

MEDICARE AND FEDERAL RETIREE INSURANCE

Non-Military Federal Retirees (FEHBP):

If you have retiree health insurance from the Federal Employee Health Benefits Program (FEHBP) and Medicare, Medicare pays first. Your FEHBP coverage picks up the difference, and in some cases, pays for services not covered by Medicare.

Even if you turn down Medicare, your federal insurance will continue to cover you in the same way it did while you were working. Because of this, many people with FEHBP choose not to take Medicare when they first become eligible for Medicare.

However, you should evaluate your benefits before deciding to turn down Part B. You should first figure out whether paying for both types of coverage will be useful in offsetting your health care costs.

Some things to consider:

- If you are enrolled in a health maintenance organization (HMO) under FEHBP, you may find that the HMO provides such comprehensive coverage that you do not need to enroll in Part B. You should evaluate your benefits before making a decision not to take Part B. Be aware however, that in an HMO, you may be limited in which doctors, hospitals and pharmacies you will be covered to go see. You will generally pay more to see out-of-network doctors. Having Part B through Original Medicare could increase your access to providers; most doctors and hospitals in the country take Original Medicare.
- If you are enrolled in a fee-for-service plan under FEHBP, you may find it better to take Medicare because your plan waives most Medicare deductibles, coinsurance and copayments (except for prescription drugs) for people who have Part B. As a result, FEHBP fee-for-service plan enrollees with both Parts A and B find that they have little or no out-of-pocket expenses.
- If you delay enrollment in Medicare, but eventually take Medicare Part B, you will pay a penalty on top of your premium. This penalty will increase the longer you wait to enroll in Medicare after you are first eligible.

Some advantages to enrolling in Part B:

- You have the advantage of coordination of benefits between Medicare and your FEHB plan, reducing your out-of-pocket costs.
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- If you want to join a Medicare Advantage plan, you must be enrolled in Medicare Part A and Part B.
- Your FEHB plan may waive its copayments, coinsurance, and deductibles for Part B services.
- Some services covered under Part B might not be covered or only partially covered by your plan. This includes orthopedic and prosthetic devices, durable medical equipment, home health care, and medical supplies. Check your FEHB plan brochure for details.
- If you are enrolled in an FEHB HMO and Medicare is the primary payer, you may go outside of the plan's network for Part B services and receive reimbursement by Medicare.
- FEHB plan contracts are renewed yearly, so your current plan's coverage, cost, or benefits may change next year. FEHB can also terminate their contract with the Office of Personnel Management.

*You are first eligible to enroll in Part B during your Initial Enrollment Period (IEP), which begins three months before you turn age 65 and ends three months after you turn age 65. (In some cases, such as if you have a disability, you may be eligible before age 65.)

- If you do not enroll in Part B during your IEP, you may only enroll during the General Enrollment Period, which is from January 1 through March 31 of each year.
- Part B coverage is effective July 1, of the year of enrollment.
- You may have to pay higher Part B premiums if you did not enroll when you were first eligible.

Military Retirees (TRICARE):

Certain military retirees and dependents are eligible for TRICARE for Life (TFL), which acts as a supplement to Medicare. With TFL, you are required to take Medicare if you are eligible for it. Medicare is the primary payer for Medicare-covered services and TFL usually pays any remaining expenses, including deductibles and coinsurance, up to the Medicare-approved amount.

TFL also offers a Senior Pharmacy Program, which allows members to obtain low-cost prescription medications from the National Mail Order Pharmacy (NMOP) and TFL network and non-network civilian pharmacies. There is no enrollment fee for this prescription drug program.

You are eligible for TFL if you are enrolled in Medicare Part A and Part B and you are:

- A military retiree who has served honorably for at least 20 years or are medically retired; OR
- A Medicare-eligible family member or widow/widower of a military federal employee; OR
- A former spouse of a military federal employee who was eligible for TRICARE before age 65.

If however, you, your spouse, widow or dependent children are enrolled in Medicare Part A based on disability or having kidney disease, but you declined Part B when you first became eligible for Medicare, you have the right to a one-time Special Enrollment Period (SEP) to enroll in Part B. You will not need to pay a penalty for late enrollment if they enroll in Part B during this SEP.



If you are not retired you may have another kind of TRICARE, which works differently with Medicare. Check with your benefits coordinator to see how it coordinates with Medicare.

Military and Non-Military Retirees:

If your work history makes you eligible for both TRICARE for Life and FEHBP, you can suspend your FEHBP enrollment (you have the right to re-enroll at a later date). That way you do not have to pay any FEHBP premiums and you will have Medicare supplemental coverage from TRICARE for Life, which is premium-free.

Note: If you have prescription drug coverage through TRICARE or FEHBP, your coverage is considered as good as or better than Medicare’s basic drug benefit (“creditable”). That means you can keep your current coverage and do not have to enroll in the Medicare drug benefit.

However, if you have low income, the Medicare drug benefit may be a good deal for you because you may qualify for Extra Help, the federal program that pays for some or most of the costs of Part D coverage. Compare your current drug coverage to the Medicare private drug plans available in your area to decide which option is best for you. If you are considering dropping your current drug coverage and enrolling in Part D, keep in mind that if your spouse or dependents are not eligible for Medicare and get drug coverage from your retiree benefits, they will not be able to get coverage from your Medicare plan.

FEHB and Medicare Primary Payer Chart

When Either You or Your Covered Spouse are Age 65 or over, Have Medicare and FEHB, and You are:	The Primary Payer is:
An active employee with federal government (including when you or a family member are eligible for Medicare solely because of a disability)	FEHB
An annuitant	Medicare
A reemployed annuitant with federal government	FEHB, if position not excluded from FEHB (ask your employing office)
A Federal judge who retired under title 28, U.S.C., or a Tax Court judge who retired under Section 7447 of title 26, U.S.C. (Or your covered spouse is this type of judge)	Medicare
Enrolled in Part B only, regardless of your employment status	Medicare, for Part B services

When Either You or Your Covered Spouse are Age 65 or over, Have Medicare and FEHB, and You are:	The Primary Payer is:
A former federal employee receiving Workers' Compensation and the Office of Workers' Compensation has determined that you are unable to return to duty	Medicare, except for claims related to the Workers' Compensation injury or illness
When You or a Covered Family Member Have Medicare Based on End Stage Renal Disease (ESRD) and FEHB, and:	The Primary Payer is:
Are within the first 30 months of eligibility to receive Part A benefits solely because of ESRD	FEHB
Have completed the 30-month ESRD coordination period and are still eligible for Medicare due to ESRD	Medicare
Become eligible for Medicare due to ESRD after Medicare became primary for you under another provision	Medicare
When You or a Covered Family Member have FEHB and:	The Primary Payer is:
Are eligible for Medicare based on disability	Medicare, if you are an annuitant. FEHB, if you are an active employee