



## Transitioning from Family Health Insurance to Medicare

### (Decoupling)

### Frequently Asked Questions

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**THIS DOCUMENT IS TO BE USED AS A TOOL ONLY TO VERBALLY ANSWER QUESTIONS FROM PROSPECTIVE ENROLLEES OR CURRENT MEMBERS. THIS DOCUMENT CANNOT BE GIVEN TO EITHER PROSPECTIVE ENROLLEES OR CURRENT MEMBERS.**

**When one member of a family plan transitions to Medicare (i.e., decoupling), they are separating from the family's health insurance plan and obtaining coverage through the Medicare program, which is a federal health insurance program primarily for individuals aged 65 and older, as well as some younger people with disabilities.**

#### **1. What is Decoupling?**

Decoupling occurs when a member becomes eligible for Medicare due to age (typically 65 or older), prompting them to transition to Medicare and discontinue their family health insurance plan enrollment.

#### **2. Where do members go to decouple their coverage?**

On-exchange members should contact Covered California to decouple their on-exchange plans. They can visit the website at [www.coveredca.com](http://www.coveredca.com) or call **1-800-300-1506** to initiate decoupling their coverage.

Off-exchange members may contact Customer Service at the number on their ID card to decouple their coverage.

For more information about Medicare or Medicare plan options, our Blue Shield Medicare Advisors are available at 1-800-488-8000 (TTY:711), 8 a.m. to 8 p.m., seven days a week.

#### **3. Is enrollment in Medicare automatic?**

Enrollment in Medicare is not always automatic. While some individuals are automatically enrolled in certain parts of Medicare, others may need to take action to enroll themselves.

It's essential for individuals nearing Medicare eligibility age to understand their enrollment requirements and deadlines to ensure they have the coverage

they need when they become eligible. Failure to enroll in Medicare when first eligible may result in late enrollment penalties and delays in coverage. Therefore, reviewing enrollment options and deadlines carefully and taking action as needed to enroll in Medicare on time is critical.

#### **4. When does someone enroll in Medicare?**

An individual may enroll in Original Medicare (Parts A and B) during their Initial Enrollment Period (IEP). Their IEP lasts for 7 months: starting 3 months before the month they turn 65 and ending 3 months after the month they turn 65.

##### **6 months before you turn 65**

- Understand the basics of Medicare and the choice and timelines that apply to you.
- Decide which coverage options are most important to you based on your needs and budget.

##### **3 months before you turn 65**

- Enroll in Original Medicare (Parts A and B).
- Consider which additional plans do the best job of completing your Medicare coverage.

##### **Your 65th birthday month**

- Sign up for the additional Medicare coverage you've chosen. You must already be enrolled in Original Medicare (Parts A and B) before you can enroll in additional coverage.

##### **3 months after you turn 65**

- Your deadline for enrolling in Original Medicare (Parts A and B) is at the end of this month. If you miss it, you may be charged a late enrollment penalty.
- Enroll in additional Medicare coverage to pay for some of the costs that Original Medicare doesn't cover

#### **5. What happens when a primary member's coverage is decoupled, and what happens to the family plan?**

When a primary member's coverage is decoupled, several steps are taken:

1. Covered California will remove the subscriber from the existing policy.
2. A new Individual Family Plan (IFP) policy is created for the remaining dependents.
  - a. Subsidies must be reapplied for if the remaining dependents are qualified.
3. FACETs will generate a new subscriber ID once Covered California sends the new IFP policy.
  - a. If AutoPay was set up using the old policy, consumers must remember to set it up again using the new policy.

- b. If a Primary Care Physician (PCP) was selected on the previous policy, the same PCP must be selected on the new policy to ensure continuity of care.

The remaining family members may continue to be covered under the existing family health insurance plan. However, the plan premium and/or subsidy amount may be adjusted to reflect the change in family composition. They may also have the option to explore other coverage options, such as employer-sponsored plans, individual health insurance plans, or coverage through the Health Insurance Marketplace.

Enrollment in Medicare typically does not automatically cancel an individual family plan. It's important to review the details of your individual family plan and consider factors such as cost, coverage, and whether it duplicates benefits provided by Medicare. Additionally, you should inform Covered California for on-exchange plans or Blue Shield of California Customer Service for off-exchange plans about your Medicare enrollment to ensure your coverage is coordinated appropriately. This ensures you receive the most suitable coverage and avoid any potential gaps or overlaps in your healthcare coverage.

## **6. What happens to my existing healthcare providers and prescriptions when I transition to Medicare?**

You can continue seeing your existing healthcare providers if they accept Medicare. Similarly, you should review your prescription drug coverage options under Medicare Part D to ensure your medications are covered.

If there are overlaps in treatment during the transition from a family health insurance plan to Medicare, Coordination of Benefits may be necessary to determine which plan pays first for certain healthcare services.

**Please Note:** The ability to continue seeing your existing healthcare providers and the coverage of your prescriptions might change if you choose to enroll in a Medicare Advantage plan instead of Original Medicare. Medicare Advantage plans, like those offered by Blue Shield of California, have specific networks of healthcare providers and a defined list of covered medications (formulary). Check if your current healthcare providers are within the Medicare Advantage plan's network; if not, you may need to change providers or face higher out-of-network costs. Similarly, review the plan's formulary to ensure your current prescriptions are covered. If your medications are not included, you might need to switch to different medications or pay higher out-of-pocket costs.

## **7. Can someone keep their family health insurance plan after enrolling in Medicare?**

Generally, you will no longer be eligible to remain on a family health insurance plan once you enroll in Medicare. However, other family members may continue to be covered under the plan once a new primary beneficiary is determined, or depending on circumstances, they may need to seek alternative coverage options.

## **8. How will transitioning to Medicare affect my healthcare costs?**

Your healthcare costs may change when you transition to Medicare, depending on the coverage options you choose and any supplemental coverage you have. It's important to review the costs associated with each Medicare option and plan accordingly.

## **9. What happens to the remaining members of the family plan?**

When a member of a family plan transitions to Medicare, the remaining members of the family plan may need to take several steps to ensure they have appropriate health insurance coverage. Here's what they should consider doing:

- **Review Current Coverage:** The remaining members should review their current health insurance coverage under the family plan. They should understand the benefits, costs, and coverage limitations associated with the plan.
- **Check Eligibility for Continued Coverage:** Some family plans may allow the remaining members to continue coverage even after the primary beneficiary transitions to Medicare. The remaining members should check with the insurance provider or plan administrator to determine if they are eligible to remain on the family plan.
- **Review Subsidy Eligibility and Financial Assistance:** When the primary policyholder transitions to Medicare, eligibility and financial assistance options can be affected. The remaining family plan members will need to go through the determination process again based on their current circumstances, which could change the amount of financial assistance they receive.
- **Explore Alternative Coverage Options:** If the remaining members are no longer eligible for coverage under the family plan or if it's not the most suitable option, they should explore alternative coverage options. This could include:
  - Enrolling in an employer-sponsored health insurance plan if available through their own or a spouse's employer.

- Purchasing individual health insurance plans through the Health Insurance Marketplace or directly from insurance providers.
- Exploring Medicaid eligibility for low-income individuals and families.
- Considering COBRA continuation coverage if available and appropriate.
- **Coordinate Benefits:** If family members are covered under Medicare and another health insurance plan (such as through an employer), they should coordinate benefits to ensure proper coverage and avoid overpaying for healthcare services.
- **Plan for Continuity of Care:** Throughout the transition process, the remaining members should ensure continuity of care by coordinating with healthcare providers, transferring medical records if necessary, and understanding how their new coverage will affect access to healthcare services.
- **Seek Assistance if Needed:** If the remaining members have questions or need assistance navigating their health insurance options, they should contact Customer Service or their broker.