



SHIP is a free and impartial Medicare information and counseling program provided by the Indiana Department of Insurance and the Administration for Community Living (ACL).

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Medicare Outranks the Marketplace, September, 2021

In the federal health insurance pecking order, Medicare outranks the Marketplace in the payment of healthcare costs. That means Marketplace members need to enroll in Medicare as soon as they are eligible and drop out of the Marketplace at the same time.

Medicare is available to most people at age 65, or if younger, after becoming entitled to Social Security Disability Insurance for 24 months. Marketplace refers to Affordable Care Act Plans that are available to many people who are not eligible for Medicare. Generally, Medicare and Marketplace Plans are not free since most members have to pay premiums, deductibles, copayments or coinsurances. Unless members drop their Marketplace Plan when Medicare becomes available to them, they would still have to pay their full Marketplace premiums but could not use their Plan to pay hospital, medical or prescription drug costs that are covered by Medicare. That is because Medicare outranks the Marketplace in the hierarchy of federal health insurance programs.

If you are enrolled in a Marketplace Plan and your Medicare eligibility starts soon, you need to know:

- When you become eligible for Medicare, it will become your primary hospital, medical and prescription drug insurance and your Marketplace Plan will stop paying your hospital, medical and prescription drug costs.
- You will need to enroll in Medicare Part A (Hospital Insurance), Part B (Medical Insurance) Part D (Prescription Drug Insurance) and possibly a Medigap Supplement or an Advantage Plan to replace your Marketplace benefits as soon as you are eligible for Medicare.
- Medicare members who have limited income and assets may be eligible for federal or state assistance programs to help pay Medicare costs.
- You can phone the State Health Insurance Assistance Program (SHIP) at 800-452-4800 to talk to a Medicare counselor if you have questions about Medicare benefits and coverage options or related assistance programs. SHIP also has counselors in many communities that you can talk to face-to-face.

If you do so, SHIP believes your transition from the Marketplace to Medicare will be smooth sailing and you will not get lost in a sea of government health insurance while navigating the process.

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John Williams is a Medicare Specialist with State Health Insurance Assistance Program (SHIP). Hoosiers can get answers to Medicare questions by calling SHIP at 800-452-4800 Monday - Friday between 8:00AM - 4:00PM.