

Small Business Health Options Program (SHOP) insurance plans are job-based plans. Businesses with fewer than 50 employees can search for and buy SHOP plans for their employees using federal- or state-run forums (referred to as Marketplaces or Exchanges).

SHOP plans follow the same rules as other insurance based on current work. Your plan is primary or secondary depending on: the size of your employer and whether your Medicare eligibility is based on age, disability, or End-Stage Renal Disease (ESRD).

If you are eligible for Medicare:

- Due to age and your employer has:
 - 20 or more employees, your SHOP plan pays primary
 - Fewer than 20 employees, your SHOP plan pays secondary
- Due to disability, your SHOP plan will always pay secondary

Making Medicare enrollment decisions

If your SHOP plan is primary, you can choose to delay Medicare enrollment. Be sure to compare your plan's costs and coverage to Medicare's and make the decision that is best for you.

If your SHOP plan is secondary, you should enroll in Medicare because your SHOP plan may pay little to nothing for your care.

In either case, you have a Special Enrollment Period (SEP) to enroll in Part B.

SHOP plans may also offer creditable drug coverage. Creditable drug coverage is, on average, as good as or better than the basic Part D benefit. If your SHOP plan drug coverage is creditable, you can choose to delay Part D enrollment without penalty. If you decide to delay taking Part D, keep a record of your insurance until you enroll in Medicare. You may need this documentation in order to sign up for Part D later.

You should talk to your employer to see whether you need Medicare in addition to your SHOP coverage. After speaking to your employer, confirm what you have learned with the Social Security Administration (800-772-1213). Get all answers in writing.

Terms to know

Affordable Care Act (ACA): Signed on March 23, 2010, the ACA works to expand health coverage to eligible Americans, control health care costs, and improve the health care system. It also created state marketplaces where people can go to buy health insurance.

Marketplace (also known as an Exchange): Forum established by the ACA where you can shop for health coverage. Generally, people eligible for Medicare should not buy Marketplace health insurance.

Primary payer: Pays first for your medical bills

Secondary payer: Pays after your primary insurance. If you do not have primary insurance, your secondary insurance may make little or no payment for your health care costs.

Creditable drug coverage: Coverage that is, on average, as good as or better than the basic Medicare Part D benefit

Special Enrollment Period (SEP): Periods of time outside normal enrollment periods where you can enroll in health insurance. They are typically triggered by specific circumstances.