

Medicare and the Federal Employees Health Benefits (FEHB) Program

Educational Seminar for Federal Employees and Retirees
2020

Session Topics

- Part I: Medicare Program Basics
- Part II: Enrolling in Medicare
- Part III: Should I Enroll in Medicare?
- Part IV: Coordination of Benefits
- Part V: Medicare and Other Resources

Part I—Medicare Program Basics

- What is Medicare?
- Parts of Medicare
- Medicare Part A and Part B benefits and costs

What is Medicare?

- Health insurance for 3 groups of people
 - 65 and older
 - Under 65 with certain disabilities—Amyotrophic Lateral Sclerosis (ALS)
 - Any age with End-Stage Renal Disease (ESRD)
- Centers for Medicare & Medicaid Services (CMS)
 - Administers the program
- Social Security (SSA)
 - Enrolls most individuals
- Railroad Retirement Board
 - Enrolls railroad retirees

The 4 Parts of Medicare



Part A Hospital
Insurance



Part B Medical
Insurance



Part C Medicare
Advantage Plans
(like HMOs and
PPOs). Includes
Part A, Part B,
and sometimes
Part D coverage



Part D Medicare
Prescription
Drug Coverage

Medicare Part A Coverage

Inpatient Hospital Stays	Semi-private room, meals, general nursing, drugs as part of your inpatient treatment, and other hospital services and supplies. Includes care in acute care hospitals, critical access hospitals, inpatient rehabilitation facilities, and long-term care hospitals. Includes inpatient care as part of a qualifying clinical research study and mental health care (lifetime 190-day limit).
Skilled Nursing Facility Care	Semi-private room, meals, skilled nursing and rehabilitation services, and other services and supplies.
Home Health Care Services	Can include part-time or intermittent skilled care, and physical therapy, speech-language pathology, a continuing need for occupational therapy, some home health aide services, medical social services, and medical supplies.
Hospice Care	For terminally ill and includes drugs, medical care, and support services from a Medicare-approved hospice.
Blood	In most cases, if you need blood as an inpatient, you won't have to pay for it or replace it.

Medicare Part B—Medical Insurance Coverage

- Part B—Medical Insurance helps cover
 - Doctors' services
 - Outpatient medical and surgical services and supplies
 - Home Health Care Services
 - Clinical lab tests
 - Durable medical equipment
 - ▣ Diabetic testing supplies
 - Preventive services

Medicare Part B Coverage (continued)

Home Health Care Services

- Medically necessary part-time or intermittent skilled nursing care
- Physical therapy
- Speech-language pathology services
- Occupational therapy
- Part-time or intermittent home health aide services
- Medical social services
- Medical supplies
- Durable medical equipment
- Injectable osteoporosis drugs

NOTE: You pay nothing for covered services.

Medicare Part B Coverage (cont.)

Durable Medical Equipment

Items such as oxygen equipment and supplies, wheelchairs, walkers, and hospital beds for use in the home. Some items must be rented.

Medicare has a program called “competitive bidding.”

If you live in a competitive bidding area, you must use specific suppliers, or Medicare won’t pay for the item and you’ll likely pay full price.

You pay 20% of the Medicare-approved amount, and the Part B deductible applies.

Part B Covered Preventive Services

- "Welcome to Medicare" preventive visit
- Yearly "Wellness" visit
- Abdominal aortic aneurysm screening
- Alcohol misuse screening and counseling
- Bone mass measurement
- Breast cancer screening (mammogram)
- Cardiovascular disease (CVD) Risk Reduction Visit
- Cardiovascular disease screenings
- Cervical and vaginal cancer screening
 - Human Papillomavirus (HPV) Testing
- Colorectal cancer screenings
 - Screening fecal occult blood test
 - Screening flexible sigmoidoscopy
 - Screening colonoscopy
 - Screening barium enema
 - Multi-target stool DNA test

Part B Covered Preventive Services (continued)

- Depression screening
- Diabetes screenings
- Diabetes self-management training
- Flu shots (Vaccine)
- Glaucoma tests
- Hepatitis B shots (Vaccine)
- Hepatitis C screening test
- HIV screening
- Lung Cancer Screening
- Medical nutrition therapy services
- Obesity screening and counseling
- Pneumococcal shots (Vaccine)
- Prostate cancer screening
- Sexually-transmitted infection screening and counseling
- Smoking and tobacco-use cessation counseling

Part B also covers some additional medically necessary medical services and supplies. Costs vary. For more information, see CMS Product No. 10116 “Your Medicare Benefits” at [Medicare.gov/Pubs/pdf/10116-Your-Medicare-Benefits.pdf](https://www.medicare.gov/Pubs/pdf/10116-Your-Medicare-Benefits.pdf).

Monthly Part B Standard Premium—Income-Related Medicare Adjustment Amount for 2018

Chart is based on your yearly income *in 2018* (for what you pay in 2020)

File Individual Tax Return	File Joint Tax Return	File Married & Separate Tax Return	In 2018 You Pay
\$85,000 or less	\$170,000 or less	\$85,000 or less	\$134.00
\$85,000–\$107,000	\$170,000–\$214,000	Not applicable	\$187.50
\$107,000–\$133,500	\$214,000–\$267,000	Not applicable	\$267.90
\$133,500–\$160,000	\$267,000–\$320,000	Not applicable	\$348.30
Above \$160,000	Above \$320,000	Above \$85,000	\$428.60

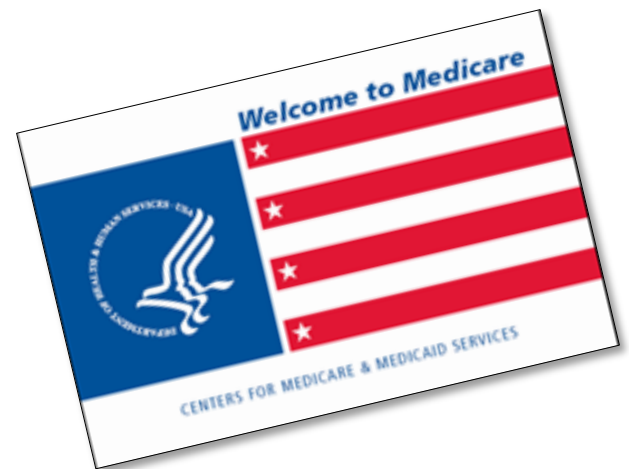
NOTE: You may pay more if you have a Part B late enrollment penalty.

Part II—Enrolling in Medicare

- Automatic enrollment
- Medicare enrollment periods

Automatic Enrollment—Part A and Part B

- Automatic for those receiving
 - Social Security benefits
 - Railroad Retirement Board benefits
- Initial Enrollment Package
 - Mailed 3 months before
 - Age 65
 - 25th month of disability benefits
 - Includes your Medicare card



If not Automatically Enrolled, When Can I Enroll in Part B?

Enrollment Period	When
Initial Enrollment Period (IEP)	7-month period surrounding your birthday month
General Enrollment Period (GEP)	January 1–March 31 each year. Effective July 1 (<i>10% penalty for every 12-month period eligible but didn't enroll</i>)
Special Enrollment Period (SEP)	8-month period beginning the month after you retire or lose employer-based coverage, whichever comes first

Part III—Who Should Consider Enrolling/Delaying Enrollment in Medicare?

- Medicare Part A or Part B, or both?
- Medicare Advantage and FEHB
- Medicare Part D and FEHB drug coverage
- Medicare, FEHB, and TRICARE/TRICARE for Life

Who Should Consider Enrolling in Medicare Part A?

- Anyone working or retired and age 65 or above
- Premium free for most people
- Automatic enrollment if receiving Social Security or Railroad retirement benefits
 - Starts the first day of the month you turn 65

Who Should Consider Delaying Enrollment in Medicare Part A?

- Consider delaying Part A if enrolled in a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA) and would like to keep it
 - You can't contribute to your HSA once your Medicare coverage begins
 - If you don't stop HSA contributions at least **six months** before Medicare enrollment, you may incur a tax penalty
 - If you'd like to continue contributing to your HSA, you shouldn't apply for Medicare, Social Security, or Railroad Retirement Board (RRB) benefits
 - If ineligible for an HSA can convert to Health Reimbursement Arrangement (HRA)

Who Should Consider Enrolling in Medicare Part B?

- If you're 65, still working, and have FEHB
 - It may be to your advantage to delay Part B (this includes spouse covered under FEHB)
 - FEHB remains primary payer
 - Spouse age 65 remains covered under FEHB as primary payer
 - Apply for Part B upon retirement (enroll during 8-month Special Enrollment Period, penalty waived)
 - Get Form CMS-L564 (Request for Employment Information) and employing office completes it
 - Available at [CMS.gov/Medicare/CMS-Forms/CMS-Forms/CMS-Forms-Items/CMS009718.html](https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/CMS-Forms-Items/CMS009718.html)

Who Should Consider Enrolling in Medicare Part B? (continued)

- If you're retired and have FEHB
 - Medicare Part B may be a good choice
 - Medicare Part B and FEHB plans may combine to provide almost complete coverage
 - FEHB plans continue to pay primary for benefits like prescription drugs

Who Should Consider Enrolling in Medicare Part B? (continued)

- Consider Part B as it:
 - Pays for costs involved with seeing providers outside of the FEHB plan's network
 - Is required for Medicare Advantage and TRICARE For Life

Medicare Part C—Medicare Advantage (MA) Plans Quick Facts

- Another way to get Medicare coverage
- Also called Medicare Part C
- Health plan options approved by Medicare
- Run by private companies
- May have to use network doctors or hospitals
- Some FEHB plans offer Medicare Advantage Plans
- Can suspend FEHB if enrolled in a Medicare Advantage (MA) Plan
 - You may reenroll in FEHB if you later lose or cancel your MA Plan coverage
 - You must wait until the next FEHB Open Season to reenroll in FEHB, unless you involuntarily lose your MA coverage
 - You may reenroll from 31 days before to 60 days after you lose the Medicare Advantage Plan coverage, and your reenrollment in FEHB will be effective the day after the MA Plan coverage ends

Suspending FEHB to Enroll in Medicare Advantage

- You (or your spouse) can suspend your FEHB coverage to enroll in a Medicare Advantage Plan
 - You won't have to pay your FEHB premium
 - OPM doesn't contribute to your Medicare Advantage Plan premium
 - If you later want to re-enroll in the FEHB program, generally you may do so only at the next Open Season unless you involuntarily lose coverage or move out of the Medicare Advantage Plan's service area
- Contact your retirement office
 - Provide documentation to suspend FEHB coverage to enroll in a Medicare Advantage Plan
- Suspension of FEHB is effective the day before the Medicare Advantage Plan coverage begins

Part D—Medicare Prescription Drug Coverage Quick Facts

- Available to all people with Medicare
- Provided through
 - Medicare Prescription Drug Plans (PDPs)
 - Medicare Advantage Prescription Drug Plans (MA-PDs)
 - Some other Medicare plans
- Higher premium for some who wait to enroll
 - After first eligible without creditable drug coverage
 - FEHB is creditable coverage
 - Additional 1% of the Part D base-beneficiary premium
 - For each month you could have had Part D or creditable coverage but didn't
 - Lifetime penalty

Who Should Consider Enrolling in Medicare Part D?

- Retirees with limited income and resources
 - May consider enrolling in Medicare Part D as they'll get financial assistance
 - Resources must be limited to \$14,100 for an individual or \$28,150 for a married couple living together
 - Annual income must be limited to \$18,090 for an individual or \$24,360 for a married couple living together
- If individual has FEHB
 - Won't likely benefit from enrolling in Medicare Part D
 - May enroll in Part D later without penalty

What if I Have TRICARE?

- If retired from the military, you must enroll in Part A and Part B to keep TRICARE
- If active-duty member, you don't need to have Part B to keep TRICARE
- If you have TRICARE, you don't need to join a Medicare Prescription Drug Plan
 - If you do, your Medicare drug plan pays first, and TRICARE pays second

Part IV—Coordination of Benefits

- Who pays first?

Medicare & FEHB Primary Payer Chart

Member or spouse has Medicare and FEHB	The Primary Payer is
Has FEHB as an active employee or spouse	FEHB
Has FEHB as a retired annuitant or spouse	Medicare
Is receiving Workers' Compensation	Workers' Compensation for injury-related services, Medicare for other services

Reemployed Annuitants

Reemployed Annuitant	Primary
Employed in a position that conveys FEHB eligibility	FEHB
Employed in a position that does NOT convey FEHB eligibility	Medicare

Key Points to Remember if you have FEHB

- Medicare Part A not required but is recommended if still working and have FEHB
- Contact your health plan when you turn 65 (for coordination purposes)
- Can delay Medicare Part B (with no penalty) if still employed
- Medigap policy not needed
- Medicare Part D not needed

Part V—Medicare Resources

- Centers for Medicare & Medicaid Services (CMS), call 1-800-MEDICARE (1-800-633-4227)
 - TTY: 1-877-486-2048
- CMS.gov
 - CMS publications—[CMS.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/MLN-Publications.html](https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/MLN-Publications.html)
- [Medicare.gov](https://www.Medicare.gov)
 - Medicare Publications—[Medicare.gov/publications](https://www.Medicare.gov/publications)

Medicare Resources (continued)

- Benefits Coordination & Recovery Center
 - Call 1-855-798-2627
 - TTY: 1-855-797-2627
 - [cms.gov/Medicare/Coordination-of-Benefits-and-Recovery](https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery)
- Medicare Secondary Payer Recovery Contractor
 - Call 1-866-677-7220
 - [cms.gov/Medicare/Coordination-of-Benefits-and-Recovery](https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery)

Other Resources

- Social Security Administration (SSA) at 1-800-772-1213
 - TTY: 1-800-325-0778
- Federal Employees Health Benefits (FEHB) at opm.gov/healthcare-insurance/healthcare/
- State Health Insurance Assistance Programs (SHIPs)
 - Funded by federal government
 - Support, counsel, and assist people with Medicare
 - Located in every state
 - shiptacenter.org

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