



Getting Ready to Retire: Health Insurance Issues

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What are the questions? Where are the answers?

Before making the decision to retire, understand the health insurance options available to you (and your spouse if you are married). Which questions you need to ask depends on:

- how old you are.
- how old your spouse is.
- whether you or your spouse is eligible for Medicare.
- whether you or your spouse will continue to be employed.
- how many employees the employer has.

For reliable, objective answers call the Senior Health Insurance Information Program or SHIIP at **1-800-351-4664**. We will answer your questions and refer you to the proper place if you need further information or assistance.

Retiring Under Age 65

Retirement Benefits: You may have continued health coverage when you retire.

- If you or your spouse works for a **public employer** in Iowa such as a public school or city, county or state government, you must be allowed to continue the employer group health coverage until you are 65.
- A nonpublic employer may choose to offer you continued coverage under a retirement health plan. Check to see how long the employer coverage lasts.
- If your spouse is working, you may be able to continue coverage or become enrolled in his/her employer group health plan.

COBRA: If you will not have a retirement health plan, you may be able to continue your group health insurance under the law.

- Federal COBRA law applies to employers with 20 or more employees. You are allowed to continue your coverage under the employer group health plan for up to 18 months. COBRA will end sooner if you become eligible for Medicare. In some cases, a spouse may have longer periods of coverage. Call SHIIP at **1-800-351-4664** and request a *COBRA* brochure.
- Iowa law includes employers with fewer than 20 employees. You are allowed to continue your coverage under the employer group health plan for up to 9 months. Call the State of Iowa Insurance Division at **1-877-955-1212** for more information.

Age 65 or Older, and You or Your Spouse Works

- If the employer has **20 or more employees**, you and your spouse must be allowed to continue any health insurance coverage you had before age 65.
 - ✓ The employer health plan will be the first payer on claims.
- If you are already receiving Social Security benefits you will be automatically enrolled in Part A and Part B of Medicare with an opportunity to refuse Part B.
- Enrolling in Medicare Part B isn't necessary until you or your spouse quits working or drops out of the employer health plan. At that time you won't have to pay a higher premium, even though you are past age 65. You will also have the right to a Medicare supplement open enrollment at that point.
- You can delay Part A if you are not signed up for Social Security or Railroad Retirement benefits.
- Enrollment in Part A or Part B triggers your eligibility for Medicare Part D drug coverage. Check if your employer drug coverage is creditable; if it is you don't need to enroll in Part D.
- If you and/or your spouse are enrolled in Medicare before retiring, employer group health coverage can be continued under the COBRA law. Medicare will pay first when you are retired even if you continue under COBRA. You will continue to pay the full premium for the employer plan, and it will supplement your Medicare. It is necessary to enroll in Medicare Part B when you retire, or you may pay a higher premium later.
- If you do not have a retirement health plan when you quit working, consider the need for a Medicare supplement policy. You will be eligible for a **six-month open enrollment** period that starts on the date your Medicare Part B coverage starts. During open enrollment you can buy any Medicare supplement from any company that sells in Iowa.

Age 65, Retired and No Working Spouse

- Medicare is your primary insurance regardless of any other health insurance you have. You should enroll in Medicare Part A and Part B. If you don't enroll at this time, you may pay a higher premium later.
- Call Social Security at **1-800-772-1213** to enroll in Medicare.
- If you have retirement health insurance, it will pay after Medicare. If you need a Medicare supplement policy, you will have a **six-month open enrollment** period beginning on the date your Medicare Part B coverage starts.
- If you do not have drug coverage as good as Medicare's you need to enroll in a Medicare Part D drug plan to avoid paying a higher premium later.

Issues for a spouse

- Does the employer continue coverage for a spouse when an employee retires?
- Does the coverage continue when the spouse is eligible for Medicare?
- Does the spouse's coverage continue if the retired employee becomes eligible for Medicare or dies?
- Do any other limits apply to health insurance coverage for the spouse?

SHIIP Resources

- *Iowa Guide to Medicare Supplement Insurance*
- *Iowa Medicare Supplement Premium Comparison Guide*
- *COBRA brochure*
- Website: www.shiip.state.ia.us
- Individual counseling: Call **1-800-351-4664 (TTY 1-800-735-2942)**

