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# Between ACA and Medicare, some Americans may have too much health coverage

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By Susan Jaffe | Kaiser Health News October 11

Ever since the Affordable Care Act's insurance marketplaces opened for business in 2014, the Obama administration has worked hard to get Americans to sign up. Yet officials now are telling some older people that they might have too much insurance and should cancel their marketplace policies.

Each month, the Centers for Medicare and Medicaid Services (CMS) is sending emails to about 15,000 people with subsidized marketplace coverage. The message arrives a few weeks before their 65th birthday, which is when most become eligible for Medicare.

“In most cases you won't want to keep your Marketplace plan because once your Medicare coverage starts, you'll no longer be eligible for any premium tax credits or other cost savings you may be getting,” says the email, which goes to enrollees in the 38 states using the federal HealthCare.gov. “To avoid an unwanted overlap in Marketplace and Medicare coverage . . . tell us you want to end your Marketplace plan.”

And last month, CMS also began mailing letters to people already covered by Medicare as well as enrolled on the marketplace and getting financial assistance. That notice, required under the health-care law, says that they can keep dual coverage — without subsidies — but urges them to discontinue their marketplace policy since in most cases it duplicates their Medicare benefits.

Enrollees who do not follow that advice — and only the individual can terminate marketplace coverage in this situation — will have their subsidies cut. Inaction also means paying back any coverage assistance received after they should have joined Medicare.

The 13 state-operated marketplaces also must find and alert people with such overlapping coverage, although they are not required to contact beneficiaries nearing Medicare eligibility.

A CMS official said the agency has found a small number of consumers with double coverage by comparing marketplace and Medicare enrollment data but declined to say how many.

Advocates have praised federal officials for the new efforts to help seniors avoid costly enrollment headaches — something that nearly four dozen health insurers, unions and consumer groups pushed for in December.

“People ages 55 to 64 are the largest segment of marketplace enrollees,” said Stacy Sanders, federal policy director at the Medicare Rights Center. “So we want CMS, as much as possible, to get in front of any problems that might result from mismanaged transitions.”

Beneficiaries shoulder a lot of responsibility, given that neither the marketplace nor Medicare is required to provide advance notification. After turning 65, people who missed their enrollment period have to pay for insurance on their own or go without coverage while they wait for Medicare to kick in. They also are stuck paying a late-enrollment penalty — for the rest of their lives.

Without a reminder, it is easy to become tangled in problems that cannot easily be unwound, as Beth Taxter, 66, learned last year.

The self-employed Taxter, who lives outside Portland, Maine, thought she could keep her marketplace policy and did not have to sign up for Medicare because she was still working. Six months after turning 65, she went to a Southern Maine Agency on Aging meeting about Medicare. “Much to my dismay, I heard things that made me think there might be some trouble,” she said.

An agency representative told Taxter that her marketplace plan did not exempt her from Medicare’s fines for signing up late for Part B coverage, which pays for doctor visits and other outpatient services. She moved to rectify her insurance status but still faced consequences.

Seniors who don't enroll in Part B three months before or after their 65th birthday will be hit with that permanent penalty — 10 percent of the monthly premium for each 12-month period they were late. (People who continue working after 65 for firms with more than 20 employees can delay getting Part B until they leave their job. They then have an eight-month window for signing up.)

But that is not all. By law, seniors who are late enrolling can do so only during January through March for coverage that begins the following July. While Taxter waited months for her coverage to kick in, she had no other option but to keep her marketplace plan, although minus the subsidies the federal government had been providing to make it affordable.

“When I turned 65, neither the marketplace, the federal government nor the insurance company . . . let me know that I needed to sign up for Medicare” she said last week. “People get clobbered for not knowing what they don't know.”

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