



# Medicare and the Federal Employees Health Benefits (FEHB) Program

Educational Seminar for Federal Employees and Retirees

**2019**

# 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 Parts of Medicare



## Part A (Hospital Insurance) helps cover

- Inpatient care in hospitals
- Skilled nursing facility care
- Hospice care
- Home health care



## Part B (Medical Insurance) helps cover

- Services from doctors and other health care providers
- Outpatient care
- Home health care
- Durable medical equipment
- Many preventive services



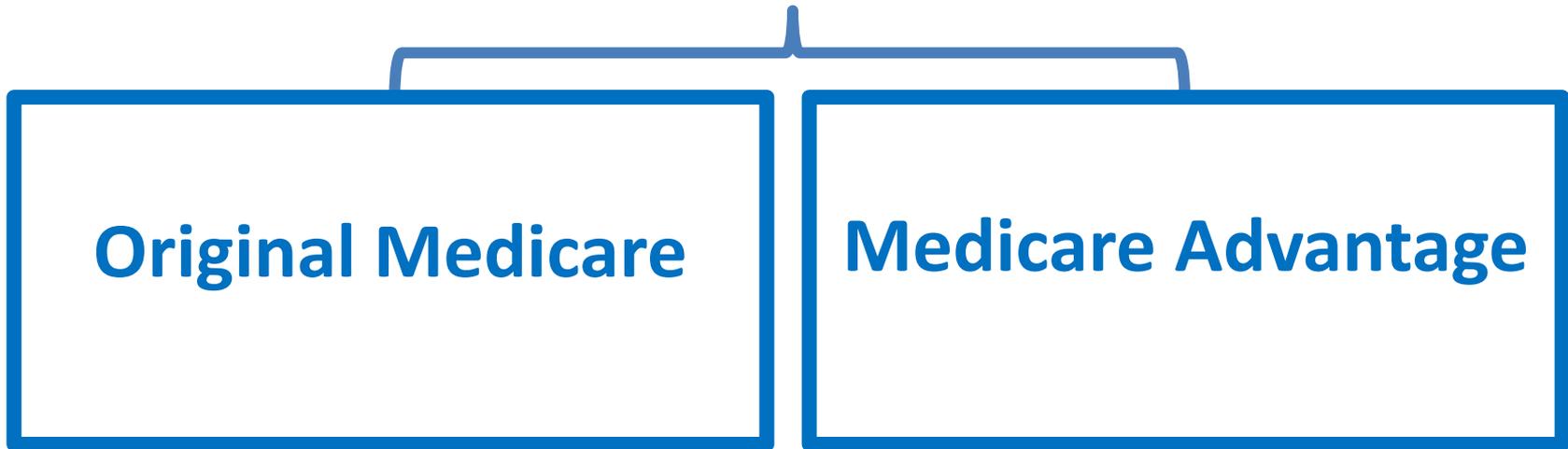
## Part D (Prescription drug coverage) helps cover

- Prescription drugs
- Part D plans are run by private insurance companies that follow rules set by Medicare.

# Your 2 Main Medicare Coverage Choices

When you first enroll in Medicare, and during certain times of the year, you can choose how you get your Medicare coverage.

**There are 2 main ways to get Medicare:**



**NOTE:** Medigap policies only work with Original Medicare.

# Your Medicare Options—Original Medicare

- Includes Medicare Part A (Hospital Insurance) and Part B (Medical Insurance)
- If you want drug coverage, you'll need to join a separate Part D plan
- You may also need to buy supplemental coverage to help pay your out-of-pocket costs (like your deductible and 20% coinsurance). Some examples include coverage from a former employer or union, or Medicare Supplement Insurance (Medigap) policies.

**Part A**



**Part B**



**You can add:**

**Part D**



**You can also add:**

**Supplemental coverage**



# Medicare Part A (Hospital Insurance)

- If you paid Federal Insurance Contributions Act (FICA) taxes for at least 10 years
  - You may receive Part A premium free
- If you paid FICA less than 10 years
  - You can pay a premium to get Part A
  - You may have penalty if not enrolled when first eligible

# Medicare Part A Coverage

<b>Inpatient Hospital Stays</b>	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).
<b>Skilled Nursing Facility Care</b>	Semi-private room, meals, skilled nursing and rehabilitation services, and other services and supplies.
<b>Home Health Care Services</b>	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.
<b>Hospice Care</b>	For terminally ill and includes drugs, medical care, and support services from a Medicare-approved hospice.
<b>Blood</b>	In most cases, if you need blood as an inpatient, you won't have to pay for it or replace it.

# Paying for Inpatient Hospital Stays

For Each Benefit Period in 2019	You Pay
Days 1-60	\$1,341 deductible
Days 61-90	\$341 per day
Days 91-150	\$682 per day (60 lifetime reserve days)
All days after 150	All Costs

# Paying for Skilled Nursing Facility Care

For Each Benefit Period in 2019	You Pay
Days 1-20	\$0
Days 21-100	\$170.50 per day
All days after 100	All Costs

# 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

<b>Doctors' Services</b>	<p>Services that are medically necessary (includes outpatient and some doctor services you get when you're a hospital inpatient) or covered preventive services.</p> <p>Except for certain preventive services, you pay 20% of the Medicare-approved amount (if the doctor accepts assignment), and the Part B deductible applies.</p>
<b>Outpatient Medical and Surgical Services and Supplies</b>	<p>For approved procedures (like X-rays, a cast, or stitches).</p> <p>You pay the doctor 20% of the Medicare-approved amount for the doctor's services (if the doctor accepts assignment). You also pay the hospital a copayment for each service. The Part B deductible applies.</p>

# 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).

# Medicare Part B

## Costs for Most People

<b>Yearly Deductible</b>	\$185.00
<b>Coinsurance for Part B Services</b>	<ul style="list-style-type: none"><li>▪ 20% coinsurance for most covered services, like doctor's services and some preventive services, if provider accepts assignment</li><li>▪ \$0 for some preventive services</li><li>▪ 20% coinsurance for outpatient mental health services, and copayments for hospital outpatient services</li></ul>

# What You Pay—Part B Premiums

- 2019 Premiums
  - Standard premium—\$135.50 (or higher depending on your income)
  - Some people who get Social Security benefits pay less than this amount

# Monthly Part B Standard Premium—Income-Related Medicare Adjustment Amount for 2019

*Chart is based on your yearly income in 2017 (for what you pay in 2019)*

File Individual Tax Return	File Joint Tax Return	File Married & Separate Tax Return	In 2019 You Pay
\$85,000 or less	\$170,000 or less	\$85,000 or less	\$135.50
Above \$85,000 up to \$107,000	Above \$170,000 up to \$214,000	See below	\$189.60
Above \$107,000 up to \$133,500	Above \$214,000 up to \$267,000	See below	\$270.90
Above \$133,500 up to \$160,000	Above \$267,000 up to \$320,000	See below	\$352.20
Above \$160,000 up to \$500,000	Above \$320,000 up to \$750,000	Above \$85,000 up to \$415,000	\$433.40
Above \$500,000	Above \$750,000	Above \$415,000	\$460.50

**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 ( <b><i>10% penalty for every 12-month period eligible but didn't enroll</i></b> )
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 \$14,390 for an individual or \$28,720 for a married couple living together
    - Annual income must be limited to \$18,210 for an individual or \$24,690 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/](https://www.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](https://www.shiptacenter.org)