the benefits, cost-sharing or premiums for these plans, or drop the plan at will. Retirees can also lose their benefits if a former employer files for bankruptcy. For more information, see our fact sheet “Supplementing Medicare: Retirement Plans” at [cahealthadvocates.org](http://cahealthadvocates.org).

### 3. COBRA & CalCOBRA

The Consolidated Omnibus Budget Reconciliation Act (COBRA) is a federal law that requires an employer to extend the employer's group health coverage to an employee or family member for a period of time after certain events, such as job loss, divorce or death. If you qualify for COBRA, you may have to pay both your share, if any, and the employer's share of the premium. CalCOBRA is California law that, in certain circumstances, broadens and extends the continuation of coverage beyond the federal COBRA law.

If you become eligible for Medicare while having COBRA coverage, your COBRA coverage will usually end. However, if you already have Medicare and later become eligible for COBRA, you can have both Medicare and COBRA coverage. Medicare will be your primary payer (paying first) and COBRA will be your secondary payer.

Under CalCOBRA, however, you cannot have both Medicare and CalCOBRA coverage, regardless of when you qualify.

For more information, see our fact sheet “Other Health Insurance Coverage with Medicare” at [cahealthadvocates.org](http://cahealthadvocates.org).

### 4. TriCare For Life (TFL)

TriCare is a program that provides health care coverage to all uniformed service retirees, their spouses, survivors, and other qualified dependents, and TFL is a program for TriCare members who become eligible for Medicare.

TriCare members who become eligible for Medicare must enroll in Medicare Parts A and B. There are no additional premiums or copayments other than the Part B Medicare premium for Medicare- and TFL-covered services. TFL provides full supplemental medical coverage for all Medicare services and includes creditable prescription drug coverage. For more information, see our fact sheet “People with Medicare and TriCare for Life.” You can also call TFL at 1-800-538-9552 or 1-866-363-5433, or visit the website at [tricare.osd.mil./tfl/default.cfm](http://tricare.osd.mil./tfl/default.cfm).

### 5. Veterans Affairs (VA) Benefits

Veterans of any age, except for those who have been dishonorably discharged, may apply for health care called the Medical Benefits Package at the Department of Veterans Affairs. There are no premiums, and the VA provides hospitalization, primary health care, diagnostic and laboratory services, mental health and substance abuse treatment, home health care, respite care, hospice care, some urgent and limited services outside VA facilities, and prescription drugs. The VA may also provide nursing home care, adult day health care, dental care, and eyeglasses.

The VA encourages enrolled veterans to retain any other health insurance they may have, including Medicare. Veterans may use other health care coverage in addition to their VA health care benefits. The VA Medical Benefits Package and Medicare are independent programs and do not coordinate. To enroll in the Medical Benefits Package, apply at any VA health care facility or veterans' benefit office, or mail in a completed application form.

For more information, see our fact sheet “Medicare and Veterans Affairs Medical Benefits Package” at [cahealthadvocates.org](http://cahealthadvocates.org). You can also call 1-800-827-1000 or 1-877-222-VETS (8387) or visit the VA website [va.gov/elig](http://va.gov/elig).

## 6. Medi-Cal (California's Medicaid program)

Eligibility for Medi-Cal depends on a person's or family's assets, and the Medi-Cal program a person may qualify for depends on their monthly income amount. Medicare beneficiaries who also qualify for Medi-Cal are commonly referred to as "Medi-Medis." If you have Medicare and qualify for full Medi-Cal benefits, Medi-Cal pays your Medicare Part B premium and your Medicare coinsurance and deductibles, if you have no other insurance. You must go to providers that accept both Medicare and Medi-Cal.

Medi-Cal also covers some services Medicare doesn't, such as long-term nursing home care, adult day health services, eyeglasses, some dental care, hearing aids, ambulance services and certain non-Medicare-covered prescription drugs.

If you are receiving Medi-Cal benefits, you don't need a Medigap policy, and it is illegal for companies to sell you one. For more information, see our fact sheet "Low Income Assistance: Medi-Cal" at [cahealthadvocates.org](https://cahealthadvocates.org).

## 7. Medicare Savings Programs

Several federal programs, called Medicare Savings Program, help people with low incomes and assets pay for Medicare costs. Three of the programs (the Qualified Medicare Beneficiary Program, Specified Low-Income Medicare Beneficiary Program, and Qualified Individual Program) pay the Medicare Part B monthly premiums. The QMB program also pays for Medicare deductibles and coinsurance, and the Medicare Part A premium for those who do not qualify for free Part A. These programs have varying income and asset requirements.

For more information, see our fact sheet "Medicare Savings Programs" at [cahealthadvocates.org](https://cahealthadvocates.org).

## 8. Medigap Policies (Medicare Supplement Insurance)

Medicare supplement insurance or Medigap policies are sold by commercial insurance companies. There are 12 standardized plans labeled A through L that pay for part, or all, of Medicare's coinsurance and deductibles. Some may also cover other health care costs that Medicare doesn't cover, such as foreign travel emergency medical care. Two plans, F and J, have a high deductible option. Once you buy a Medigap policy, the company cannot change the benefits covered by the plan, and cannot cancel the policy unless you fail to pay the monthly premium. The company can however, at its discretion, increase the premium you must pay.

For more information, see our fact sheet "Supplementing Medicare: Medigap Policies" at [cahealthadvocates.org](https://cahealthadvocates.org).

## 9. Medicare Advantage (MA) Plans

Medicare Advantage plans are Part C of the Medicare program and are another way, besides Original fee-for-service Medicare, for you to receive Medicare benefits. Medicare contracts with commercial insurance companies and pays them a monthly fee for each beneficiary enrolled in a Medicare Advantage plan.

To join a Medicare Advantage plan, you must be enrolled in Medicare Parts A and B and continue to pay the Part B premium. When you enroll in an MA plan, the rules of Original fee-for-service Medicare no longer apply; instead you get your Medicare benefits through your MA plan, according to the plan's terms and conditions.

Medicare Advantage plans must cover all Medicare Parts A and B services, except hospice. Some plans offer additional benefits not covered by Original Medicare. Medicare Advantage plans are required to accept any Medicare beneficiary enrolled in both Medicare Parts A and B who applies, except for beneficiaries with end stage renal disease (ESRD).

There are different types of Medicare Advantage plans: Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs), Private Fee-for-Service (PFFS) plans, Special Needs Plans (SNPs) and Medicare Savings Accounts (MSAs). Some MA plans include prescription drug benefits that are as good as or better than the standard Medicare Part D coverage and are known as MA-PDs (Medicare Advantage Prescription Drug plans). Other MA plans do not include prescription drug benefits (other than certain drugs that are covered under Part B), and are known as MA-only plans.

For more information on Medicare Advantage plans, including how the different types of plans work, please see our fact sheet “Medicare Advantage: An Overview” at [cahealthadvocates.org](http://cahealthadvocates.org).

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This fact sheet contains general information and should not be relied upon to make individual decisions. If you would like to discuss your specific situation, call the Health Insurance Counseling and Advocacy Program (HICAP). HICAP provides free and objective information and counseling on Medicare and can help you understand your specific rights and health care options. You can call **1-800-434-0222** to make an appointment at the HICAP office nearest you.