What Federal Employees Should Know About the Coordination of the Federal Employees Health Benefits Program, TriCare and Medicare

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By Edward A. Zurndorfer

About the Author

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What Federal Employees Should Know About the Coordination of the Federal Employees Health Benefits Program, TriCare and Medicare

Introduction

Three of the most often-asked questions by active or retired federal employees with respect to their health insurance are: (1) What is the coordination between the Federal Employees Health Benefits Program (FEHBP) and Medicare?; (2) Why do I need to enroll in Medicare when my FEHBP health insurance plan pays almost all of my hospital, laboratory and doctor bills?; and (3) If I enroll in Medicare, particularly Medicare Part B in which I have to pay a monthly premium (the amount of which is based on my annual income) will my FEHB program health plan premiums be adjusted downward to reflect the fact that Medicare is my primary coverage and my FHBP insurance is secondary coverage? These questions are addressed and answered in this publication.

Enrolling in Medicare for most individuals when they become aged 65 is an easy task. There are, however, a growing number of federal employees and retirees who find that enrolling in Medicare can be a bureaucratic nightmare.

Adding to the challenge of enrolling in Medicare is the fact that over the last 20 years, Medicare has added two parts - Medicare Part C (Medicare Advantage Plans) and Medicare Part D (Medicare Prescription Drug Program). These two parts to Medicare were added to the existing Medicare parts – Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance). Medicare Parts A and B make up what is called the “original” Medicare, which started in 1965.

Medicare Advantage has over the last few years been enhanced to the extent that enrollment in Medicare Advantage has become an attractive option for many federal retirees enrolled in Medicare Parts A and B. As will be discussed in this publication, Federal retirees can enroll in one of two ways – either through the FEHB program or through a private Medicare Advantage Plan.

There are also federal employees who are military retirees from active duty and keep their TriCare health insurance for their retirement. TriCare is a group-sponsored health insurance plan that covers current members of the Uniformed Services and retired members of the Uniformed Services. Retired uniformed service members who are also federal employees are encouraged to be aware of the relationship between the TriCare and the FEHB health insurance program, which will also be discussed in this publication. In particular, how dual enrollment can allow a military retiree to have full health insurance coverage throughout retirement at the lowest premium cost. Uniformed Service retirees also need to be aware of the relationship between TriCare and Medicare.

This publication is designed and written to answer questions of federal employee and retiree and Uniformed Service retiree questions with regard to the coordination between the FEHB program, TriCare and Medicare. These questions include when to enroll in Medicare, how to enroll in Medicare and which Medicare program is appropriate and applicable for federal retirees. It also explores the relationship between other health insurance programs such as Medicare supplement and Medigap, sold by private companies licensed to sell these plans to the public.

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1. What Medicare Is and the Various Parts to the Medicare Program

Medicare is a federal government-funded program that provides health insurance to Americans who are aged 65 and older. Some individuals who are younger than age 65 and have chronic health conditions or disabilities may also be eligible for Medicare coverage.

Medicare consists of four parts that an individual can enroll in for different types of health care coverage. The four parts to the Medicare program are:

- **Medicare Part A (Hospital Insurance**) helps pay for inpatient care in a hospital or limited time at a skilled nursing facility, following a hospital stay. Part A also pays for some home health care and hospice care.

- **Medicare Part B (Medical Insurance)** helps pay for services from doctors and other health care providers, outpatient care, home health care, durable medical equipment and some preventative services.

Other parts of Medicare are run by private insurance companies that follow rules set by Medicare:

- **Supplemental (Medigap) policies** help pay Medicare out-of-pocket copayments, coinsurance and deductible expenses.

- **Medicare Advantage** (previously known as Medicare Part C) includes all benefits and services covered under Parts A and B – prescription drugs and additional benefits such as vision, hearing and dental – bundled together in one plan, and

- **Medicare Part D** (Medicare prescription drug coverage) helps cover the cost of prescription drugs.

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2. Medicare Enrollment Rules and Federal Employees Medicare Eligibility

During their years of federal service, federal employees pay the Medicare Part A payroll tax, known as the Hospital Insurance tax (HIT). The payroll tax is equal to 1.45 percent of an employee's wages and matched by the employer (for federal employees, the employee's agency). Those employees who served in the uniform services also paid the HIT when they were on active duty. Those federal employees who also worked in private industry paid the HIT.

The following are the rules with respect to Medicare eligibility:

- Any individual who has paid the Medicare HIT for at least 10 years during his or her working years. becomes "fully insured" with respect to Medicare eligible to enroll in Medicare Part A (at no premium cost) when the individual becomes age 65.

- If eligible to enroll in Medicare Part A, an individual is eligible to enroll in the other parts of Medicare (Medicare Part B, Medicare part C and Medicare Part D).

- Once a federal employee is retired from federal service and has reached age 65, the retired employee is encouraged to enroll in Medicare. As will be discussed below, the timing of this enrollment depends at what age the employee retires from federal service.

- Federal annuitants enrolled in an FEHB program health insurance plans after they have retired from federal service are encouraged - but are not required by the Office of Personnel Management (OPM) - to enroll in at least the "Original Medicare" – Medicare Parts A and B – in order to minimize, and most likely eliminate, any out-of-pocket doctor, laboratory tests and hospital bills.

The how and when Medicare is discussed in the next chapter.

3. What is Covered Under Medicare Parts A and B and the Premium Costs Associated with Medicare Parts A and B Enrollment

Medicare Part A helps cover the following types of care:

1. Inpatient care in hospitals, including critical access, hospitals and inpatient rehabilitation facilities
2. Inpatient stays in a skilled nursing facility but not custodial or long-term care
3. Hospice care services
4. Home health care services, and
5. Inpatient care in a facility that provides nonmedical, non-religious health care items and service to individuals who need hospital or skilled nursing facility care, but for whom that care would not be in agreement with their religious beliefs.

The rule is that if an individual has paid the Medicare Part A payroll tax (Hospital Insurance Tax, or HIT) for at least 10 years, then upon reaching age 65 the individual is eligible to enroll in Medicare Part A at no premium cost. Since a federal employee would have paid the Medicare Part A payroll tax for at least 10 years, while in federal service (and for some federal employees, also while working in private industry), the employee is eligible and should enroll in Medicare Part A when the employee reaches his or her 65th birthday. Specific Medicare enrollment procedures are discussed in Chapter 4.

A federal employee and a federal annuitant who is age 65 and who enrolls in Medicare Part A (Hospital Insurance) will also likely be enrolled in a Federal Employees Health Benefits program health plan. If the employee remains in federal service and goes to a hospital or to a skilled nursing facility, then his or her FEHB program health plan is considered “primary coverage,” and Medicare Part A is considered “secondary coverage.”

The opposite is true when the federal employee retires and becomes a federal annuitant. That is, immediately after the employee retires from federal service, Medicare Part A is considered “primary” coverage and the FEHB program health plan is considered “secondary” coverage. By being enrolled in both Medicare Part A and an FEHB program health plan, an employee’s or annuitant’s out of pocket expenses such as deductibles, co-insurance and co-payments, will be minimized and most likely eliminated.

Table 1 below summarizes Medicare Part A covered services during the year 2024

Table 1. Medicare Part A (Hospital Insurance) Covered Services Per Benefit Period During 2024

Services	You Pay
Blood	In most cases, the hospital gets blood from a blood bank at no charge, and you will not have to pay for it or replace it. If the hospital has to buy blood for you, you must either pay the hospital costs for the first three units of blood you get in a calendar year or have the blood donated.
Home Health Care	You pay: - $0 for home health care services - 20% of the Medicare-approved amount or durable medical equipment
Hospice Care	You pay: - Limited cost sharing for outpatient drugs and inpatient respite care.
Hospital Inpatient Stay	You pay: - $1632 deductible per benefit period - $0 for the first 60 days of each benefit period - $408 per day for days 61-90 of each benefit period - $816 per "lifetime reserve day" after day 90 of each benefit period (up to a maximum of 60 days over your lifetime)
Skilled Nursing Facility Stay	You pay: - $0 for the first 20 days of each benefit period - $204.00 per day for days 21-100 each benefit period - All costs for each day after day 100 in a benefit period.

Medicare Part B (Medical Insurance) helps pay for:

1. Doctor bills
2. Ambulance services
3. Outpatient services
4. X-ray and Laboratory costs such as blood tests
5. Durable medical equipment
6. Some home health care (if someone is not enrolled in Medicare Part A)
7. Certain preventative care
8. Vaccines such as COVID-19 vaccine and booster shots and
9. Some other medical services that Medicare Part A does not cover, such as physical and occupational therapy.

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Medicare Part B does not pay for most routine dental care, eyeglasses, hearing aids and most prescription drugs. Those Medicare Part B enrollees who have significant dental and vision expenses may want to enroll in a separate dental and vision insurance plan. Another option is to enroll in a Medicare Advantage Plan which is explained further in chapter 8.

Additional information about Medicare part B benefit during 2024 is presented in Table 2 below.

Table 2. Medicare Part B (Medical) Insurance-Covered Services Per Benefit Period During 2024

Services	You Pay
Part B Deductible	You pay $240 per year.
Blood	In most cases, the hospital gets blood from a blood bank at no charge, and you will not have to pay for it or replace it However, you will pay a copayment for the blood processing and handling services for every unit of blood you get, and the Part B deductible applies. - $240 deductible plus first three pints plus 20% of the balance of approved amount.
Clinical Laboratory Services	You pay: $0 for Medicare-approved services.
Home Health Services	You pay: $0 for Medicare-approved services. You pay 20% of the Medicare-approved amount for durable medical equipment.
Medical and Other Services	You pay: $240 deductible plus 20% of the Medicare-approved amount for most doctor services (including most doctor services while you are a hospital inpatient, outpatient therapy, and durable medical equipment.
Mental Health Services	You pay: 50% of the Medicare-approved amount for most outpatient mental health care.
Other Covered Services	You pay copayment or coinsurance amounts.
Outpatient Hospital Services	You pay: $240 deductible plus 20% of the balance of approved amount.

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Unlike Medicare Part A in which most individuals (including federal employees and annuitants) do not pay a monthly premium, there is a monthly premium for Medicare Part B. The amount that a Medicare Part B enrollee pays each month depends on the enrollee's modified adjusted gross income (MAGI) in the previous year. Medicare Part B premiums for the year 2024 are presented in Table 3 below. Note that the monthly premium a Medicare Part B enrollee pays during 2024 is based on the enrollee's 2022 MAGI

Table 3. Medicare Part B Monthly Premiums During 2024 Based on 2022 Modified Adjusted Gross Income (MAGI)

Filing As Single or Head of Household	Filing as Married Filing Jointly	Filing as Married Filing Separately	Medicare Part B Premium 2022
$0 – $103,000	$0 - $206,000	$0 -$103,000	$174.70
$103,001- $129,000	$206,001 - $258,000	-	$244.60
$129,001 – $161,000	$258,001 $322,000	-	$349.40
$161,001 - $193,000	$322,001 - $386,000	-	$454.20
$193,001 - $500,000	$386,001 - $750,000	$103,001- $397,000	$559.00
$500,001 or more	$750,001 or more	$397,000 or more	$594.00

A federal annuitant is not required by OPM to enroll in Medicare Part B. If the annuitant chooses not to enroll in Medicare Part B, the annuitant's FEHB insurance plan cannot require the annuitant to enroll in Part B. But there are definite advantages for an annuitant to enroll in Part B and therefore OPM encourages eligible individuals to enroll in Medicare Part B. These advantages include:

1. An annuitant must be enrolled in Medicare Part A and Medicare Part B in order to enroll in a Medicare Advantage Plan, discussed in Chapter 8.
2. The annuitant has the advantage of the coordination of benefits between Medicare and the annuitant's FEHB insurance plan resulting in reduced, most likely a 100 percent reduction, in an annuitant's out-of-pocket medical expenses. This means that there are no deductibles, co-payment, or coinsurance to pay.
3. Since Medicare is considered primary coverage once a federal employee retires and becomes an annuitant, the annuitant's FEHB program health plan will waive its deductibles, copayments and coinsurance for medical services covered by Medicare Part B.
4. Some services covered by Medicare Part B may or may not be covered by the annuitant's FEHB program health plan including prosthetic devices, durable medical equipment, home health care and medical supplies.
5. If the annuitant is enrolled in an FEHB program HMO and goes outside the HMO network for Medicare Part B services, Medicare will reimburse the annuitant when Medicare is the primary payer.

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4. The How and When of Enrolling in Medicare and the Consequences of Not Enrolling in Medicare When an Individual is First Eligible

An individual who elected to start receiving his or her Social Security monthly retirement benefit before age 65 (note that Social Security retirement benefits can commence as early as age 62) will be automatically enrolled in Medicare Part A and Medicare Part B, effective the first day of the month he or she becomes age 65. The following example illustrates:

Example 1. *Joy retired from federal service in 2021 at the age of 64. Joy was covered under FERS. When she retired, she elected to start receiving her Social Security retirement benefit. Joy will become age 65 on Nov. 1, 2023. For the purposes of Social Security and Medicare benefits, the Social Security Administration considers an individual to be aged 65 the day before his or her actual birthday. She will be automatically enrolled in Medicare Part A and Medicare Part B with an effective date of October 1, 2023*

If an individual is not receiving Social Security benefits at the time he or she becomes age 65 and is retired, then he or she must formally enroll in Medicare. Medicare enrollment is done online by going to **https://www.ssa.gov/benefits/medicare/.** *Note that before enrolling online for Medicare, an individual should have previously established a Social Security account. An individual may establish a Social Security account by going to* ***https://www.ssa.gov/myaccount****/.*

There are three enrollment periods for Medicare Part A and Medicare Part B. These periods are: (1) **The initial enrollment period; (2) The special enrollment period; and (3) The general enrollment period.** These three enrollment periods are now discussed and explained.

Initial Enrollment Period

If a federal employee retires from federal service before age 65 and is eligible to and retains his or her FEHB health insurance benefit for retirement, then the retired employee who can elect to enroll in Medicare during the 'Initial Enrollment Period" (IEP). The IEP is a 7-month period entered in the month in which the federal annuitant becomes age 65. The 7-month period consists of: (1) Three months before the month the annuitant becomes age 65; (2) The month the annuitant becomes age 65; and (3) Three months after the month the annuitant becomes age 65. The IEP is illustrated in the following chart:

<table>
<tr><th colspan="7">Initial Enrollment Period</th></tr>
<tr><td>3 months before the month one turns age 65</td><td>2 months before the month one turns age 65</td><td>1 month before the month one turns age 65</td><td>The month one turns age 65</td><td>1 month after the month one turns age 65</td><td>2 months after the month one turns age 65</td><td>3 months after the month one turns age 65</td></tr>
<tr><td colspan="3">Sign up early to avoid a delay in coverage. In order to get Part A and Part B the month one becomes age 65, sign up. during the 3 months before turning 65.</td><td colspan="4">If one waits until the last 4 months of the initial enrollment period to sign up for Part A and/or Part B, the coverage will be delayed up to 3 months after enrollment.</td></tr>
</table>

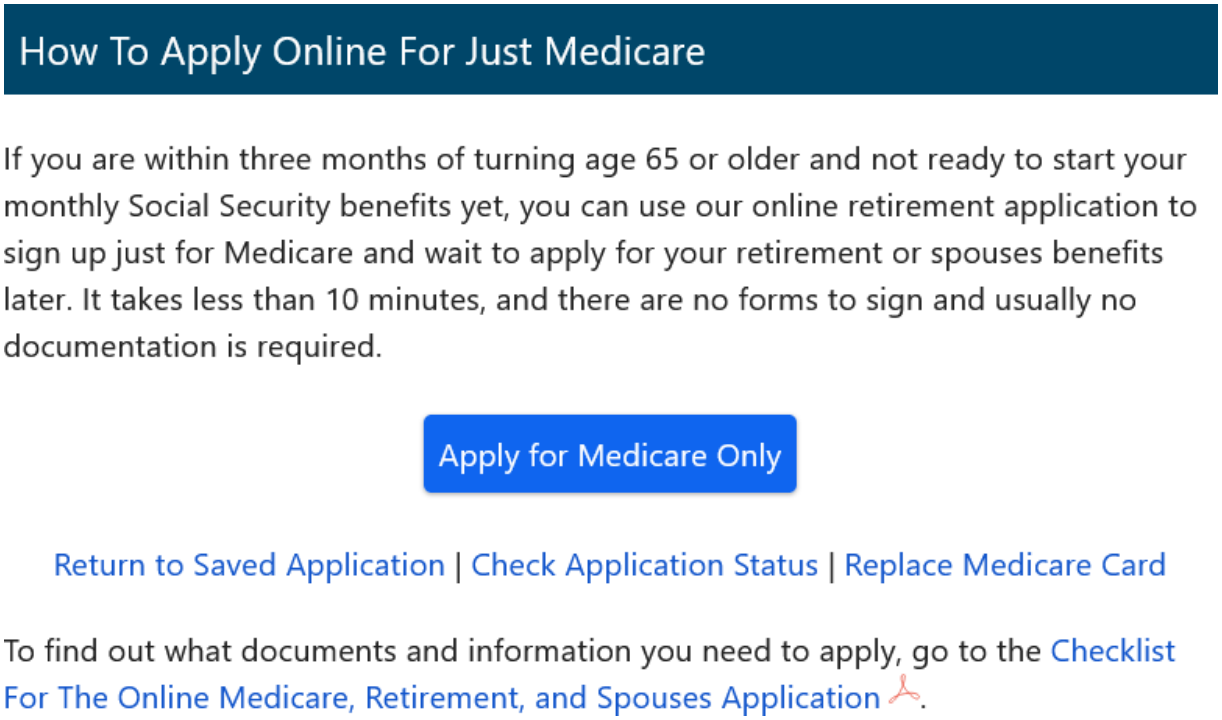
Note the following:

1. Applicants for Medicare Parts A and B are encouraged to enroll during the three months before the month they become age 65 in order to have their Medicare coverage become effective the month they become age 65; and
2. An applicant for Medicare Parts A and B who fails to enroll during the IEP will have to wait for the next General Enrollment Period (see below) to enroll and could be subject to a late enrollment penalty for Medicare Part B.
3. The Social Security Administration considers the day before an individual's 65th birthday as the day he or she becomes age 65.

The following example illustrates the IEP:

Example 2. *Harold retired from federal service at the age of 63. Harold will be age 65 on Sept. 1,2023. For purposes of what date Harold becomes age 65, the Social Security Administration considers Aug. 31,2023 Harold's 65th birthday. Harold's IEP is therefore May 1,2023 through Nov. 30, 2023.*

In both Example 1 (Joy) and Example 2 (Harold), the recommended way for Joy and Harold to enroll in Medicare Part A and Medicare Part B (assuming they have an account set up on the Social Security web site) is to go online at **https://www.ssa.gov/benefits/medicare/** and enroll. This is what Joy and Harold will first see when they enroll online:



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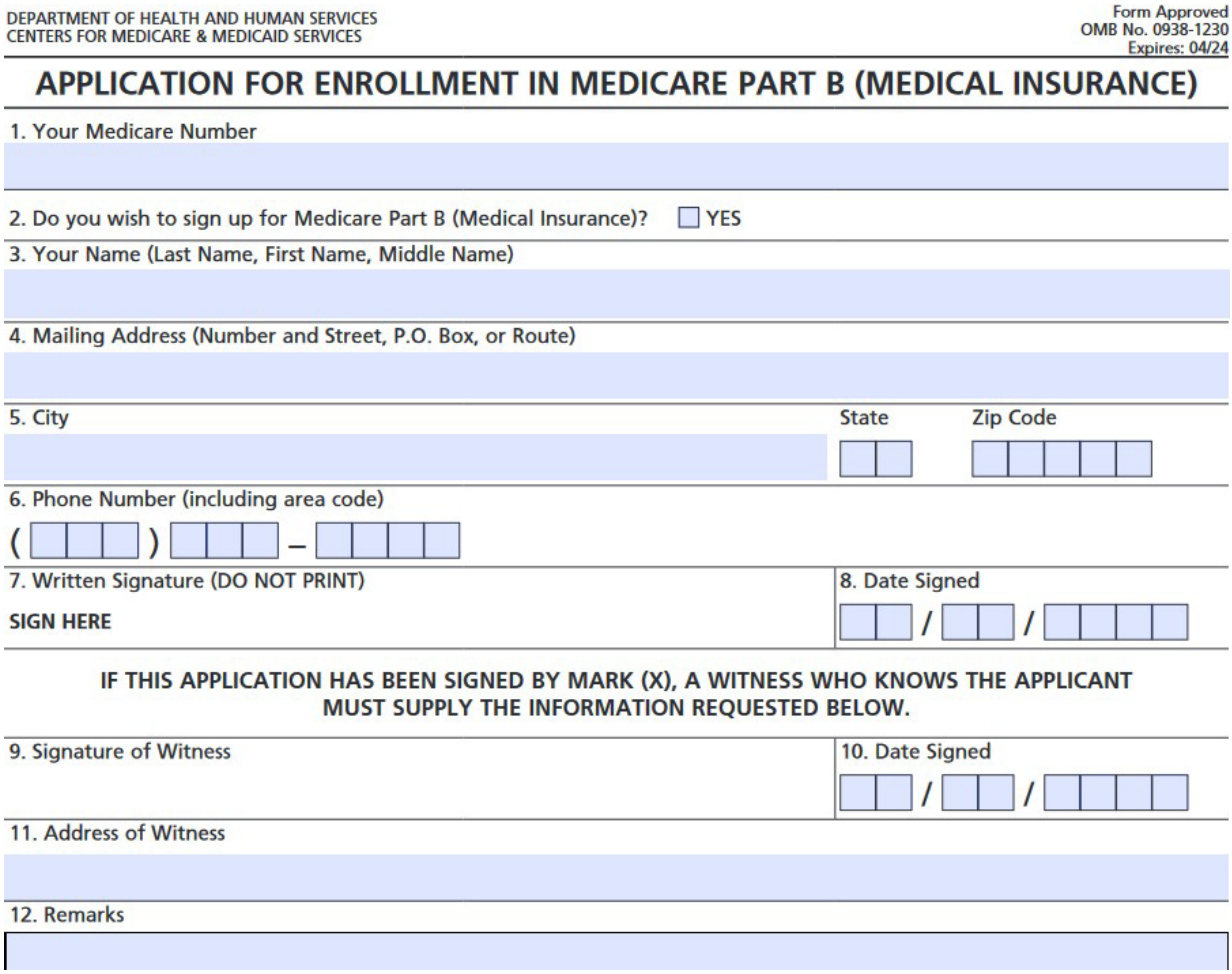
General Enrollment Period

Medicare has a General Enrollment Period (GEP) every year in which individuals aged 65 and older can enroll in Medicare Part A and Part B. If an individual had previously enrolled in Medicare Part A, then the individual must complete and submit **Form CMS-40B (Application for Enrollment in Part B),** which may be downloaded at **https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS40B-E.pdf**. A portion of Form CMS-40B is shown here:



DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

Form Approved
OMB No. 0938-1230
Expires: 04/24

APPLICATION FOR ENROLLMENT IN MEDICARE PART B (MEDICAL INSURANCE)

1. Your Medicare Number

2. Do you wish to sign up for Medicare Part B (Medical Insurance)? ☐ YES

3. Your Name (Last Name, First Name, Middle Name)

4. Mailing Address (Number and Street, P.O. Box, or Route)

5. City | State | Zip Code

6. Phone Number (including area code)
( ) –

7. Written Signature (DO NOT PRINT)
SIGN HERE

8. Date Signed
/ /

IF THIS APPLICATION HAS BEEN SIGNED BY MARK (X), A WITNESS WHO KNOWS THE APPLICANT MUST SUPPLY THE INFORMATION REQUESTED BELOW.

9. Signature of Witness

10. Date Signed
/ /

11. Address of Witness

12. Remarks

If one had not previously enrolled in Medicare Part A, then during the GEP an individual will go to: **https://www.ssa.gov/benefits/medicare/** to enroll in both Medicare Part A and Part B. Under current rules. Coverage for both Medicare Parts A and B take effect the following July. A late enrollment penalty may apply to Part B, but not Part A since there is no premium due for Part A.

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Late Enrollment Penalty for Medicare Part B

As discussed above, federal employees who retire before age 65 need to sign up for Medicare Parts A and B during their IEP.

A federal employee may be able to delay their enrolling in Medicare if the employee continues to work in federal service past age 65. Federal employees who are enrolled in the FEHB program and who continue working in federal service past age 65 are not required to enroll in Medicare until they retire from federal service during the Special Enrollment Period (SEP) (see below).

If an individual does not enroll in Medicare during his or her IEP or Special Enrollment Period (SEP, see below) the individual will face two consequences:

1. **A short enrollment opportunity**. The individual will be restricted to enroll during a GEP, which runs from January 1 through March 31 of each year (except 2022). In the past, coverage would not begin until the following January 1. However, coverage in 2023 will begin the first of the month after the month the individual enrolls during the GEP.

2. **A potential late enrollment penalty**. Most individuals do not pay a penalty for late enrollment in Part A since they or their spouse has paid the Medicare payroll tax (Hospital Insurance Tax, HIT) for at least 10 years and they therefore qualify for premium-free Part A. But that will not protect them from a Part B late enrollment penalty if they could have signed up but did not. The penalty is 10 percent of the first tier Medicare Part B income tier in the year that the individual could have enrolled but did not. Note that the 10 percent penalty is 10 percent for every 12 months the individual delayed enrollment. For example, if an individual's IEP ended during 2023 but the individual delayed enrollment 26 months, the individual would have to pay alate enrollment penalty of $32 every month, in addition to the regular Medicare Part B premium. This is because during 2023 the Medicare Part B first tier income tier is $164.90. Since the individual enrolled two years and two months late, the penalty is 20 percent of $164.90, or $32 rounded.

Exceptions to the Medicare Part B Late Enrollment Penalty

There is no late enrollment penalty if an individual enrolls in Medicare Part B within 8 months of losing job-based health insurance coverage. There are also other exceptions:

- Less than a year without Medicare Part B. If an individual misses his or her enrollment deadline but enrolls during the next GEP and in the meantime fewer than 12 full months have lapses, the individual will not be subject to a late enrollment penalty. The following example illustrates:

Example 3. *Jack's IEP ended on August 31, 2022. Jack did not enroll in Medicare Part B. He instead enrolled in Medicare Part B during the next GEP (Jan. 1 to Mar. 31,2023)Ten months elapsed between the end of Jack's IEP and the staring date of Jack's Medicare coverage. Therefore, no penalty is imposed.*

- Living abroad. Individuals living outside the U.S. and its territories cannot enroll in Medicare Part A and Part B while they are abroad. Instead, they get a special enrollment period of up to three months after they return to the US in order to enroll in Medicare Part A and Part B.

Special Enrollment Period (SEP)

At age 65, most retired federal employees are encouraged to enroll in Medicare Part A and Part B. However, since Part B has a monthly premium that must be paid, some individuals sign up for Part A only and do not enroll in Part B at age 65 because they:

- Are still working and are covered by an employer's group health plan (such as federal employees who continue working in federal service past their 65th birthday and are enrolled in an FEHB health plan), or

- Have a spouse who is working and has group insurance through his or her employer. The federal employee or annuitant has health insurance through their spouse's employer group health plan.

Also, some individuals may want to continue making contributions to a Health Savings Account (HSA). But if they enroll in either Medicare or Social Security, they are no longer allowed to contribute to their HSA and will incur a tax penalty from the IRS if they contribute to their HSA while enrolled in any part of Medicare. In either case, the SEP may be available to these individuals when it becomes necessary for them to enroll in Medicare.

The SEP allows most beneficiaries who meet the conditions outlined above to enroll in Medicare without having to wait for the GEP and avoid having a gap in medical coverage and paying a penalty for late enrollment. There are limits to the SEP, as will be explained below.

During the SEP, an individual who is enrolled in Medicare Part B while still enrolled in a group health plan, based on current employment. For example, a federal employee who works past age 65 and enrolled in the FEHB program can enroll in Medicare Part B and not be subject to a late enrollment penalty. Note that Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage, Veterans Affairs (VA coverage) or individual health coverage (like the Health Insurance Marketplace) do not count as coverage based on current employment.

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When the SEP Starts and Ends for a Federal Employee Who Retires from Federal Service After Age 65

A federal employee who is enrolled in the FEHB program and continues in federal service past age 65 is not required to enroll in Medicare Part B. Many employees do enroll in Medicare Part A when they become age 65 because there is no premium cost. Once the employee retires from federal service, if the retired employee enrolls in Medicare Part B during the SEP, then the retired employee will not be subject to a late enrollment penalty for enrolling in Medicare Part B past his or her 65th birthday.

The SEP is an 8-month period starting on the effective date of a federal employee's retirement and ends exactly eight months later. The following example illustrates

Example 4. *Scott retired from federal service on Dec. 2023 at the age of 70. Scott was enrolled in the FEHB program throughout the time he was in federal service and will carry his FEHB program health insurance into retirement. When he was age 65, Scott enrolled in Medicare Part A but not Medicare Part B. The effective date of Scott's retirement was Jan. 1, 2024 His SEP therefore started Jan. 1, 2024 and will end Aug. 31, 2024.*

How to Apply for Medicare During the SEP

If a federal employee did not enroll in Medicare Part A at age 65 (perhaps because they wanted to continue contributing to their health savings account), then during the SEP the now retired federal employee should apply for Medicare Parts A and B online by going to: **https://www.ssa.gov/benefits/medicare/. (**This assumes that the retired employee previously established for himself or herself an online Social Security account). See above in the section discussing the IEP and how retirees can enroll in Medicare Part A and Part B during the IEP.

For those federal employees who retire from federal service at age 65 and who did enroll in Medicare Part A when they were age 65 and who are now enrolling in Medicare Part B only during their SEP, they must do the following:

Step 1. Go to **https://www.medicare.gov** and download the following two forms: (1) **CMS-40B (Application for Enrollment in Medicare Part B) (https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS40B-E.pdf);** and (2) **CMS L564 (Request for Employment Information)** (**https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS-L564E.PDF).**
Retired employees must fill out form **CMS 40B** and **Section A of form CMS-L564**. **Section B of Form CMS-L564** must be completed by the retired employee's HR or Personnel Office and when completed, returned to the retired employee. Copies of forms **CMS-40B** and **CMS L-564** are presented below.

Step 2. The retired employee can FAX the completed **CMS-40B** and **CMS- L564** forms to 1-833-914-2016, or the two forms can be mailed to the retired employee's local Social Security office. *Note that the retired employee should state "I want Part B coverage to begin (MM/YY)" in the remarks section of the **CMS-40B** form*.

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Centers for Medicare and Medicaid Services (CMS) Form CMS-40B

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

Form Approved
OMB No. 0938-1230
Expires: 04/24

APPLICATION FOR ENROLLMENT IN MEDICARE PART B (MEDICAL INSURANCE)

1. Your Medicare Number

2. Do you wish to sign up for Medicare Part B (Medical Insurance)? ☐ YES

3. Your Name (Last Name, First Name, Middle Name)

4. Mailing Address (Number and Street, P.O. Box, or Route)

5. City | State | Zip Code

6. Phone Number (including area code)
(☐☐☐) ☐☐☐ – ☐☐☐☐

7. Written Signature (DO NOT PRINT)
SIGN HERE

8. Date Signed
☐☐ / ☐☐ / ☐☐☐☐

IF THIS APPLICATION HAS BEEN SIGNED BY MARK (X), A WITNESS WHO KNOWS THE APPLICANT MUST SUPPLY THE INFORMATION REQUESTED BELOW.

9. Signature of Witness

10. Date Signed
☐☐ / ☐☐ / ☐☐☐☐

11. Address of Witness

12. Remarks

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Centers for Medicare and Medicaid Services (CMS) Form CMS-L564

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

Form Approved
OMB No. 0938-0787

REQUEST FOR EMPLOYMENT INFORMATION

SECTION A: To be completed by individual signing up for Medicare Part B (Medical Insurance)

1. Employer's Name	2. Date
	/ /

3. Employer's Address

City	State	Zip Code

4. Applicant's Name	5. Applicant's Social Security Number
	– –
6. Employee's Name	7. Employee's Social Security Number
	– –

SECTION B: To be completed by Employers

For Employer Group Health Plans ONLY:

1. Is (or was) the applicant covered under an employer group health plan? ☐ Yes ☐ No

2. If yes, give the date the applicant's coverage began. (mm/yyyy)
/

3. Has the coverage ended? ☐ Yes ☐ No

4. If yes, give the date the coverage ended. (mm/yyyy)
/

5. When did the employee work for your company?

From: (mm/yyyy)	To: (mm/yyyy)	Still Employed: (mm/yyyy)
/	/	/

6. If you're a large group health plan and the applicant is disabled, please list the timeframe (all months) that your group health plan was primary payer.

From: (mm/yyyy)	To: (mm/yyyy)
/	/

For Hours Bank Arrangements ONLY:

1. Is (or was) the applicant covered under an Hours Bank Arrangement? ☐ Yes ☐ No

2. If yes, does the applicant have hours remaining in reserve? ☐ Yes ☐ No

3. Date reserve hours ended or will be used? (mm/yyyy)
/

All Employers:

Signature of Company Official	Date Signed
	/ /

Title of Company Official	Phone Number
	( ) –

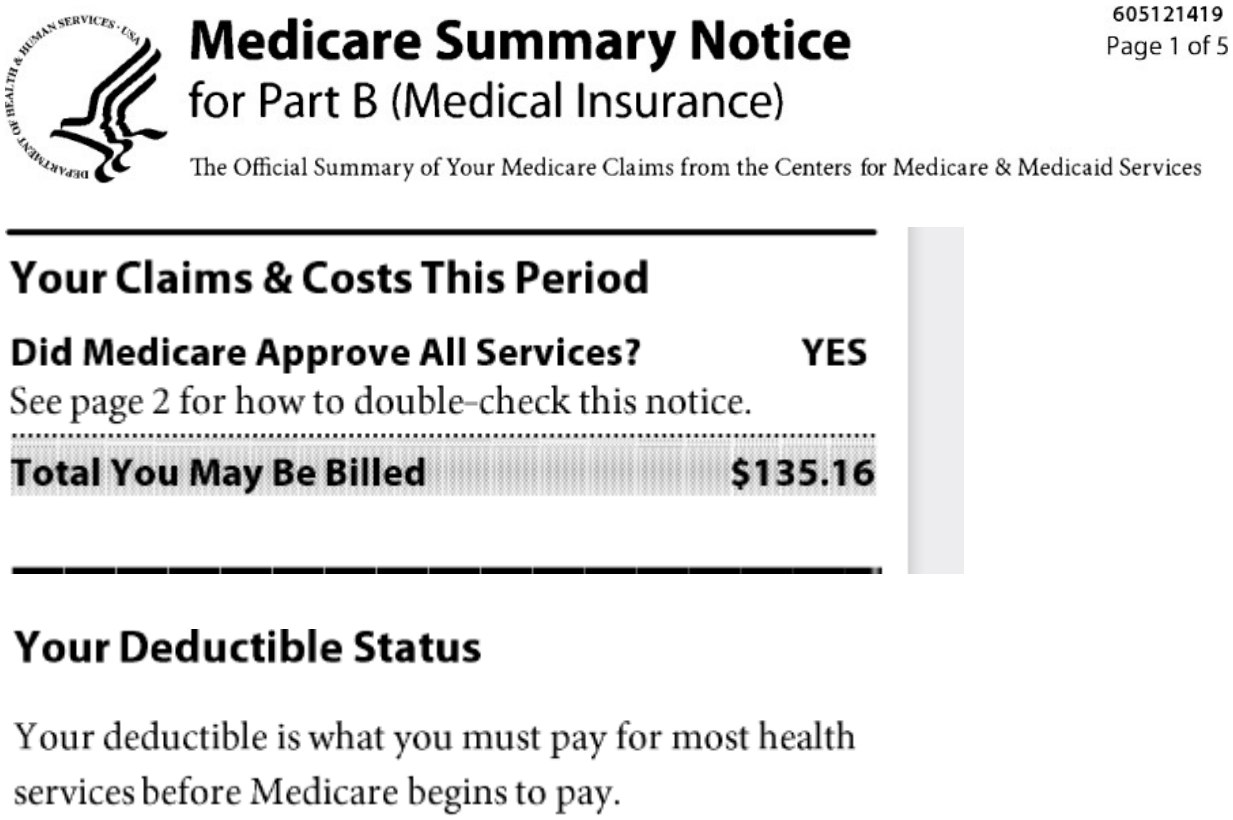
What Federal Employees Should Know About the Coordination of the Federal Employees Health Benefits Program, TriCare and Medicare

5. When Medicare is Considered Primary Coverage and FEHB is Considered Secondary Coverage

When a federal employee or retiree (annuitant) is enrolled in both Medicare and an FEHB program health plan, Medicare law and regulations determine whether Medicare or the FEHB health plan is the "primary" payer. That is, which pays first when an employee or retiree incurs a hospital, laboratory or a doctor bill.

It is important for employees and retirees to understand that once they enroll in Medicare, they should then notify their FEHB health plan of their Medicare enrollment. In so doing, the employee or retiree will not be "doubly insured" as Medicare and FEHB program health plans work together to ensure there is no duplication of payment to hospitals, doctors, medical equipment companies and contractors, and laboratories.

It is also important to note that with federal retirees in which Medicare is the "primary" payer, Medicare automatically transfers claim information to the annuitant's FEHB program plan once the retiree's Medicare claim is processed. The retiree will receive a Medicare Summary Notice (MSN) from Medicare. A sample of a partial MSN from Medicare is presented here:



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Page 1 of 5

Medicare Summary Notice
for Part B (Medical Insurance)

The Official Summary of Your Medicare Claims from the Centers for Medicare & Medicaid Services

Your Claims & Costs This Period

Did Medicare Approve All Services? **YES**

See page 2 for how to double-check this notice.

Total You May Be Billed **$135.16**

Your Deductible Status

Your deductible is what you must pay for most health services before Medicare begins to pay.

What Federal Employees Should Know About the Coordination of the Federal Employees Health Benefits Program, TriCare and Medicare

When Is an FEHB Program Plan the Primary Payer?

An individual's FEHB plan must pay benefits first when the individual is an active federal employee or re-employed annuitant, and either the individual or individual's spouse, covered under the FEHP plan, has Medicare. There is an exception if the individual's re-employment position is excluded from FEHB coverage or if the individual is enrolled in Medicare Part B only.

An individual's FEHB program plan must also pay benefits first when an individual is under age 65, entitled to Medicare on the basis of disability and covered under FEHB based on the individual's or spouse's employment status.

When Is Medicare the Primary Payer?

Medicare must pay benefits first when an individual is a federal annuitant and enrolled in Medicare. The exception is when the individual is a re-employed annuitant, and either the individual or the individual's covered spouse is enrolled in Medicare. Medicare must pay benefits first when an individual is a former federal employee receiving worker's compensation and the Office of Worker's Compensation has determined that the individual is unable to return to duty, except for claims related to the worker's compensation-covered injury or illness.

Table 4 summarizes the circumstances Medicare or FEHB is the primary payer:

What Federal Employees Should Know About the Coordination of the Federal Employees Health Benefits Program, TriCare and Medicare

Table 4. Medicare and FEHB Primary Payer Chart

When an individual or the individual's covered spouse is 65 or older and has Medicare and the individual is.....	Primary Payer	Secondary Payer
An active federal employee or has a spouse who is an active federal employee	FEHB	Medicare
Covered as an annuitant or through a spouse who is an annuitant	Medicare	FEHB
A re-employed annuitant with the federal government and position is not excluded from FEHB coverage	FEHB	Medicare
A re-employed annuitant with the federal government and position is excluded from FEHB coverage	Medicare	FEHB
A federal judge who retired under Title 28, U.S. C., or a Tax Court judge who retired under Section 744 or Title 26, U.S.C.	Medicare	FEHB
Enrolled in Part B only, regardless of one's employment status	Medicare	FEHB
When an individual or the individual's covered family member is enrolled in Medicare based on End Stage Renal Disease (ERSD) and enrolled in FEHB	FEHB	Medicare
A former federal employee receiving worker's compensation and the Office of Worker's Compensation has determined that the individual is unable to return to duty	Medicare	FEHB
Within the first 30 months of eligibility to receive Part A benefits solely because of ESRD	FEHB	Medicare
Beyond the 30-month ESRD coordination period and is till eligible for Medicare due to ESRD	Medicare	FEHB
Is eligible for Medicare based on disability	Medicare if an annuitant; FEHB if an active employee	The other payer – FEHB or Medicare

The following example illustrates:

Example 5. *Robert, age 69, is a federal annuitant. Robert is enrolled in Medicare Parts A and B and is also enrolled in an FEHB program PPO health insurance plan. Robert needs to visit a health care specialist for a medical issue he has. The doctor charges $1,500 for the initial consultation and subsequent medical treatment. Payment by Medicare Part B is considered primary and Robert's FEHB program PPO health insurance plan is considered secondary.*
Following Robert's visit to the doctor, the doctor's office submits the $1,500 charge to Medicare. The following sequence of events summarizes what happens:

1. The doctor's office bills Medicare for Robert's doctor services: $1,500
2. Medicare determines the approved charges: $1,125, and
3. Medicare pays the doctor 80 percent of the approved charges. 80 percent of $1,125 equals $900.

Note that the Medicare Part B deductible ($240 during 2022) must be met before Medicare Part B pays. A federal annuitant's FEHB plan will pay that deductible.

4. Robert's FEHB health plan pays the uncovered $225 out-of-pocket expenses ($1,125 less $900 – the Medicare approved amount less what Medicare actually paid).
5. Robert's doctor accepts this assignment* as payment since the doctor accepts Medicare assignment.
6. Robert is responsible for this amount: $0

*A health care provider who accepts Medicare assignment will accept the Medicare-approved amount as payment in full. Annuitants aged 65 and older who are not enrolled in Medicare Part B must be treated the same as those annuitants who are enrolled in Medicare Part B for medical benefit payment purposes. That means the amount doctors and other health-care providers may charge a federal annuitant over age 65 no more than the Medicare -approved fee. Even with the Medicare-approved fee, an annuitant who has chosen not to enroll in Medicare Part B will most likely have a deductible and co=payment to pay because the annuitant's FEHB plan will not pay the doctor's full charges. On average, the FEHB plan will pay an average of about 60 to 80 percent. In this example with Robert, if Robert was not enrolled in Medicare Part B, then his FEHB program health plan would pay his doctor $900 and the doctor will charge Robert the 15 percent of $1,175, or $176.25. This assumes that Robert has met his annual deductible for his FEHB program plan.

What Federal Employees Should Know About the Coordination of the Federal Employees Health Benefits Program, TriCare and Medicare

6. How FEHB Program Premiums Are Affected by Medicare Enrollment

At the time a federal annuitant enrolls in Medicare Parts A and B, Medicare becomes the primary payer of his or her hospital, doctor and laboratory expenses paying on average 60 to 80 percent of the annuitant's expenses. The annuitant's FEHB health plan will pay most - if not all -of the remaining 20 to 40 percent of the expenses, leaving the annuitant with nothing to pay out-of-pocket.

However, in spite of the fact that the annuitant is paying out-of-pocket far less than what Medicare pays, the annuitant's FEHB program health plan insurance premiums are not reduced. This is unfortunate but there are actions explained below that an annuitant can take to reduce the FEHB premiums.

Some federal annuitants feel that because FEHB health plan premiums are not decreased when they enroll in Medicare Part B, they do feel the need to enroll in Part B. While their rationalization is logical, not enrolling in Part B is not going to result in much savings, especially if they are enrolled in an FEHB fee-for-service health plan.

An FEHB fee-for-service health plan will not necessarily cover all of an annuitant's out-of-pocket expenses. A fee-for-service plan's payment is typically based on allowable charges and not billed charges. In some cases, Medicare's payment and the FEHB combined payment will not cover the full cost. An annuitant's out-of-pocket costs for Part B services will depend on whether the annuitant's doctor accepts Medicare assignment. When a doctor who accepts Medicare patients and thereby accepts Medicare assignment, the annuitant cannot be billed for the difference between the Medicare-approved amount and the combined payments made by Medicare and the FEHB plan. This is called "balance-billing" and is against the law.

Medicare will pay its share of the bill and the annuitant's FEHB health plan will pay its share. Some services such as medical supplies and some durable medical equipment, do not have limiting charges.

Federal employees who continue in federal service past age 65 and are enrolled in FEHB program health insurance are not required (in order to avoid a late enrollment penalty) to enroll in Part B until they retire from federal service. While they continue in federal service, they are encouraged to enroll in a health care flexible spending account (HCFSA) or a health savings account (HSA) to pay out-of-pocket medical expenses such as deductibles, co-insurance, and copayments. Once retired from federal service, an employee is not allowed to have an HCFSA. With respect to an HSA, an annuitant who enrolls in Medicare is not permitted to his or her HSA. However, the annuitant who owns an HSA and enrolled in Medicare is permitted to make tax-free withdrawals from the HSA to pay any out-of-pocket medical, dental and vision expenses, including being reimbursed for Part B monthly premiums.

What Federal Employees Should Know About the Coordination of the Federal Employees Health Benefits Program, TriCare and Medicare

7. How TriCare, the FEHB Program and Medicare Work Together to Provide Comprehensive Health Insurance for Uniformed Service Retirees Who Are Also Federal Employees

Individuals who retired from the uniformed services (either on active duty or as a reservist) and who become federal employees are eligible to be covered by two group-sponsored health insurance programs. In particular, as uniformed service retirees, they are eligible to stay in the Uniformed Services Health Benefits Program also known as TRICARE or CHAMPUS. As federal employees, they are eligible to join the FEHB program.

Enrolling in the FEHB program may be particularly important once the individual who is also enrolled in TRICARE retires from federal service. This is because once the individual retires from federal service, the individual may move to a region of the country in which doctors, hospitals, laboratories and pharmacies may not honor TRICARE health insurance. On the other hand, most doctors, hospitals, laboratories and pharmacies honor FEHB program health insurance insurances.

Does this mean that a uniformed service retiree has to be enrolled in a FEHB program health plan continuously during the last five years of his or her federal service? Actually, he or she does not. This is because being enrolled in TRICARE does count toward the five-year requirement. But during the last year of the individual's federal service, he or she must be enrolled in an FEHB program for at least one day. This will allow the military retiree to be eligible to carry the FEHB program health insurance into retirement should he or she need to enroll in it. The individual would be eligible to use FEHB insurance or TRICARE insurance as the need occurs. The following example illustrates:

Example 6. *David retired from the uniformed services at age 42 after 22 years of active duty in the US Army. He then entered federal service for 20 years before retiring at the age of 62. David was enrolled in TRICARE throughout the time he was in federal service. During the last year of his federal service, David enrolled in an FEHB program health plan. Following his retirement from federal service, David suspended his FEHB health insurance coverage during the open season following his retirement from federal service. About five years after retiring from federal service, David moved to an area of the country in which doctors and hospitals did not accept TRICARE insurance. Shortly after he moved, David suspended his TRICARE health insurance and reenrolled in the FEHB program, outside of an FEHB program "open season." Note that had David subsequently moved to another area of the US in which doctors and hospitals did accept TRICARE, then David can suspend his FEHB insurance and reenroll in TRICARE.*

Having access to FEHB program health insurance can be especially attractive and useful to a military retiree who continues to work in federal service after age 65. This is because when a military retiree becomes age 65, the retiree must enroll in Medicare Part A and Medicare Part B in order to be enrolled in Tricare-for-Life. But the military retiree has to pay a monthly premium for Medicare Part B. The premiums paid for Medicare Part B depends on one's income. The higher one's income, the more one pays each month in Medicare Part B premiums.

Suspending TRICARE at age 65 and reenrolling in FEHB insurance may result in a military retiree paying less overall in monthly health insurance premiums. The cost of monthly FEHB health plan premiums may be cheaper than staying in TriCare-for-Life and paying significantly more in Medicare Part B premiums. This is especially true when an individual has a relatively high salary working for the government and therefore being pushed into a higher income tier with respect to Medicare Part B premiums.

What Federal Employees Should Know About the Coordination of the Federal Employees Health Benefits Program, TriCare and Medicare

8. What is Medicare Advantage, Why Medicare Advantage May be Attractive to Some Federal Annuitants, and How Federal Annuitants Can Enroll in Medicare Advantage

A Medicare Advantage Plan is another way for a federal annuitant to pay for his or her Medicare Part A and Part B coverage. Medicare Advantage Plans sometimes called Medicare "Part C" or "MA Plans" are offered by Medicare-approved private companies that must follow rules set up by Medicare. Most Medicare Advantage Plans include drug coverage. In most cases, an enrollee will need to use healthcare providers who participate in the plan's network. Medicare Advantage Plans set a limit on what an enrollee has to pay out-of-pocket each year for covered services. Some plans offer non-emergency out-of-network providers but frequently at a higher cost.

Medicare Advantage Plans Coverage

Medicare Advantage Plans provide all of an enrollee's Medicare Part A and part B benefits. Plans must cover all emergency and urgent care, and almost all medically necessary services Original Medicare (Medicare Parts A and B) cover.

Most Medicare Advantage Plans offer coverage for things Original Medicare does not cover, such as some vision, hearing and dental services. Plans can also choose to cover even more benefits. For example, some plans may offer coverage for transportation to doctor visits, over-the-counter drugs, and services that promote one's health and wellness. Plans can also tailor their benefit packages to offer additional benefits to chronically ill enrollees.

Medicare Advantage Plans Must Follow Medicare's Rules

Medicare pays a fixed amount for a Medicare Advantage Plan enrollee's coverage each month to the companies offering Medicare Advantage Plans. These companies must follow rules set by Medicare. However, each Medicare Advantage Plan can charge different out-of-pocket costs and have different rules for how an enrollee gets services. For example, whether an enrollee needs a referral to see a specialist or if the enrollee has to go to doctors, facilities or suppliers that belong to the plans' network for non-emergency or non-urgent care. These rules can change each year.

What Federal Employees Should Know About the Coordination of the Federal Employees Health Benefits Program, TriCare and Medicare

Different Types of Medicare Advantage Plans

- Health Maintenance Organization (HMO) plan
- Point-of-Service (HMOPOS) plan
- Preferred Provider Organization (PPO) plan, and
- Private Fee-for-Service (PFFS) plan.

What Potential Enrollees Should Know About Medicare Advantage Plans

To join a Medicare advantage Plan, an individual must: (1) Be enrolled in Medicare Part A and B; (2) live in the Medicare Advantage Plan's service area; and (3) Be a United States citizen or lawfully present in the United States.

Individuals can join a Medicare Advantage plan even if the individual has a pre-existing condition. Individuals can join or leave a Medicare Advantage Plan only at certain times during the year. Individuals cannot enroll in a Medicare supplemental health insurance plan while enrolled in a Medicare Advantage Plan.

Why Medicare Advantage Plans May be Attractive to Some Federal Annuitants

Federal annuitants who are enrolled in the Federal Employee Health Benefits (FEHB) program and who are also enrolled in Medicare Part A and Part B may find Medicare Advantage Plans attractive. These annuitants are willing to use doctors, health care facilities, and hospitals that are in a network.

In particular, those annuitants who have above-average dental and vision care expenses may find a Medicare Advantage Plan that services their needs in the best and least costly fashion. In terms of cost, enrolling in a Medicare Advantage Plan with expended dental and vision care and paying one premium may be better and cheaper compared to being enrolled in Medicare Parts A and B, together with FEHB health insurance (Medicare Supplemental Plan) and enrolled in a separate dental and vision insurance plan. For example, enrolling in the Federal Employee Dental and Vision Insurance Program (FEDVIP) or other separate dental and vision plans. Note that with FEDVIP employees and annuitants pay the full cost of the insurance with no federal government contributions.

How Federal Annuitants Can Enroll in Medicare Advantage

There are two ways a federal annuitant enrolled in Medicare Part A and Part B can enroll in a Medicare Advantage Plan. The first way is through the FEHB program. There are some FEHB program companies that offer Medicare Advantage Plans for eligible federal annuitants. That is, those annuitants enrolled in a FEHB program during retirement and also enrolled in Medicare Part A and Part B. Enrollment is done during the annual FEHB program "open season," held every year starting on the second Monday of November and through the second Monday of December, with coverage becoming effective the following January 1.

What Federal Employees Should Know About the Coordination of the Federal Employees Health Benefits Program, TriCare and Medicare

The other way a federal annuitant can enroll in Medicare Advantage is by joining a private Medicare advantage plan open to any US citizen over age 65. Each year during the annual enrollment period (AEP), held between October 15 and December 7, individuals can enroll in a private Medicare Advantage Plan with coverage taking effect following January 1. For a federal annuitant to join one of these private Medicare Advantage Plans, the annuitant would have to suspend his or her FEHB program enrollment. *Note that by "suspending" FEHB program enrollment the annuitant can at a future date reenroll in the FEHB program*.

The following chart summarizes when an annuitant can join, switch, drop or make changes to a private Medicare Advantage Plan:

Enrollment Period	**When Does the Enrollment Period Start and End?**	**Action That Can Be Taken with Respect to Medicare Advantage**
Initial Enrollment Period (IEP)	Seven-month period When the annuitant becomes eligible for Medicare (3 months before the month the annuitant becomes 65, the month the individual becomes 65, 3 months after the month the individual becomes age 65)	If a federal annuitant enrolls in a Medicare Advantage Plan during his or her IEP, he or she can switch to another Medicare Advantage Plan or go back to FEHB plan, together with Medicare Part A and Part B during the first three months one has Medicare.
General Enrollment Period (GEP)	January 1 to March 31	If an annuitant has Medicare Part A and gets Part B during the GEP, he or she can also join a Medicare Advantage Plan
Annual Enrollment Period (AEP)	October 15 to December 7	Federal annuitant can join, switch, or drop a Medicare Advantage Plan during the OEP. Coverage will begin on January 1, as long as the annuitant enrolls by December 7.

What Federal Employees Should Know About the Coordination of the Federal Employees Health Benefits Program, TriCare and Medicare

9. Why Federal Retirees Enrolled in an FEHB Program Health Plan Are Encouraged to Enroll in Medicare Part A and Part B?

It needs to be emphasized that a federal employee or annuitant enrolled in an FEHB program health plan is not required to enroll in Medicare. The decision to enroll is entirely up to the employee. But for reasons discussed here, federal annuitants are encouraged to enroll in both Medicare Part A and Part B.

Since federal employees can enroll in Medicare Part A (Hospital Insurance) at no cost once they become age 65, there is no reason not to enroll in Part A. The only reason an employee would not enroll in Part A at age 65 is when the employee is enrolled in an FEHHB program high deductible health plan (HDHP) associated with a Health Savings account. Once enrolled in Medicare, the employee would no longer be able to contribute to his or her HSA.

Once retired from federal service and they are close to their 65th birthday, (within three months) federal annuitants, are encouraged to enroll in Medicare Part B. While there are monthly premium costs associated with Part B, there are advantages to being enrolled in an FEHB health plan and Medicare Parts A and B, which are now explained.

The question that many federal annuitants over age 65 ask: Why should I enroll in Medicare Part B, paying the monthly premium while I am enrolled in my FEHB plan that pays for the same type of medical expenses that Medicare Prat B pays for? Am I "over insured"?

Generally, plans under the FEHB program help pay for the same type of expenses as Medicare. However, some FEHB program health plans pay for certain items that Medicare does not cover, including, but not limited to:

- Routine physicals and emergency care outside of the United States
- Some preventive services and
- Dental and vision care (Medicare Advantage Plans).

Medicare may cover some services and supplies that some FEHB health plans may not cover, including but not limited to:

- Some orthopedic and prosthetic devices, and durable medical equipment
- Home health care, and
- Limited chiropractic supplies.

What Federal Employees Should Know About the Coordination of the Federal Employees Health Benefits Program, TriCare and Medicare

Those federal annuitants over age 65 and who are enrolled in a Health Maintenance Organization (HMO) may not need Medicare Part B. HMOs provide most medical services with minimal co-pays. But a federal annuitant enrolled in an HMO may want to consider enrolling in Part B as it:

- Pays for costs involved with seeing doctors outside the HMO plan's network
- Pays for costs for non-emergency care in the U.S. if travel is involved, and
- Is required for Medicare Advantage.

Summary of Medicare Coverage

The following table summarizes the four parts of Medicare, including types of coverage, whether a monthly premium is charged, and recommendations for federal annuitants.

Medicare Part	Type of Coverage	Monthly Premium	Recommendations for Federal Annuitants
A	Hospital	No	Enroll at Age 65
B	Medical	Yes	Enroll when first eligible (age 65, if retired from federal service) during IEP or within eight months after retiring from federal service after age 65
C	Comprehensive	Yes – must be enrolled in Parts A and B	Maybe cost beneficial for some annuitants, especially those with significant dental and vision expenses.
D	Prescription Drug	Yes	Only enroll if annuitant has excessive out-of-pocket prescription expenses – more than $8000 per year. Annuitants with FEHB coverage can enroll in Medicare Part D at any time after age 65, during Part D "open season" held every year between October 15 and December 7, with no late enrollment . penalty. See below regarding OPM and FEHB plans and the Medicare Part D Drug Benefit

What Federal Employees Should Know About the Coordination of the Federal Employees Health Benefits Program, TriCare and Medicare

Medicare Part D Drug Benefit.

As shown in the Medicare coverage table at the end of Chapter 9, the Medicare Part D prescription drug program rarely benefits Federal retirees who have good prescription drug coverage through the FEHB program. But this has now radically changed. Congress passed legislation in August 2022 (the Inflation Reduction Act) that strengthened Medicare Part B through several reforms, most importantly improving its catastrophic cost protection to a maximum out-of-pocket expense to Medicare Part D enrollees of $2,000 a year. OPM is strongly encouraging FEHB program health insurance companies to adopt this improved Medicare Part D benefit as an alternative to what the FEHB program offers in prescription drug coverage as part of its health insurance coverage.

For most Medicare Part D plans the $2,000 maximum out-of-pocket prescription drug expense limit begins in 2025. However, for federal enrollees in some national FEHB program health plans the health plans have simply replaced their current drug benefit with a new EGWP ("egg-whip") benefit that advances this ceiling on out-of-pocket drugs costs to 2024. These new EGWP benefits are discussed either in section 5(f) or section 9 of the FEHB program health plan in plans that are adopting this change.

10. Appendix

1. Terms used in this booklet

2. Important FEHB program forms

3. Important Websites

Terms Used in This Booklet

Assignment:
An arrangement in which a doctor or health care supplier agrees to accept the Medicare Approved amount (see definition) as full payment for services and supplies covered under Part B. When your doctor accepts assignment, you can be billed only for the difference between the Medicare-approved amount and the combines payments made by Medicare and any secondary payer.

Coinsurance:
The amount that you pay (after you pay any plan deductibles) for each medical service you get, such as a doctor's visit. Coinsurance is a percentage of the cost of the service; a copayment is usually a fixed dollar amount you pay for a service.

Coordination of Benefits:
When you have more than one type of insurance which covers the same health care expenses, one insurer pays its benefits in full as the primary payer and the other(s) pays a reduced benefit as a secondary or tertiary payer. When the primary payer does not cover a particular service, but the secondary payer does, the secondary payer will pay up to its benefit limit as if it were the primary payer.

Copayment:
The amount that you pay for each medical service you get, like a doctor visit. A copayment (or copay) is usually a fixed dollar amount you pay for a service; coinsurance is a percentage of the cost of the service.

Deductible:
The amount you must pay for health care before your health plan begins to pay. There is a deductible for each benefit period- usually a year. There may be separate deductibles for different types of services. Deductibles can change every year.

Disenroll:
Leaving or ending your health care coverage with a health plan.

Durable Medical Equipment (DME):
Medical equipment ordered by a doctor for use in the home. DME must be reusable. DME includes walkers, wheelchairs and hospital beds.

Enroll:
You enroll when you first sign up to join a health plan.

What Federal Employees Should Know About the Coordination of the Federal Employees Health Benefits Program, TriCare and Medicare

Health Maintenance Organization (HMO):
A type of health benefits plan that provides care through a network of doctors and hospitals in a particular geographic or service area. HMOs coordinate the health care services you receive. Your eligibility to enroll in an HMO is determined by where you live or, for some plans, where you work. Some FEHB HMOs have agreements with providers in other service areas for non-emergency care if you travel or are away from home for lengthy periods.

Home Health Care:
Home health care includes skilled nursing care, as well as other skilled care services, like physical and occupational therapy, speech-language therapy and medical social services. These services must be ordered by a physician and are provided by a variety of skilled health care professionals at home. Important: Medicare does not cover long-term care, so this hole health care coverage is limited.

Hospice Care:
A program for caring for the terminally ill that emphasized palliative and supportive services, such as home care and pain control, rather than curative care of the terminal illness. These services include nursing care, medical social services, physician services, and short-term inpatient care for pain control and acute and chronic symptom management.

Inpatient Care:
All types of health services which require an overnight hospital stay.

Medicare:
The federal health insurance program for people 65 years of age or older, certain younger people with disabilities and people with End-Stage Renal Disease (those with permanent kidney failure who need dialysis or a transplant, sometimes called ERSD).

Medicare Advantage Plan:
A Medicare program offered by a private company that contracts with Medicare to provide you with all of your Part A and Part B benefits. The Medicare Advantage Plan is called Part C. Medicare Advantage Plans include HMOs, PPOs, Private Fee-for-Service Plans, and Medicare Medical Savings Account Plans. If you are enrolled in a Medicare Advantage Plan, Medicare services are covered through the plan and are not paid for under the Original Medicare Plan. Some Medicare Advantage Plans offer prescription drug coverage and may charge a monthly premium and require copayments.

Medigap:
A supplemental private insurance policy that you can buy for extra benefits either not covered or not fully covered by Medicare. There are 12 standard Medigap plans in most states, ranging from a basic benefits package to ones that cover expenses such as the Part A deductible, Part B deductible, prescription drugs, and/or the skilled nursing coinsurance.

What Federal Employees Should Know About the Coordination of the Federal Employees Health Benefits Program, TriCare and Medicare

Original Medicare:
The traditional fee-for-service arrangement that covers Part A and Part B services. Medicare pays its share of the Medicare-approved amount, and you pay your share (deductibles and coinsurance).

Out-of-Pocket Costs:
Health care costs that you must pay because they are not covered by insurance, such as deductibles, coinsurance, copayments and non-covered expenses.

Preferred Provider Organization (PPO):
A fee-for-service option under Medicare Advantage Plans where you pay less if you use providers who have agreements with the plan. You may use providers outside of the PPO network, but the services may cost you more.

Premium:
The amount you pay monthly or biweekly for insurance.

Preventive Care:
Care to keep you healthy or to prevent illness, such as routine checkups and flu shots, and some tests like colorectal cancer screening and mammograms.

Primary Payer:
When coordinating benefits, the health plan which pays benefits first for a claim for medical care.

Private Fee-for-Service Plan:
A traditional type of insurance you can choose under Medicare Advantage plans that lets you use any doctor or hospital, but you usually must pay a deductible and coinsurance or copayment. The insurance plan, rather than the Medicare program, decides how much it will pay the provider and how much you will pay for the services you receive. You may pay more or less for Medicare covered benefits, but you may get extra benefits not found in Original Medicare.

Referral:
Your primary care doctor's written approval for you to see a certain specialist or to receive certain services. Most FEHB HMOs and some Medicare health plans may require referrals. Important: IF you see a different doctor from the one on the referral, or if you see a doctor without a referral and the service is not for an emergency or urgently needed care, you may have to pay the entire bill.

Secondary Payer:
When coordinating benefits, the health plan that pays benefits after the primary payer has paid its full benefits. When an FEHB fee-for-service plan is the secondary payer, it will pay the lesser of a) its benefits in full, or b) an amount that when added to the benefits payable by the primary payer, equals 100 percent of covered charges.

What Federal Employees Should Know About the Coordination of the Federal Employees Health Benefits Program, TriCare and Medicare

Service Area:
The geographic area where a health plan accepts members. For plans that provide coverage only when you use their doctors and hospitals, it is also the area where services are administered.

Skilled Nursing Facility:
A facility that specializes in skilled nursing care performed by or under the supervision of licensed nurses, skilled rehabilitation services, and other related care, and which meets Medicare's special qualifying criteria. Does not include institutions that primarily care for and treat mental diseases. Important: Medicare does not cover long-term care, so this skilled nursing facility coverage is limited.

Suspension of FEHB Enrollment:
When you notify your retirement system that you are suspending your FEHB coverage to enroll in a Medicare Advantage plan, you retain the right to re-enroll in FEHB if your enrollment in the Medicare Advantage plan ends. Otherwise, if you cancel your FEHB coverage as an annuitant, you will probably never be eligible to re-enroll.

What Federal Employees Should Know About the Coordination of the Federal Employees Health Benefits Program, TriCare and Medicare

Some Important FEHB and Medicare Forms

1. SF 2809*
Employee Health Benefits Registration Form
May be used to enroll or re-enroll in the FEHB program, change one's enrollment in the FEHB program, or suspend one's enrollment in the FEHB program.)

2. SF 2810*
Notice of Change in Health Benefits Enrollment

3. SSA-44**
Used to appeal to the Social Security Administration the amount of one's monthly Medicare Part B premium based on adjusted gross income.)

**May be downloaded from https://www.opm.gov/forms*
***May be downloaded from https://www.ssa.gov*

What Federal Employees Should Know About the Coordination of the Federal Employees Health Benefits Program, TriCare and Medicare

Important FEHB, Medicare and Tricare Websites

1. Important information about the Federal Employees Health Benefits Program
https://www.opm.gov/insure/health/index.asp

2. Important information about Medicare
https://www.medicare.gov

3. Information about Tricare
http://www.military.com and
www.militaryauthority.com/tricare/

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