

Information for Employees who are Medicare eligible age or who have a spouse who is Medicare eligible age

Medicare and Health Savings Account Eligibility

The Shodair Children's Hospital Health Plan program offers a high deductible health plan option (HDHP) with a Health Savings Account (HSA). A person is not eligible to participate in a Health Savings Account (HSA) if they have other coverage, which includes being enrolled in, or entitled to Medicare, including Part A. Under the Tax Code, "participate in" means that one is eligible to contribute to an existing HSA or have contributions made on their behalf to an HSA. Thus, employer and employee contributions cannot be made to an HSA on behalf of an individual who is entitled to or enrolled in Medicare. However, such an individual can use funds already in an existing HSA to pay for medical expenses after they are on a Medicare product.

It is important to be aware that if you are at least age 65 and you start receiving Social Security retirement benefits, you will automatically be entitled to Medicare Part A, thus, this may make you ineligible for participation in the HSA. (When you start receiving Social Security retirement benefits, your Medicare entitlement will be effective 6 months retroactively, or back to your 65th birthday if that was less than six months earlier. This will render you retroactively ineligible to participate in an HSA for the prior six months or back to your 65th birthday.) Even if you are not eligible to participate in an HSA, you would continue to be eligible for our High Deductible Health Plan without an HSA if you meet health plan eligibility requirements.

Medicare Enrollment

The annual election period, which enables consumers to change or add Prescription Drug Plans, change Medicare Advantage plans or return to Original Medicare, runs from October 15th to December 7th. Outside of the annual election period, Medicare allows special election periods. One may qualify for a special election period when turning 65, or when leaving an employer group health plan. Special election periods can come at any time during the year.

Medicare has a very comprehensive website that will show you what plans are available in your area. It also gives you a 1 to 5 Star rating of the plan/carrier relating to the performance of each of the plans listed. It will show you the benefits, premiums and copayments of each plan you select. It will also allow you to pick up to three plans and do a side-by-side comparison of each. This website is: <http://www.medicare.gov/>

Here is a link to the 2019 Medicare and You booklet. <https://www.medicare.gov/pubs/pdf/10050-Medicare-and-You.pdf>

To help assist you with questions, you can contact the following people:

Lynn Newmiller
Leavitt Great West Insurance Services
406-278-1112
lynn-newmiller@leavitt.com

Alternatively, you can contact someone in your area who is familiar with Medicare, Medicare supplements and Medicare Advantage plans. We encourage you to seek help individually with your specific needs. This information is intended to give you basic information. This is not intended to be a complete guide to your Medicare benefit options. It is advised that you to talk to a Medicare expert and to your tax consultant.