

Medicare Primary vs. Secondary

Understanding Who Pays First

Key Concept: Primary insurance generally pays first. Secondary insurance may help pay eligible remaining costs after the primary plan processes the claim.

Situation	Medicare Pays	Other Coverage Pays	Key Notes
Small Group (<20 employees)	Primary	Secondary	Usually important to enroll in Part B timely to avoid coverage gaps.
Large Group (20+ employees)	Secondary	Primary	Active employees may be able to delay Part B without penalty.
Small Group + Med Supp	Primary	Employer plan secondary	Med Supp may work well because Medicare is primary.
Large Group + Med Supp	Secondary	Employer plan primary	Med Supp may provide limited value while Medicare remains secondary.
Retiree Coverage	Primary	Secondary	Retiree coverage rarely replaces the need for Part B.
COBRA / Cal-COBRA	Primary	Secondary	COBRA usually does not protect against Part B penalties.
Original Medicare + Med Supp	Primary	Med Supp secondary	Med Supp supplements Medicare, not employer coverage.
MAPD Plans	MAPD administers benefits	N/A	MAPD generally replaces Original Medicare administration.

IMPORTANT WARNING

Many Medicare coordination mistakes occur because beneficiaries assume employer coverage, retiree coverage, or COBRA automatically replaces Medicare Part B. In some situations, delaying Part B enrollment can lead to denied claims, coverage gaps, or permanent late enrollment penalties.

Common Misconceptions & Key Takeaways

Common Misconceptions (and the Reality)

- “My employer plan always pays first.”
Not necessarily. Employer size often determines coordination.
- “COBRA lets me safely delay Part B.”
Usually false. COBRA is generally secondary to Medicare.
- “Med Supp replaces Medicare.”
No. Med Supp supplements Original Medicare after Medicare pays first.
- “MAPD plans are secondary insurance.”
No. MAPD plans generally replace Original Medicare administration.
- “If I’m still working, I never need Part B.”
Depends on employer size and coverage structure.
- “Adding a Med Supp changes Medicare coordination rules.”
No. A Med Supp does not change whether Medicare is primary or secondary.

MOST IMPORTANT RULE

Medicare coordination depends heavily on employer size, active employment status, and the type of coverage involved.

Getting these rules wrong can result in denied claims, uncovered medical bills, and permanent late enrollment penalties.

Every Medicare coordination situation is unique. Beneficiaries should always confirm how their specific coverage coordinates with Medicare before delaying Part B or making coverage changes.

Benefits, provider coordination rules, and eligibility situations may vary. Information intended for educational purposes only.

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