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Medicare Mistakes

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**Department for
the Aging**



**Health Insurance
Information, Counseling
and Assistance Program**



SHIP
State Health Insurance
Assistance Program

Medicare Questions? Call Aging Connect at 212-244-6469

Medicare Enrollment

Part B and Part A

Relying on COBRA to Pay as Primary

- **Mistake: Not Enrolling in Part B when covered under COBRA**
- **Problem: Medicare is primary to COBRA**
- **Consequences: Claims may be denied by COBRA insurer and client is responsible for costs**
- **Possible Solution: Part B enrollment include SEP if misadvised by former employer/representative; MSP/QI can enroll in Part B retroactive up to 3 months; Equitable Relief if misadvised by Federal representative**

Not Taking Medicare When Covered Under Domestic Partner

- **Mistake: Not Enrolling in Part B at 65 when covered under actively employed Domestic Partner**
- **Problem: Medicare does not recognize coverage through Domestic Partner for those eligible due to age**
- **Consequences: Claims may be denied by employer's insurer because Medicare should be primary**
- **Possible Solution: Part B SEP if misadvised by employer/representative; MSP/QI can enroll in Part B retroactive up to 3 months; Equitable Relief if misadvised by Federal representative**

Not Enrolling in Medicare Part B when Covered under Small Employer

- **Mistake:** Not enrolling into Medicare Part B when covered under active/current employment through small employer group coverage
- **Problem:** Medicare is primary when employer has less than 20 employees for those eligible due to age 65. (For those with Medicare due to a Disability less than 100 employees)
- **Consequence:** Employer Group Health Plan will not cover those costs that would be covered by Medicare. Claims may be denied; or paid by GHP and then GHP insurer seeks to recoup payment
- **Possible Solution:** Can still enroll in Part B SEP if covered under active/current employment with any size employer and Part B can be effective retroactive to month of enrollment; MSP/QI can enroll in Part B retroactive up to 3 months

Active Employees Enrolling in Part B

- **Mistake: Active employees (or Medicare eligible spouse) enrolling in Part B while covered under active employment with large employer**
- **Problem: Medicare Part B is secondary insurance**
- **Consequences: Part B may not cover primary insurance cost-sharing**
- **Possible Solution: Disenroll from Part B and re-enroll when retire**

Contributing to HSA and Enrolled in Part A

- **Mistake: Continuing to contribute to Health Savings Account (HSA) when enrolled in Medicare (Part A)**
- **Problem: IRS has rule that cannot continue to contribute tax-free to HSA when enrolled in Part A**
- **Consequences: May have tax issue if contributed while in Part A including during 6-month retroactive Part A period**
- **Possible Solution: To be provided by tax preparer; (Stop contributing to HSA, the money already there continues to be yours to use)**

Medicare Enrollment

Part D and Part C

Not Enrolling in Part D Because Not Taking Any Drugs

- **Mistake: Not Enrolling in Part D when first eligible for Medicare because not taking any drugs**
- **Problem: Miss enrolling in Part D Initial Enrollment Period**
- **Consequences: If need new drugs in future, may not be able to enroll until next Annual Election Period and subject to late enrollment penalty**
- **Possible Solution: Apply for SPAP (EPIC in NYS) and use SPAP SEP to enroll in Part D plan effective 1st of following month**

Relying on Automatic Enrollment for Part D Coverage

- **Mistake:** Accepting default/deemed plan enrollment for beneficiaries with Extra Help and not comparing plans
- **Problem:** Random Part D plan assignment for beneficiaries with Extra Help (or may be enrolled in D-SNP); Not based on individual's drugs or pharmacy
- **Consequences:** Part D plan may not cover some of their drugs and/or pharmacy is not participating in plan
- **Possible Solution:** Can appeal/request exception for non-covered drugs; Entitled to LIS SEP to switch plans

Enrolling in Medicare Advantage Plan Without Part D when in Stand-Alone Part D Plan

- **Mistake:** Enrolling in Medicare Advantage plan without Part D when in Stand-Alone Part D plan (or vice-versa)
- **Problem:** Cannot have both at the same time
- **Consequences:** Enrolling in one disenrolls you from the other
- **Possible Solution:** Consider Medicare Advantage plan with Part D; Check for possible Special Enrollment Period to be able to re-enroll in lost plan

Disenrolling from Plan Instead of Switching

- **Mistake:** Disenrolling from Medicare Advantage or Part D plan without enrolling in new plan
- **Problem:** Disenrollment may exhaust opportunities to change plans during enrollment period (instead you should enroll in new plan which automatically cancels your current coverage)
- **Consequences:** Beneficiary may wind up without any Part D/Medicare Advantage plan and having to wait to re-enroll
- **Possible Solution:** May be eligible for LIS/SPAP or another SEP to be able to enroll in new plan

Enrolling in Medicare Advantage/Part D When Have Employer Drug Coverage

- **Mistake:** Enrolling in Medicare Part D (including Medicare Advantage plan with Part D) when covered under creditable retiree drug coverage
- **Problem:** If enroll in Part D, former employer/union will lose retiree drug subsidy (RDS)
- **Consequences:** Former employer/union may then drop retiree drug coverage and may lose other retiree benefits as well
- **Possible Solution:** Disenroll from Part D/Medicare Advantage plan and contact former employer/union to re-enroll (if still possible)

Not Enrolling in New Plan When Current Plan Terminates

- **Mistake: Not Enrolling in new Part D/Medicare Advantage plan when current plan terminates at end of year**
- **Problem: (If do not have Extra Help/LIS), may wind up with no Part D drug coverage at beginning of year**
- **Consequences: Will default to Original Medicare with no Part D**
- **Possible Solution: SEP for plan termination available December 8 through end of February**

Medicare Costs and Coverage

Paying Part B Deductible to Wrong Provider

- **Mistake:** Paying a provider for the Part B deductible when the deductible is applied to another provider's claim
- **Problem:** Part B deductible is applied in order of which claims are submitted and processed to Medicare
- **Consequences:** Need to seek refund from provider paid because their claim was not applied to deductible
- **Possible Solution:** Avoid this issue by not paying deductible up front until Medicare processes the claim and you see where deductible is applied

Getting Preventive Services Too Frequently

- **Mistake:** Receiving preventive services more often than Medicare covers
- **Problem:** Service which would otherwise be covered in full, can be denied as not covered
- **Consequences:** Medicare beneficiary may be responsible to pay up to full cost for service
- **Possible Solution:** Check if beneficiary signed Advance Beneficiary Notice (ABN). If not, then should not be liable if claim is denied

Getting Services from Non-Enrolled Provider

- **Mistake: Getting Services from non-enrolled medical provider (most commonly mental health providers)**
- **Problem: Provider has not opted out of Medicare but refuses to enroll in Medicare and bill Medicare for services**
- **Consequences: Provider may be billing patient above Medicare allowance/limiting charge**
- **Possible Solution: Beneficiary can submit claim to Medicare using 1490S claim form; Can then seek to recoup any excess payment to provider when receive Medicare Summary Notice (MSN)**