



COBRA & Medicare Resource Sheet

Medicare entitlement and enrollment

Under COBRA, the term “entitled” means that a person eligible for Medicare has actually become covered by Medicare. Enrollment in Medicare at age 65 is not always automatic. Individuals receiving Social Security benefits will be automatically enrolled in Medicare Part A & B the month they turn age 65. Individuals who are not yet age 65 and who are not receiving Social Security benefits can apply for both Social Security benefits and Medicare at the same time or Medicare alone. Individuals can verify their enrollment through Social Security Administration at 1-800-772-1213 or at their local Social Security office.

Employees enrolled in Medicare prior to termination

Qualified beneficiaries entitled to Medicare prior to a qualifying event must be offered COBRA coverage for 18 months from the date of termination. The spouse and/or children of the employee would be given 36 months of COBRA from the date of Medicare entitlement if the employee’s termination occurred within 18 months of Medicare entitlement. If the termination occurred more than 18 months after Medicare entitlement, the spouse and/or children would be offered 18 months of COBRA from the date of the employee’s termination.

Employees enrolling in Medicare after a COBRA election is made

COBRA coverage can be terminated if a qualified beneficiary becomes first eligible for Medicare after they have made a COBRA election. The COBRA coverage for the spouse and/or children of that employee would continue for the remainder of the 18-month COBRA period. If the qualified beneficiary is covered under Part A and then makes a COBRA election and then enrolls in Part B, their COBRA coverage could not be terminated before the end of the 18-month COBRA period.

Employees who elect COBRA and defer enrollment in Medicare

There is a special enrollment period for people who did not initially enroll in Medicare when they first became eligible because they were covered by a group health plan due to their current or their spouse’s current employment status. COBRA coverage is NOT considered a group health plan for these purposes. Individuals who defer their Medicare enrollment in order to continue COBRA coverage will have to pay more for Medicare and they will have to wait until the Medicare general enrollment period, which is January 1- March 31.

Medicare Secondary Payer Rules

If an individual is covered under Medicare due to their age (65+) AND covered under a group health plan (maintained by an employer with 20 or more employees) because they or their spouse are actively employed, Medicare pays secondary to the group health plan.

If the individual is covered under Medicare due to End Stage Renal Disease (ESRD) and covered by a group health plan of any size because they or their spouse are actively employed, Medicare pays secondary for the first 30 months.

If the individual is covered under Medicare due to a disability and covered under a large group health plan (100+) because they or their spouse are actively employed, Medicare pays secondary.

If the individual is covered under Medicare based on age or disability and covered under a group health plan through COBRA continuation, Medicare is primary.

If the individual is covered under Medicare due to ESRD and covered under a group health plan due to COBRA, Medicare is still secondary for the first 30 months.

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