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Now for Something Different

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Putting it Together

Medicare and the FOREIGN SERVICE BENEFIT PLAN

Everyone eligible for premium-free Part A should enroll whether working or retired.

To enroll in Medicare Part B is a personal decision. We hope the information in this pamphlet helps you as you make that decision.

Here are some good resources to help you find the answer that is best for you:

www.opm.gov/healthcare-insurance/healthcare/medicare

www.ssa.gov

www.medicare.gov

www.medicare.gov/sign-up-change-plans/index.html

If you have questions about coordinating your FSBP benefits with Medicare, please give us a call directly at 202-833-4910 or email us at health@afspa.org.

Health Plan Accredited by

The FOREIGN SERVICE BENEFIT PLAN has Health Plan Accreditation from the Accreditation Association for Ambulatory Healthcare, Inc.
Reaching age 65 is an important milestone. Many people choose to retire at that time and it is also the point at which most people become eligible for Medicare. This guide will help you understand the features of Medicare and how these new benefits work with your FSBP coverage.

What is Medicare?

Medicare is a health insurance program for:

- People age 65 or older
- Some people under age 65 who have disabilities
- People with End-Stage Renal Disease

Unlike your FSBP coverage, spouses and other family members cannot be covered under a Medicare enrollment. Medicare is available only to individuals who meet Medicare's enrollment criteria. Your family members still can be covered by your FSBP benefits when you maintain a family enrollment.

Medicare provides benefits for the health care you receive in much the same way as most other health insurance coverage. But it does not cover everything. It is important to consider keeping your FSBP coverage to help pay what is left after Medicare pays its benefits.

It’s time to make a decision regarding your Medicare coverage.

Part A: Hospital Insurance

It helps pay your hospital expenses like:

- Inpatient hospital care (not observation care, which is outpatient)
- Hospice care services
- Limited inpatient skilled care in a skilled nursing facility (SNF) – NOT custodial or long term care

Part A: Quick Facts

- Everyone eligible for premium-free Part A should enroll — whether working or retired — as soon as you reach age 65
**Part B: Medical Insurance**

*It helps pay your medical expenses like:*
- Doctors’ services and tests
- Outpatient hospital services, including observation care
- Limited home health services (must be homebound)
- Durable medical equipment
- Kidney dialysis
- Certain preventive and screening services

**Provider types are important as they relate to what Medicare covers and what FSBP covers:**

<table>
<thead>
<tr>
<th>Billed amount</th>
<th>Participating</th>
<th>Non-participating</th>
<th>Private Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare approved amount</td>
<td>$800</td>
<td>$760</td>
<td>$800</td>
</tr>
<tr>
<td>Medicare limiting charge</td>
<td></td>
<td>$874</td>
<td></td>
</tr>
<tr>
<td>Medicare pays</td>
<td>$640</td>
<td>$608</td>
<td>$0</td>
</tr>
<tr>
<td>FSBP pays</td>
<td>$160</td>
<td>$266</td>
<td>$160</td>
</tr>
<tr>
<td><strong>Your liability</strong></td>
<td><strong>$0</strong></td>
<td><strong>$0</strong></td>
<td><strong>$840</strong></td>
</tr>
</tbody>
</table>

**Participating providers** (accept Medicare assignment) agree to:
- Bill Medicare for patient services
- Be paid by Medicare (get the amount Medicare approves for their services)
- Charge only the Medicare deductible and/or coinsurance amount

*FSBP will pay cost-sharing (deductibles and coinsurance).*

**Non-participating providers** (do not accept Medicare assignment):
- Medicare approved amount is lower than for participating providers
- Physicians can charge only up to 115% of Medicare approved amount (limiting charge)

*FSBP will pay regular cost-sharing AND the extra 15%*
Signing up for Medicare Part B

Initial Enrollment Period
- Seven months — the three months before your 65th birthday, the month of your birthday, and the three months after your birthday

Special Enrollment Period (if you remain actively employed beyond your 65th birthday)
- Eight month period after employment ends or current employment group health plan ends
- Retiree health plans don’t count as “current”
- Required forms: CMS-40B application and CMS-L564 proof of current employment coverage (signed by employer)
- Start early! Have HR complete shortly before retirement date*

General Enrollment Period*
- Annually — January–March

In summary — if you are retired, over age 65 and have Medicare:
Medicare A & B will be the primary payor.
FSBP will work closely with Medicare to:
- Fill most of the gaps in Medicare benefits for services covered by them (be aware of SNF limits for both Medicare and FSBP)
- Coordinate coverage with Medicare

So, you generally have little or no liability and you retain excellent prescription drug benefits that FSBP continues to cover.

Part C: Medicare Advantage

Medicare approved HMO type options offered by private insurers

Part C: Quick Facts
- Receive Part A and Part B coverage, but not from Original Medicare – different Out-of Pocket (OOP) costs and rules apply
- May receive additional benefits (e.g., vision, dental, podiatry) and lower cost-sharing
- For information on suspending your Federal Employees Health Benefits (FEHB) program enrollment, please contact your retirement office

Part D: Prescription Drug Plans (PDP)

Prescription drug coverage offered by Medicare approved private insurers

Part D: Quick Facts
- Costs vary by plan
- Most people will pay:
  - Monthly premium (Means Testing and MAGI applies)
  - Deductible, copays, coinsurance
- Federal retirees likely will not benefit from enrolling in Medicare Part D and paying extra for prescription drug benefits. FSBP remains the primary payor for most of your prescription drugs
- Part D Late Enrollment Penalty – If you lose or drop your FEHB coverage and go 63 days or longer without prescription drug coverage that’s at least as good as Medicare’s prescription drug coverage, your Medicare Part D premium will go up at least 1% per month for each month you did not have that coverage. You will pay this penalty for as long as you have Part D.

NOTE: Since Medicare generally does NOT cover services overseas, FSBP will pay normal benefits for treatment you receive overseas.

*Part B Late Enrollment Penalty – If you don’t enroll in Medicare Part B when you first become eligible, your Part B premiums will be 10% higher for each full 12-month period you didn’t enroll. You will pay this penalty for as long as you have Medicare.
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