



CALIFORNIA HEALTH ADVOCATES

Medicare and People with End Stage Renal Disease (ESRD)

If you have end stage renal disease (ESRD) or permanent kidney failure, you may be able to get Medicare solely on the basis of having ESRD even if you are younger than 65. Applying for Medicare based solely on ESRD is voluntary. Another option is buying a health plan from Covered California.

This fact sheet focuses on people who are eligible for Medicare solely because they have ESRD and who are not also eligible for Medicare due to another disability or age. It reviews Medicare eligibility due to ESRD, when coverage begins and ends, how Medicare coordinates with employer or union group health plans, what options you have for supplementing Medicare and information on enrolling in a Medicare Advantage plan.

Medicare Eligibility with ESRD

You may enroll in Medicare Part A at any age if your kidneys fail and you need regular dialysis or have a kidney transplant, and you have met one of the following conditions:

- You have worked long enough to receive benefits under Social Security, the Railroad Retirement Board, or as a Medicare-qualified government employee; or
- You are the spouse or dependent child of a person who has worked long enough to receive benefits under Social Security, the Railroad Retirement Board, or as a Medicare-qualified government employee.

Note: Please call Social Security at 1-800-772-1213 or visit their website ([ssa.gov](https://www.ssa.gov)) for more information about work credits needed to be eligible for Medicare based on ESRD. If you have enough work credits, you may enroll in Medicare with Social Security. If you do not have enough work credits through your own or a

spouse's or parent's employment, you are not eligible for Medicare Part A.

If eligible for Part A, you are also eligible for Part B and Part D. You need to enroll in both Medicare Part A and B to cover chronic dialysis methods and some kidney transplant services, including immunosuppressive drugs. If you enroll in a Medicare Part D plan, the plan may cover your other prescribed drugs.

Note: If you are going to get Medicare due to ESRD, you can obtain Part A and B at the same time. If you get Part A only, your chance to enroll in Part B later may be limited to only the General Enrollment Period (January 1 - March 31) each year. This could jeopardize your timing for a transplant or cause other problems in the future for dialysis coverage. If you get Part A only, you are eligible to enroll in a Part D plan. You may delay enrolling in a Part D plan if you have "creditable" prescription drug coverage (see sections below on deferring Medicare enrollment.)

When Coverage Begins

If you have ESRD and need dialysis (also known as 'hemodialysis'), your Medicare coverage starts the first day after the 3rd full month of dialysis in a clinic. For example, if you started in-center dialysis in July, Medicare would start October 1st.

Medicare coverage can start sooner if you choose to do home/self-dialysis during the 3-month waiting period. For home/self-dialysis, your Medicare benefits begin on the first month of dialysis if:

- You take part in a training program through a Medicare-certified training clinic;

- Your physician certifies that you will finish home/self-dialysis training and will begin to self-dialyze.

Medicare coverage also starts sooner if you have a kidney transplant. Your Medicare benefits begin the month you are admitted to a Medicare-certified hospital for a kidney transplant, for evaluation or for health care services needed prior to your transplant if the transplant takes place that same month or within the following 2 months.

Medicare coverage can also start 2 months before your transplant if your transplant is delayed more than 2 months after you are admitted to the hospital for that transplant, or for the evaluation and health care services needed before your transplant.

For example: Joe was admitted to the hospital on May 25th for some tests required before his kidney transplant. The transplant was scheduled for June 15th, but was delayed until September 15th. Joe's Medicare was backdated to July 1st, 2 months before the month he had his transplant.

Note: Medicare won't cover any services needed to prepare you for dialysis, such as surgery for a dialysis access (fistula, graft, catheter or peritoneal catheter) if those are done before Medicare starts.

When Coverage Ends, Resumes, or Continues

If you have Medicare only because of ESRD, your Medicare coverage will **end**:

- 12 months after you stop dialysis; or
- 36 months after you have a kidney transplant and no longer need dialysis.

Your Medicare coverage will **resume** if:

- You resume dialysis or get another kidney transplant after your ESRD Medicare ended. Your Medicare can start right away without any waiting period.

But your Medicare coverage will **continue** with no gaps if:

- You resume dialysis or you get a kidney transplant within 12 months after the month you stopped getting dialysis; or
- You start or resume dialysis or get another kidney transplant within 36 months after the month you have a kidney transplant.

Medicare and Union or Employer Group Health Plan (GHP) Coverage

If you have Medicare solely because of ESRD and also have health coverage through an employer or union GHP, the employer or union GHP will be your primary payer for a 30-month coordination period regardless of the number of employees or your employment status. As a secondary payer, Medicare will pay after your employer or union GHP pays from the date you are first eligible for Medicare until the coordination period ends.

Note: Make sure to tell your doctor or any other person who provides your medical care if you have employer or union GHP coverage. This will ensure that your services are billed correctly.

At the end of the 30-month coordination period, or if your group health plan benefits end earlier, Medicare will pay first for all Medicare-covered services. If you still have employer or union GHP coverage after the 30-month coordination period, it will pay secondary to Medicare, and may also pay for services not covered by Medicare. Check with your plan's benefits administrator.

Note: Medicare only pays 80% for dialysis and other outpatient or doctor procedures. Group health plans paying secondary to Medicare will generally pay the 20% not covered by Medicare.

If you lose ESRD Medicare and re-qualify for ESRD Medicare again later while you are covered through an employer or union GHP, you

will have a new 30-month coordination period. A new coordination period is applied each time you re-qualify for Medicare because of kidney failure. Medicare will pay second, assuming you are already enrolled in Medicare Parts A and B, for the 30-month coordination period while your GHP pays first.

Note: If you re-qualify for Medicare but don't have an employer or union GHP, Medicare will pay first right away.

If your Medicare already pays first when you develop kidney failure and you have a retiree plan that pays after Medicare, your Medicare will keep paying first and there will be no 30-month coordination of benefits period.

Questions to Consider in Deferring Medicare Enrollment

You may delay enrolling into Medicare Part A or B or both if you have union or employer GHP coverage. Yet, even if you delay enrollment, your 30-month coordination period starts the day you are eligible for Medicare. One reason for delaying enrollment in Part B is to delay paying the Part B monthly premium until Medicare is the primary payer. However, you need to fully understand all the benefits and risks of delaying enrollment.

Ask your GHP representative how the plan works with and without Medicare. If your plan pays 100% of all charges and there is no deductible or copays, you may not need Medicare as a secondary payer. In other cases, adding Medicare to your group health plan may give you some additional benefits and/or pick up costs imposed by your GHP. If you have Medicare, health care providers who accept Medicare assignment, meaning they accept the Medicare-approved amount for a given service as full payment, are limited in what they can charge you.

Some questions to consider:

- Does your GHP have a yearly deductible, copays or coinsurance costs? If so, what

are they? Would Medicare help cover any of your cost-sharing from the GHP?

- Is there a yearly limit on charges for kidney treatment or the number of dialysis sessions? Some policies may have caps on services you may need.
- What are your chances of getting a kidney transplant during this 30-month coordination period? If you have Part A coverage the month you have a transplant, you are eligible for Part B coverage for immunosuppressive drugs. In other words, if you chose not to enroll in Part A and have a transplant during the 30-month coordination period, you may never use Part B to cover immunosuppressive drugs. One way you protect this coverage is to file for ESRD Medicare Part A retroactively to cover the month of transplant. See the section below.

Cost of Deferring Medicare Enrollment

If you decide to defer Medicare because: 1) your union or employer group plan provides good coverage; 2) you verify you don't need Medicare to supplement that coverage; and 3) you are not likely to have a transplant during the 30-month coordination period, be aware there could be expensive consequences.

- **If you only enroll in Medicare Part A and defer enrolling in Part B, you may be charged a premium penalty when you enroll in Part B later.** The penalty is 10% of the current Part B premium for each 12-month period you had Part A but did not enroll in Part B. For example, if you enrolled in Part A and delayed Part B for 30 months, your premium would be 20% higher than your premium would have been if you had enrolled in both Medicare Part A and Part B together.

Note: You will pay this higher premium until you qualify for Medicare due to age.

If you delay enrolling in Medicare Part B, you

can enroll in Part B only during the General Enrollment Period (GEP) from January 1 to March 31 each year with your Part B taking effect July 1 of that year. If you plan to delay Part B, make sure you have Part B coverage by the time your 30-month coordination period ends.

- **If you initially delay enrolling in BOTH Parts A and B, you can sign up for both parts of Medicare before** the 30-month coordination period ends. You are not restricted to signing up only during the GEP. You will not be charged a premium penalty as long as you are covered by the GHP.

If you choose to delay enrollment, make sure you contact Social Security to enroll in Medicare Parts A and B a few months before your coordination period ends to avoid any gaps in coverage. Tell Social Security that you want your Medicare coverage to begin the first month after the coordination period ends, when Medicare will become your primary coverage. Apply early to give Social Security time to process your application.

Note: If you're eligible, you can file for ESRD Medicare Parts A and B retroactively up to 12 months. Therefore, if you do not have Part A when you have your transplant (as mentioned above) you can sign up for Part A within 12 months of your transplant. Part A will be retroactive the month you had your transplant. You will then be eligible for immunosuppressive drug coverage any time you have Medicare Part B.

- **In addition, you can delay enrolling into Medicare Part D without paying a penalty** if your current prescription drug coverage is "creditable." "Creditable coverage" means your drug coverage is at least as good as the standard Medicare Part D plan. For more information on Part D enrollment, see our fact sheet "Medicare Enrollment Periods."

Note: In some cases, enrolling in a Part D plan while you have a GHP can cause your GHP benefits to be terminated. Check with your plan administrator before you enroll in Part D to ensure that you do not risk losing your group health plan coverage.

Coverage of immunosuppressive drugs

Medicare Part B covers immunosuppressive drugs for **36 months following a successful transplant** if Medicare Part A was in effect the month of your transplant (see the section above) and either:

- Medicare paid for the transplant; or
- Medicare did not pay for the transplant because Medicare was a secondary payer to your employer or union GHP; and
- You had your transplant in a Medicare-approved transplant facility.

Medicare coverage of immunosuppressive drugs will continue as a lifetime benefit if:

- You have Medicare because you are 65 years old or older; or
- You are entitled to Medicare because of a separate disability not related to ESRD.

If Your Group Health Benefits End

If you delay enrolling in Medicare Parts A, B and D and your group health plan benefits end during this coordination period, you can enroll in all 3 parts of Medicare at that time. Contact Social Security as soon as possible to sign up for Medicare Parts A and B (more on enrolling in Part D below).

If you already have Part A when your group health benefits end but not Part B, you may have a gap in coverage since you can only enroll in Part B during the General Enrollment Period (GEP). Those who have Medicare due to age or disability (but not solely due to ESRD) can enroll in Part B any time during their 8-month "special enrollment period" (SEP). However, if you have ESRD Medicare, you do

NOT have this “special enrollment period” (SEP) to enroll in Part B if your union or employer GHP ends. You will have to wait until the next GEP to enroll in Part B (which is January 1 through March 31 of each year) and you may have to pay a premium penalty if you've been enrolled only in Part A for 12 months or more. You may have a gap between when your union or employer GHP ends and Medicare Part B begins, which could mean you have no coverage for any Part B services, like dialysis, doctors visits, or immunosuppressive drugs. This is a risk you take when you enroll in Part A and delay enrolling in Part B.

If you do not have creditable prescription drug coverage, you will need to sign up for a Medicare Part D plan. If you have creditable prescription drug coverage, you should sign up within 63 days of when your other coverage ends. Otherwise, you will have to wait until the next Annual Election Period (October 15 - December 7) and you may have to pay a premium penalty of 1% per month for those months you did not have drug coverage as good as Part D.

Note: You may be eligible for the Part D low income subsidy (LIS), also called “Extra Help,” if you have limited income and assets. If you qualify for Part D Extra Help, you will not have to pay a Part D premium penalty. Contact your local Health Insurance Counseling and Advocacy Program for assistance to find out if you qualify. See contact info below or on the last page of the fact sheet.

Supplementing Your Medicare Coverage

Medigap Plans

Medigap plans are private insurance policies designed to cover cost-sharing in Original Medicare. They pay some or all of the costs not covered by Original Medicare.

If you are younger than 65 and qualify for Medicare solely because you have ESRD, federal law does not give you a guaranteed

issue to purchase Medigap insurance. You can still apply for a Medigap policy, but unless state regulations require companies to cover those with ESRD (which they do NOT in California), most insurance companies won't sell you a Medigap policy if you have ESRD, even if you have Medicare due to a disability other than ESRD.

Once you turn 65, however, even if you have ESRD, you will have a 6-month open enrollment period to buy any Medigap policy without a health screening. The 6-month period starts the month you turn 65. In addition, all other open enrollment and guaranteed issue rights for Medigaps apply to you once you are 65, even if you still have ESRD. See our fact sheet “Your Rights to Purchase a Medigap Plan” or our website section on Medigap at cahealthadvocates.org.

Medicare Advantage (MA) Plans

A Medicare Advantage (MA) plan is an alternative to Original fee-for-service Medicare. Medicare contracts with MA plans as part of the Medicare program and pays private plans to manage beneficiaries' health care. See our fact sheet “Medicare Advantage: an Overview” or our website section on Medicare Advantage for more information.

As of 2021 if you have ESRD and are on dialysis, you can now enroll in an MA plan.

MA Plans Specifically for People with ESRD

In some counties, you may also have the option of joining an MA plan that is specifically designed for beneficiaries with ESRD. This type of MA plan is a Special Needs Plans for chronic conditions (C-SNPs). In 2021, at least two companies offer C-SNPs specifically for people with ESRD:

Anthem MediBlue ESRD Care (anthem.com) operates in Los Angeles, Madera, Merced, Monterey, Orange, San Bernardino, San Diego, San Joaquin, San Luis Obispo, Stanislaus, Tulare and Ventura counties; VillageHealth

(villagehealthca.com) in Los Angeles Riverside and San Bernardino counties.

Special Needs Plans must include prescription drug coverage. Some C-SNPs cover only certain zip codes in a county. Please contact the plan to find out if your zip code is in the plan's service area.

C-SNPs for ESRD beneficiaries cover what Original Medicare covers and are designed with a disease management focus. An interdisciplinary team of a nephrologist, renal nurse, renal social worker, and pharmacist coordinate the patient's medical and psychosocial care. You should carefully compare the services an ESRD-specific plan offers and your out-of-pocket costs in Original fee-for-service Medicare. Medigap plans do not work with MA plans to pay your out-of-pocket costs.

A Medicare beneficiary diagnosed with ESRD has a Special Election Period (SEP) to enroll into an ESRD-specific C-SNP any time during the year. The effective date of your coverage will be the first of the month after the month you enroll. Example: if you enroll on May 15, you will be covered by the ESRD-specific C-SNP effective June 1. You can only use the SEP once.

You can voluntarily disenroll from an MA plan during certain periods. Two of those periods are the:

- Annual Election Period from October 15 through December 7, and
- Medicare Advantage Open Enrollment Period from January 1 through March 31.

However, if you have both Medicare and Medi-Cal, or you have the Part D low-income subsidy (LIS), you can enroll in or change Medicare Advantage plans or Part D plans once a quarter for the first 3 quarters of the year. Your coverage will be effective the first of the following month. The 4th quarter is during the AEP mentioned above, so you can make a change between Oct 15 – Dec 7 with coverage effective Jan 1. See

our fact sheets on Medi-Cal and the Part D Extra Help.

Other Ways of Supplementing Your Medicare Coverage

Medi-Cal and Medicare Savings Programs (MSPs)

If you have low income and few assets, you may qualify for Medi-Cal (California's Medicaid program) or one of the Medicare Savings Programs (MSPs). These programs can help cover the costs of Medicare's premiums, deductibles and coinsurance. You can qualify for Medi-Cal if your assets are no more than \$2,000 for an individual or \$3,000 for a couple. If your assets are higher, you may qualify for a Medicare Savings Program (MSP): <\$7,970 for an individual or <\$11,960 for a couple. For more information see our fact sheets on Medi-Cal and the MSPs.

Veterans' Benefits and TRICARE

If you are a veteran, the U.S. Department of Veterans Affairs can help pay for dialysis and a transplant. To apply and for more information, call the U.S. Department of Veterans Affairs at 1-800-827-1000 or visit their website at va.gov/health-care/eligibility/. If you or your spouse is retired from the military, call the Department of Defense at 1-800-538-9552 for more information on their TRICARE for Life program. Also see our fact sheets on Veterans' benefits and TRICARE.

California's Major Risk Medical Insurance Program (MRMIP)

MRMIP is a state-run program for Californians who are unable to obtain coverage in the individual health insurance market because of a pre-existing condition. If you have Medicare *solely* because of ESRD, you can apply for this program to supplement your Medicare. Monthly premiums for this coverage are usually high. For more information, call 1-800-289-6574 or see dhcs.ca.gov/services/Pages/MajorRiskMedicalInsuranceProgram.aspx.

ESRD and Disability Benefits

If you are unable to work because of ESRD or if you have other disabilities, and you or a family member has enough work credits, you can file for Social Security Disability Insurance (SSDI). If you qualify for SSDI, you will be eligible for Medicare due to disability and your Medicare benefits start after you have received SSDI checks for 24 months. As long as Social Security determines that you continue to have a disability, the Medicare benefits you receive due to disability will continue, even if you have a successful transplant and lose Medicare based solely on your ESRD eligibility.

If, after receiving disability benefits, you'd like to try working again, there are ways to keep your cash benefits and Medicare while testing your ability to work. See the Social Security website for more info: ssa.gov/pubs/10029.html#part11.

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This fact sheet contains general information and should not be relied upon to make individual decisions. If you would like to discuss your specific situation, call the Health Insurance Counseling and Advocacy Program (HICAP). HICAP provides free and objective information and counseling on Medicare and can help you understand your specific rights and health care options. You can call **1-800-434-0222** to make an appointment at the HICAP office nearest you.

Note: Online access to all 35+ CHA fact sheets on Medicare and related topics is available for an annual subscription. See cahealthadvocates.org/fact-sheets/.