

STATE AND FEDERAL LAWS AFFECTING COVERAGE

Legislation for Disabled Individuals (OBRA)

The Omnibus Budget Reconciliation Act of 1986 (OBRA) states that employees, spouses and dependents who are under age 65 and eligible for Medicare due to disability, must elect whether they desire their group medical coverage or Medicare to be their primary health coverage.

Medicare benefits are secondary for health services provided to a disabled Medicare beneficiary, under age 65, who has health coverage through a "large group health plan" by reason of their employment or the employment of a family member. A "large group health plan" is generally defined as a plan that covers employees of at least one employer of 100 or more employees.

Working Aged Legislation

(Tax Equity and Fiscal Responsibility Act of 1982 and related amendments)

This legislation requires that affected employers provide their active employees and spouses of active employees age 65 or older the opportunity to elect as primary coverage either the employer group health benefit plan or Medicare. Medicare benefits are secondary to benefits available under the employer group health plan for active employees and spouses of active employees age 65 or older.

Please refer to the Blue Cross Blue Shield booklet for more information regarding laws affecting health coverage.