

The Medicare COBRA Trap

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When an employee age 65 or older retires, he/she is faced with a number of choices. One of them is whether to elect COBRA for their health care coverage for the next 18 months, or elect Medicare Part B and choose an supplement or go into Medicare Part C (Medicare Advantage). For those who choose COBRA and do **NOT** elect Medicare Part B, pay close attention to this below.

When COBRA expires in 18 months, it is **NOT** considered an open or special enrollment period for Part B. Once the initial election period for Part B was missed or declined by the member, they must use the annual open enrollment period for Part B which runs from January 1 to March 31 every year. Once the election is made during, and only during, that period the Part B coverage will go into effect the following July 1.

Now, if your COBRA is ending on August 1 and you did not elect Part B during the previous annual open enrollment during the first quarter, you must wait until the next open enrollment period during the first quarter of the following year and your Part B coverage takes effect the following July 1st, 11 months after your COBRA expired. There are no exceptions granted by CMS or SSA.

Do not confuse the Annual Election Period (AEP) or the Open Enrollment Period (OEP) for Medicare Advantage as this is a separate and distinct enrollment period. For more information on Medicare, Medicare options and the COBRA trap, please contact:

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