

HEALTH CARE FACILITATOR PROGRAM

Medicare for Active Employees

Medicare is the federal program that most retired Americans age 65 or older use as their primary medical insurance. Medicare can also cover those younger than 65 who qualify due to disability or permanent kidney failure.

Active UC employees who are covered by medical insurance through their UC employment and their covered dependents are not required to enroll in Medicare.

However, here are some considerations for those employees (or their dependents) who turn 65 or otherwise become eligible for Medicare prior to retirement.

MEDICARE PART A

Part A is free, so consider enrolling even if you have medical insurance through UC.

Medicare Part A pays for medical facility fees and is free for most people at age 65. Enrollment in Part A can make getting Part B easier at retirement. If you are hospitalized, Part A could potentially pay secondarily to UC coverage through active employment. Contact [Medicare](#) for more information about secondary coverage through Parts A, B and/or D.

MEDICARE PART B

Medicare Part B pays for physicians' fees and outpatient medical care and costs at least \$109 per month. The standard premium for those new to Medicare in 2025 is \$185 per month. Part B costs [more if you have a high income](#). Most active employees forgo enrollment in Part B at age 65 because of its cost.

- Employees who enroll in Part B while still working are usually not subject to late enrollment penalties as long as they have maintained continuous medical coverage through active UC employment from age 65 and onward. If an employee decides to forgo Part B when they are first eligible, they must confirm their ability to avoid late enrollment penalties with Social Security. To do so, the employee must connect with the [Social Security Administration](#) and inform them of their plan to defer Part B. Employees and their legal spouses are usually allowed to enroll in Part B at any time while continuously covered by medical insurance through active employment (or, immediately upon termination of employment or retirement).
- If an employee who has an HMO primary to Part B self-refers to Medicare providers outside the primary medical group, Medicare is not likely to pay. However, Part B can pay secondarily for Medicare-covered services received through the primary medical group. This may allow the employee to avoid paying copayments. Contact [Medicare](#) for more information about secondary coverage through Parts A, B and/or D.

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- If an employee has a PPO or the Core Medical plan primary to Part B, Part B can potentially pay secondarily for Medicare-covered services. Contact [Medicare](#) for more information about secondary coverage through Parts A, B and/or D.

MEDICARE PART D

Check with [Social Security](#) regarding the ability to delay enrollment in Medicare Part B and Part D without penalty.

Medicare Part D pays for drugs from outpatient pharmacies and is relatively inexpensive. Most UC employees forgo Part D until retirement because most UC medical plans provide adequate prescription drug coverage.

- UC employees who enroll in Part D while still working (or immediately upon retirement) should not be subject to late enrollment penalties as long as they have maintained continuous “creditable” coverage through active employment from age 65 and onward. Check with [Social Security](#) for details regarding the ability to delay enrollment in Part D without penalty.
- [Creditable drug coverage under UC health plans](#)
- [Higher income enrollees may pay extra premiums for Part D](#)

IN SUMMARY

1. Active UC employees who receive medical coverage through their employment are not required to enroll in Medicare, but can still enroll in Medicare Part A
2. Medicare Part A is free, so consider enrolling even if you are covered by a UC medical plan.
3. Most UC employees forgo enrollment in Medicare Part B and Part D until they retire.
4. Consider carefully whether Medicare Part B is worth the cost. If an employee decides to delay enrollment, it is recommended to verify with Social Security there will not be late enrollment penalties to pay when enrollment occurs at retirement.

MEDICARE AS THE SECONDARY PAYER

Medicare generally pays secondarily to medical insurance through active UC employment.

Exceptions:

1. Medicare is primary for an active employee’s domestic partner (not legal spouse).
2. Medicare becomes primary after 30 months for beneficiaries who are diagnosed with permanent kidney failure.

If an employee is still working for UC and they have Medicare, both the UC health insurance ID card and Medicare card will need to be shown when receiving medical care. It is important to inform the provider Medicare is a secondary.

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SPECIAL NOTE FOR UC HEALTH SAVINGS PLAN ENROLLEES

- The UC Health Savings Plan, a PPO medical insurance plan, features a Health Savings Account (HSA) that makes the plan incompatible with Medicare.
- To avoid penalty taxes, employees should take care not to contribute (or over-contribute) to their HSA after they become eligible for Medicare. For more information, contact Health Equity at 1.866.212.4729. It is recommended to change medical plans for the following year during Open Enrollment.
- For employees with HSA accounts, who initially delay enrollment in Medicare Part A, when they decide to enroll, may enroll retroactively for up to six months. This can retroactively compromise the ability to legally contribute to the HSA. If an employee elects to participate in Social Security income, they will also be automatically enrolled in Part A.

SPECIAL NOTE FOR KAISER PERMANENTE ENROLLEES

- Kaiser Permanente members enrolled in Part A and Part B in which Medicare is a secondary payer can assign their Medicare benefits to Kaiser using a form. In return, Kaiser will waive medical and pharmacy copayments, provide enhanced hearing aid coverage and eyewear allowance, and provide chiropractic coverage. For more information about the Kaiser Permanente Senior Advantage Medicare Secondary Payer plan, please contact the [Health Care Facilitator Program](#).
- Alternately, Kaiser Permanente members enrolled in Medicare Part A and Part B in which Medicare is a secondary payer and who do not assign their Medicare benefits to Kaiser may be able to use Part A and Part B to cover their copayments. Contact Medicare for more information about secondary coverage through Parts A, B and/or D.

FOR EMPLOYEES 65 AND OLDER AND NOT QUALIFIED FOR UC RETIREE HEALTH COVERAGE

If an employee has not worked for UC long enough to qualify for UC retiree health coverage, or if they decide to take a lump sum cashout instead of a monthly pension, upon retirement, they will likely need to rely on Medicare with supplemental coverage such as Medigap or Medicare Advantage. It is recommended that these employees discuss with [Social Security](#) the ability to delay enrollment in (or cancel and re-enroll in) Part B without adversely affecting premiums or the ability to enroll in supplemental plans.

FOR EMPLOYEES WITH NON-UC RETIREE HEALTH COVERAGE

If an employee has retiree medical coverage from a non-UC former employer, that employer may require the employee to enroll in Medicare when first eligible, regardless of the UC coverage as an active employee. It is important to check with the other employer's benefits office to determine their rules regarding Medicare enrollment. If an employee has UC employee

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medical insurance, Medicare, and retiree coverage from another employer, UC insurance will be treated as primary, Medicare secondary, and the non-UC retiree insurance tertiary.

SUPPORT

For additional support, please contact the UCI Employee Experience Center (EEC) at eec@uci.edu or 949.824.0500, Monday – Friday, 8:30 a.m. – 5:00 p.m.