

Expanding Health Care Options for Early Retirees Act

Frequently Asked Questions (FAQ)

How would this bill affect existing Medicare beneficiaries?

This bill does nothing to affect existing Medicare beneficiaries. In fact, the legislation specifically requires the legislation to be implemented in a manner that does not impact the existing Medicare trust fund or beneficiaries at all.

Is there a risk that local governments *mandate* that certain early retirees enroll in Medicare in order to save towns/counties money?

There is nothing in this bill that would incentivize local governments to drop retiree health coverage and require their early retirees to avail themselves of this option. In fact, local governments could drop retiree coverage today and rely on the Affordable Care Act in its current form to cover all individuals who they choose to end coverage for. What this bill does is provide another affordable option for retirees if and when their state pension plan or local government is unable to afford the full cost of self-insuring retirees.

How would this bill help retired first responders?

This bill helps first responders by giving early retirees another option to purchase affordable health insurance coverage. The legislation recognizes the unique situation first responders find themselves in when they are forced to retire prior to age 65 and ensures they continue to have access to affordable, comprehensive health insurance in retirement until they reach age 65 regardless of whether or not their state pension plan provides insurance coverage.

Would the rates for those aged 50-64 be the same as for those who are 65 and older?

Under this legislation, the Secretary of HHS would establish premiums for the newly eligible first responder population separate from that of the traditional Medicare program. As a result, premiums could differ. However, individuals under this legislation would remain eligible for tax credits and cost-sharing subsidies to help them purchase insurance. These financial supports are not available for traditional Medicare beneficiaries.

What happens when a first responder (who enrolls between ages 50-64) eventually turns 65? Is there continuity in their plan?

Yes. A first responder who ages in to traditional Medicare would shift seamlessly into the Medicare program. They would have access to the same plan options between age 50-64 as they do when they turn 65, so they could stay in the same plan or choose to change coverage during the next open enrollment period. Their premium costs and cost sharing supports may change upon turning 65.

What coverage would be provided for beneficiaries?

Coverage provided under this section would be identical to the coverage provided under the existing Medicare program. Beneficiaries could choose between traditional Medicare (Parts A, B, and D) or a Medicare Advantage plan offered in their region. Beneficiaries would also be eligible for guaranteed issue Medigap coverage to help with any out-of-pocket costs.

When would retirees become eligible for coverage?

Any retiree who meets the definition of qualified first responder and who retires from active duty between the ages of 50-64 would be eligible.

Would first responders' spouses be eligible for early enrollment as well?

No. This legislation only provides for early Medicare buy-in for the individual themselves. The Affordable Care Act remains available as an alternative source of coverage for spouses and children.

How would the bill ensure that retirees are aware they are eligible for coverage?

The bill includes a section requiring the Secretary of HHS to conduct outreach and education to ensure retirees eligible for coverage are aware of their options under this legislation. The bill requires the Secretary to do so in coordination with a variety of stakeholders, including organizations who represent first responders, and provides the funding necessary for adequate outreach and enrollment efforts.

How would premiums be determined?

The Secretary would establish premiums by evaluating the risk pool of those individuals eligible for coverage, determining a yearly premium amount, and dividing that number by 12.

Would retirees be eligible for premium assistance?

Yes. Retirees would be eligible for tax credits, subsidies, and tax-advantaged contributions from their former employer or pension plan.