

Medicare 101 for Employers Quiz

Check your understanding of Medicare basics by taking the quiz.

But First: Disclaimers

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For the latest information on Medicare visit www.Medicare.gov, www.CMS.gov, and www.IRS.gov

We do not offer every plan available in your area. Currently, we represent a number of organizations in your area which offer a number of products in your area. Please contact Medicare.gov, 1-800-MEDICARE, or your local State Health Insurance Program (SHIP) to get information on all your options.

So let's get started!

There are 48 Questions.

Questions are either True or False.

Pause if you need more time to answer.

So, let's get started... Keep score!...

True
Or
False?

Individuals on Medicare pay less for healthcare than employees on group health plans.



True

Individuals on Medicare pay less for healthcare than employees on group health plans.

True. According to the Kaiser Family Foundation Based on reviewed studies comparing Medicare and private insurance rates for hospital and physician services, it finds that private insurance payments are consistently greater, averaging 199% of Medicare rates for hospital services overall, 189% of Medicare rates for inpatient hospital services, 264% of Medicare rates for outpatient hospital services, and 143% of Medicare rates for physician services.



True
Or
False?

Employees must sign up for Medicare when they reach age 65.



False

Employees must sign up for Medicare when they reach age 65.

False. Medicare eligible employees may defer Medicare benefits to a later date if they have other “creditable” coverage such as a group health plan. There may be other financial considerations which may make staying on the group health plan more advantageous, especially for high-income earners.



True
Or
False?

A Medicare eligible employee may enroll in Medicare without applying for Social Security benefits.



True

A Medicare eligible employee may enroll in Medicare without applying for Social Security benefits.

True. A Medicare eligible employee may enroll in Medicare only without applying for Social Security benefits.



True
Or
False?

Medicare eligible employees who apply for Social Security benefits are automatically enrolled in Medicare Parts A & B.



True

Medicare eligible employees who apply for Social Security benefits are automatically enrolled in Medicare Parts A & B.

True. Most individuals who collect Social Security benefits are automatically enrolled in Medicare Parts A (Hospital Insurance) and Part B (Medicare Insurance) once they are eligible for Medicare.



True
Or
False?

Medicare eligible employees turning age 65 can enroll in premium-free Medicare Part A without enrolling in Medicare Part B.



True

Medicare eligible employees turning age 65 can enroll in premium-free Medicare Part A without enrolling in Medicare Part B.

True. If an individual has other “creditable” medical and prescription coverage (e.g., employer group health plan), Medicare eligible employees may choose to enroll in premium-free Medicare Part A (Hospital Insurance) and delay Medicare Part B (Medical Insurance) which has a standard premium of \$174.70/mo. in 2024.



True
Or
False?

Medicare eligible employees
can enroll in Medicare
anytime.



False

Medicare eligible employees can enroll in Medicare anytime.

False. There are a variety of Medicare “Enrollment Periods” based on very specific situations when an individual can enroll into Medicare Part A (Hospital Insurance) and Part B (Medical Insurance).



True
Or
False?

Medicare eligible employees can apply for Medicare as early as 3 months before their birth month when turning age 65.



True

Medicare eligible employees can apply for Medicare as early as 3 months before their birth month when turning age 65.

True. It's a seven-month period of time starting three months before their birth month, their birth month, and three months after their birth month. It's called the Medicare Initial Enrollment Period (IEP).



True
Or
False?

Medicare eligible employees who remain on COBRA coverage after age 65 may incur Medicare late enrollment penalties.



True

Medicare eligible employees who remain on COBRA coverage after age 65 may incur Medicare late enrollment penalties.

True. COBRA is not considered “creditable” coverage by Medicare and may result in Medicare late enrollment penalties on Medicare Part A (Hospital Insurance), Part B (Medical Insurance), and Part D (Prescription Drugs) for life. Penalty amounts vary.



True
Or
False?

Medicare eligible employees
can enroll in Medicare at
Medicare.gov.



False

Medicare eligible employees can enroll in Medicare at Medicare.gov.

False. The Social Security Administration (SSA) is the gatekeeper of Medicare. To enroll in Medicare an individual must first verify their identity through SSA.gov, and qualify for social security benefits. Or visit the local SSA office for assistance.



True
Or
False?

Employees always pay less out-of-pocket for prescription drugs on Medicare than on a group health plan.



False

Employees always pay less out-of-pocket for prescription drugs on Medicare than on a group health plan.

False. In general, it depends on the individual's prescription drugs. Many employer plans have richer prescription drug benefits on brand name drugs in the form of lower out-of-pocket costs than Medicare Part D Prescription Drug plans on some drugs.



True
Or
False?

Medicare eligible employees working past age 65 can sign up for Medicare using a Special Enrollment Period.



True

Medicare eligible employees working past age 65 can sign up for Medicare using a Special Enrollment Period.

True. There is a Special Enrollment Period (SEP) for end of employer or union coverage allowing a Medicare eligible employee to enroll in Medicare without incurring late enrollment penalties. A Medicare eligible employee may choose a date to end their employer coverage after enrolling in Medicare.



True
Or
False?

Medicare eligible employees may enroll into Medicare online through SSA.gov.



True

Medicare eligible employees may enroll into Medicare online through SSA.gov.

True. The Social Security Administration (SSA) is the gatekeeper of Medicare. An individual can apply online at SSA.gov by verifying their identity, qualifying for social security benefits, then enrolling in Medicare. The local SSA office will process the application. Or an individual can visit their local SSA office for assistance.



True
Or
False?

Medicare eligible employees who work past age 65 can choose to end their group health plan anytime after enrolling in Medicare.



True

Medicare eligible employees who work past age 65 can choose to end their group health plan anytime after enrolling in Medicare.

True. Using the Special Enrollment Period (SEP) for end of employer or union coverage allows Medicare eligible employees to enroll in Medicare without incurring late enrollment penalties.



True
Or
False?

Medicare eligible employees who work past age 65 must submit proof they've had "creditable" medical and prescription drug coverage since turning age 65.



True

Medicare eligible employees who work past age 65 must submit proof they've had "creditable" medical and prescription drug coverage since turning age 65.

True. Individuals must submit proof of continuous medical and prescription drug coverage since turning age 65 or else incur Medicare late enrollment penalties on Medicare Parts A, B, and D for life.



True
Or
False?

A Medicare eligible employee uses CMS-L564: Request for Employment Information Form to attest that they have had “creditable” employer coverage.



True

A Medicare eligible employee uses CMS-L564: Request for Employment Information Form to attest that they have had “creditable” employer coverage.

True. CMS-L564: Request for Employment Information Form is used by a Medicare eligible employee and signed by the employer to attest that they have had “creditable” coverage since turning age 65 to avoid late enrollment penalties for life.



True
Or
False?

Medicare Part A is premium free for most Medicare eligible employees.



True

Medicare Part A is premium free for most Medicare eligible employees.

True. Medicare Part A (Hospital Insurance) is premium free if an individual paid at least 40 quarters or ten years of FICA taxes based on Social Security Administration records.



True
Or
False?

Just like Medicare Part A,
Medicare Part B is also
premium free.



False

Just like Medicare Part A, Medicare Part B is also premium free.

False. While Medicare Part A is free for most individuals based on 10 years of FICA tax payments. The standard monthly premium for Medicare Part B in 2024 is \$174.70 per month. Higher income beneficiaries will pay more for Medicare in the form of additional IRMAA Medicare Part B and Part D surcharges.



True
Or
False?

All Medicare beneficiaries pay the same amount for Medicare Part B regardless of income.



False

All Medicare beneficiaries pay the same amount for Medicare Part B regardless of income.

False. High income beneficiaries pay more for Medicare in the form of an Income Monthly Adjustment Amount (IRMAA) surcharge based on their Modified Adjusted Gross Income (MAGI) as reported to the IRS two years ago. Surcharge amounts vary depending on MAGI. Separate IRMAA surcharges are assessed on Medicare Part B and Medicare Part D.



True
Or
False?

Low-income Medicare eligible employees may qualify for additional financial assistance.



True

Low-income Medicare eligible employees may qualify for additional financial assistance.

True. In 2024 low-income subsidies are available for Medicare beneficiaries with incomes of \$15,510 individually or \$30,950 if married.



True
Or
False?

Medicare eligible employees cannot qualify for both Medicare and Medicaid.



False

Medicare eligible employees cannot qualify for both Medicare and Medicaid.

False. An individual can qualify for both Medicare and Medicaid under certain circumstances and income levels.



True
Or
False?

An employer's prescription drug coverage is considered creditable when it is at least "actuarially equivalent" in value to Medicare's standard Part D coverage.



True

An employer's prescription drug coverage is considered creditable when it is at least "actuarially equivalent" in value to Medicare's standard Part D coverage.

True. An employer's plan must be actuarially equivalent. The insurance company can verify that for you. If it's not, then the Medicare eligible employee can get a Medicare Part D Prescription Drug Plan during the next Medicare Open Enrollment Period (OEP) which starts on Oct 15th of each year.



True
Or
False?

Original Medicare Parts A & B
and Medicare Advantage Part
C plans are the same.



False

Original Medicare Parts A & B and Medicare Advantage Part C plans are the same.

False. Although they both cover the same Medicare related services, Original Medicare Part A (Hospital Insurance) and Part B (Medical Insurance) are administered by the federal government. Medicare Advantage Part C plans are administered by insurance companies.



True
Or
False?

Medicare Advantage Part C plans are the same as Medicare Supplement plans.



False

Medicare Advantage Part C plans are the same as Medicare Supplement plans.

False. Both may be sold by the same insurance company, but they are very different. Medicare Supplement plans work with Original Medicare Parts A & B while Medicare Advantage Part C plans replace Original Medicare Parts A & B.



True Or False?

If you join a Medicare Advantage (MA) Part C Plan you'll still have Medicare.

True. You'll still have Medicare, but you'll get most of your Part A and Part B coverage from your Medicare Advantage Part C Plan, not Original Medicare. You must use the card from your Medicare Advantage Plan to get your Medicare-covered services.



True
Or
False?

Many Medicare Advantage Part C plans have zero annual medical deductibles.



True

Many Medicare Advantage Part C plans have zero annual medical deductibles.

True. Many MA plans have zero annual medical deductible, unlike many high-deductible health plans offered by many employers.



True
Or
False?

Many Medicare Advantage (MA) Part C plans have zero monthly premiums.



True

Many Medicare Advantage (MA) Part C plans have zero monthly premiums.

True. Many MA plans have zero monthly premiums. Medicare pays MA plans over \$1,300 per month plus the beneficiary's Part B premium for as long as the beneficiary remains on the MA plan.



True
Or
False?

Medicare beneficiaries can switch Medicare Advantage (MA) Part C plans each year.



True

Medicare beneficiaries can switch Medicare Advantage (MA) Part C plans each year.

True. Medicare beneficiaries can switch MA plans each year during the Medicare Open Enrollment Period (OEP) beginning October 15th thru December 7th for a new MA plan starting the next calendar year.



True
Or
False?

Medicare beneficiaries can switch Medicare Part D Prescription Drug plans each year.



True

Medicare beneficiaries can switch Medicare Part D Prescription Drug plans each year.

True. Medicare beneficiaries can switch Medicare Part D plans each year during the Medicare Open Enrollment Period (OEP) beginning October 15th thru December 7th for a new Part D plan starting next calendar year.



True
Or
False?

Most Medicare Advantage (MA) Part C plans include prescription drug coverage.



True

Most Medicare Advantage (MA) Part C plans include prescription drug coverage.

True. Most Medicare Advantage (MA) Part C plans include Medicare Part D Prescription Drug coverage.



True Or False?

Many Medicare Advantage (MA) Part C plans offer extra benefits like dental, vision, hearing, and fitness memberships at no additional costs.



True

Many Medicare Advantage (MA) Part C plans offer extra benefits like dental, vision, hearing, and fitness memberships at no additional costs.

True. Many MA plans offer these extras plus more at no additional costs.



True
Or
False?

Medicare beneficiaries can continue to contribute into a Health Savings Account (HSA) while on Medicare.



False

Medicare beneficiaries can continue to contribute into a Health Savings Account (HSA) while on Medicare.

False. Contributions into an HSA ends once you start Medicare. The last month you can contribute is the month before Medicare starts. To determine how much you can contribute during a calendar year, divide the annual HSA amount by 12 then multiply by the number of months before Medicare starts.



True
Or
False?

Medicare assesses late enrollment penalties for not signing up on time.



True

Medicare assesses late enrollment penalties for not signing up on time.

True. Medicare assesses separate late enrollment penalties on Medicare Part A (Hospital Insurance), Part B (Medical Insurance), and D (Prescription Drugs). Each Medicare Part has separate financial penalties and definition of late enrollment. Penalties are for life.



True
Or
False?

An employee on Medicare (Medicare beneficiary) can have a group health plan and Medicare at the same time.



True

An employee on Medicare (Medicare beneficiary) can be on a group health plan and Medicare at the same time.

True. An Employee may choose to be on the group health plan and on Medicare at the same time. Medicare Secondary Payer rules determine who pays first (the individual, group health plan, or Medicare).



True
Or
False?

When an employee is covered by both Medicare and a large employer group health plan, claims are paid by the group health plan first.



True

When an employee is covered by both Medicare and a large employer group health plan, claims are paid by the group health plan first.

True. According to Medicare Secondary Payer rules, the large employer group health plan pays claims first then Medicare pays second, after the Medicare beneficiary pays their deductibles, copays, and coinsurance.



True
Or
False?

Medicare eligible employees working for companies with less than 20 employees (small employers) should enroll in Medicare.



True

Medicare eligible employees working for companies with less than 20 employees (small employers) should enroll in Medicare.

True. According to Medicare Secondary Payor Rules for small groups, Medicare pays first then the small group health plan pays second. Verify that your group health plan will pay first if a Medicare eligible employee is not enrolled in Medicare.



True
Or
False?

Medicare defines a small employer as having less than 20 FT/PT employees on each working day during 20 or more calendar weeks.



True

Medicare defines a small employer as having less than 20 FT/PT employees on each working day during 20 or more calendar weeks.

True. According to Medicare Secondary Payer rules, a small employer is defined as having less than 20 FT/PT employees on each working day in 20 or more calendar weeks in the current or preceding calendar year. Weeks do not need to be consecutive to apply.



True
Or
False?

Original Medicare Parts A & Part B have provider networks like a group health plan.



False

Original Medicare Parts A & Part B have provider networks like a group health plan.

False. Original (or Traditional) Medicare Part A (Hospital Insurance) and Part B (Medical Insurance) have no provider networks. Medicare beneficiaries can go to any provider or hospital that accepts Medicare nationwide.



True
Or
False?

When an employee is on Original Medicare (Part A & Part B) all healthcare services are free of charge.



False

When an employee is on Original Medicare (Part A & Part B) all healthcare services are free of charge.

False. Medicare Parts A (Hospital Insurance) and B (Medical Insurance) have deductibles, copays, and coinsurance that Medicare beneficiaries are responsible for paying out-of-pocket. These costs change every calendar year.



True
Or
False?

Medicare Part D Notices of (creditable/non-creditable) Coverage are only required to be issued to employees once per year before October 15.



False

Medicare Part D Notices of (creditable/non-creditable) Coverage are only required to be issued to employees once per year before October 15.

False. Employers are required to give notice to all Medicare eligible individuals including employees, their spouses, and dependents when they join or terminate a group health plan, and by Oct 15 of each year.



True
Or
False?

An employer can reimburse an employee's Medicare premiums.



True

An employer can reimburse an employee's Medicare premiums.

True. An Individual Coverage HRA that is integrated with Medicare may reimburse premiums for Medicare Parts A, B, C, or D, as well as premiums for Medigap policies.



True
Or
False?

An employer, health insurance provider, or other entity may request or require you to enroll in Part B.



False

An employer, health insurance provider, or other entity may request or require you to enroll in Part B.

False. Medicare rules specifically prohibit employers from providing anything that encourages an employee to enroll in Medicare. Neither an employer nor an insurance carrier can consider an employee's Medicare status based on their age or disability. Employers are prohibited from denying or terminating employer-sponsored coverage simply on the assumption that an employee has or can enroll in Medicare.



True
Or
False?

An employer can offer incentives to Medicare eligible employees to switch to Medicare to help reduce the group health plan renewal.



False

An employer can offer incentives to Medicare eligible employees to switch to Medicare to help reduce the group health plan renewal.

False. Medicare rules specifically prohibit employers from providing anything that encourages an employee to enroll in Medicare. Neither an employer nor an insurance carrier can consider an employee's Medicare status based on their age or disability. Employers are prohibited from denying or terminating employer-sponsored coverage simply on the assumption that an employee has or can enroll in Medicare.



True
Or
False?

An employer can offer a different benefit package to employees age 65 and older.



False

An employer can offer a different benefit package to employees age 65 and older.

False. Employers cannot impose limitations on those who are eligible for Medicare by providing less comprehensive coverage, by excluding certain benefits, reducing benefits, imposing higher deductibles or co-insurance or by charging more for the coverage provided. As with all other rules regarding benefit enrolment, similarly, situated employees (those of the same level within the organization) must be offered equivalent benefits and benefit election opportunities



True
Or
False?

An employer can entice Medicare eligible employees to switch to Medicare to help reduce the group health plan renewal.



False

An employer can entice Medicare eligible employees to switch to Medicare to help reduce the group health plan renewal.

False. Any entity that makes a prohibited offer or incentive to an employee, whether oral or in writing, is subject to a civil money penalty of up to \$9,472 per offer.



True
Or
False?

An employer can establish a separate class for employees age 65 or older.



False

An employer can establish a separate class for employees age 65 or older.

False. Medicare-eligible employees are not considered a separate class of employee and therefore must be included in that similarly situated group based solely on their employment status.



True
Or
False?

An employer can still offer other ancillary benefits not covered by Original Medicare to employees who are on Medicare.



True

An employer can still offer other ancillary benefits not covered by Original Medicare to employees who are on Medicare.

True. If an employee chooses to opt out of employer-sponsored coverage and enroll in Medicare, an employer can still offer vision or dental coverage, since these services are not offered by Original (Traditional) Medicare Part A or Part B.



True
Or
False?

Employers may face financial penalties for offering supplemental benefits for Medicare-covered services.



True

Employers may face financial penalties for offering supplemental benefits for Medicare-covered services.

True. An employer cannot offer a plan that provides supplemental benefits for Medicare-covered services. In fact, even offering this type of coverage under the law is a violation and each offer, whether verbal or in writing, is considered a violation of that law. Each offer of supplemental coverage can lead to a penalty of \$5,000 per violation



True
Or
False?

Medicare covers the cost of
Long-Term Care.



False

Medicare covers the cost of Long-Term Care.

False. Medicare (including Medicare Supplements) generally do not pay for long term care services or custodial care services. Medicaid pays for the majority of long-term (custodial) care services once an individual qualifies based on financial need.



True Or False?

Using an Independent insurance agent certified in Medicare plans is more expensive than purchasing a Medicare plan on your own.



False

Using an Independent insurance agent certified in Medicare plans is more expensive than purchasing a Medicare plan on your own.

False. The price of Medicare plans is the same regardless of if you use an agent or sign up through a website or call center. An agent can help find a plan that fits your specific needs at no additional cost. But more importantly, Independent agents help their clients for life.



Congratulations for taking the Medicare 101 for Employers Quiz!

This completes the Medicare 101 for Employers Quiz.

Just keep in mind, wrong answers may result in the employees' opportunity to enroll in health benefits that they've earned.

That's why it's important to use a state-licensed insurance agent certified in Medicare plans to help your Medicare eligible employees compare the group health plan with their Medicare options to help make the right choice to fit their healthcare needs.

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