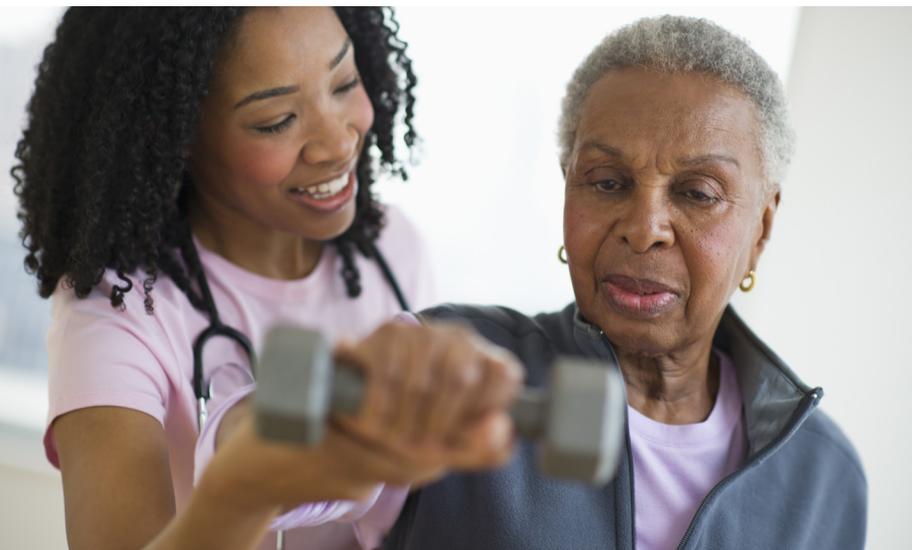


# Medicare and the FOREIGN SERVICE BENEFIT PLAN

## Putting it Together



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 Medicare's features and how these benefits work with your **Foreign Service Benefit Plan (FSBP)** coverage.

## What is Medicare?

Medicare is a health insurance program for:

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

While **FSBP** provides for coverage of eligible family members, Medicare does not. Medicare provides for individual coverage to those who meet Medicare's enrollment criteria. Your eligible

family members still can be covered under your **FSBP** benefits when you maintain a Self Plus One or Family enrollment.

Medicare provides health care benefits for services rendered (in the U.S. only) like most other health insurances, but it does not cover everything. 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 care in a skilled nursing facility (SNF) – NOT custodial or long term care

### Part A: Quick Fact

- 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 Part B pays and what FSBP pays. This chart displays an example of how your expenses can change, depending on the category of provider you visit.:

	Participating	Non-participating	Private Contract
Billed amount	\$1,000	\$1,000	\$1,000
Medicare approved amount	\$800	\$760	\$800
Medicare limiting charge		\$874	
Medicare pays	\$640	\$608	\$0
FSBP pays	\$160	\$266	\$160
Your liability	\$0	\$0	\$840

**Participating** providers (who accept Medicare assignment) agree to:

- Bill Medicare for patient services
- Be paid by Medicare (receive 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 (who do not accept Medicare assignment):

- The Medicare approved amount is lower than for participating providers
- Physicians can charge only up to the limiting charge (115% of the Medicare approved amount)

FSBP will pay regular cost-sharing up to the limiting charge.

**Private Contract (Opt Out)** providers may ask you to sign a private contract agreeing to be billed directly for services ordinarily covered by Original Medicare, that is, the provider may have opted out of the entire Medicare Program. Should you sign an agreement:

- Original Medicare, other Medicare plans and Medigap plans will NOT pay
- You are responsible for ALL charges
- No claim can be submitted to Medicare

FSBP will pay only the amount we would have paid as if Medicare had made payment (generally 20%), and you are responsible for all charges beyond the FSBP payment.

### Part B: Quick Facts

- Enrollment in Part B is voluntary at age 65
- You must pay a monthly premium, subject to Means Testing based on your Modified Adjusted Gross Income (MAGI), as filed on your 1040 tax return
- You may pay a penalty, if you are not enrolled at first opportunity and enroll at a later date
- You can defer Part B under certain situations, such as being covered under a group health plan **based on current employment**

**NOTE: Since Medicare generally does NOT cover services overseas, FSBP will pay normal benefits for treatment you receive abroad. You must file your overseas claims directly with FSBP.**

## Signing up for Medicare Part B

### Initial Enrollment Period

- Seven months — the three months before your 65<sup>th</sup> birthday, the month of your birthday, and the three months after your birthday

### Special Enrollment Period (if you remain actively employed beyond your 65<sup>th</sup> birthday)

- Eight month period after your 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 your retirement date

### General Enrollment Period

- Annually — January–March

### 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

### 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

You generally have little or no liability. Plus, you retain the excellent prescription drug benefits that **FSBP** will continue to cover.

Learn how to sign up for Medicare on the back of this brochure.

## Part C: Medicare Advantage

### Medicare approved comprehensive 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 costs and rules apply
- May receive additional benefits (e.g., vision, dental, podiatry) and lower cost-sharing
- For information on suspending, not terminating, 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)
  - Deductibles, copays, and 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 is 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

## Now for Something Different

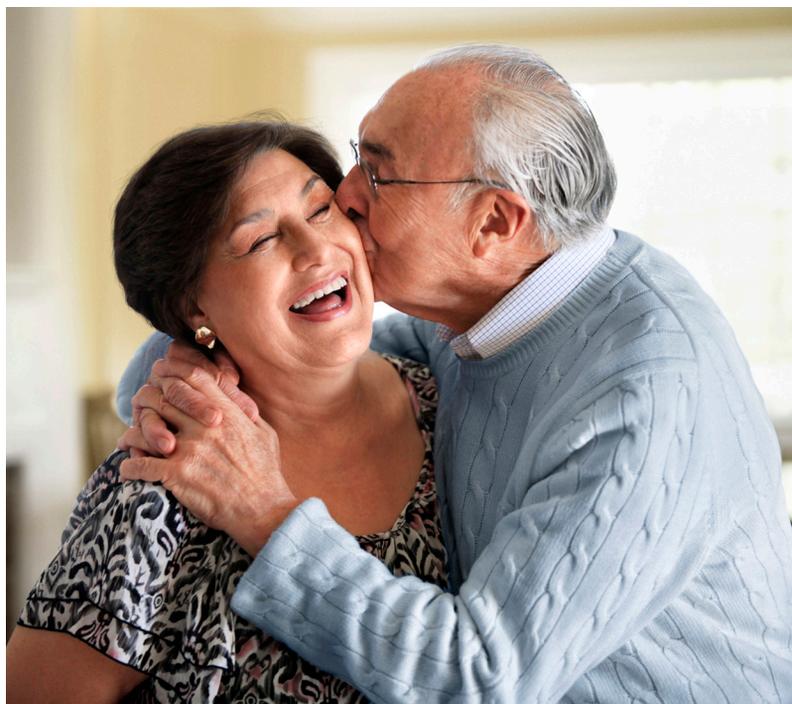
### What if you DON'T enroll in Medicare Part B?

- **FSBP** provides the same excellent coverage, only with no coordination of benefits
- You will have regular out-of-pocket expenses
- Federal law limits your liability to some extent
- If your physician participates with Medicare, then he/she cannot charge more than the Medicare approved amount
- If your physician does not participate with Medicare, then he/she can charge only up to the limiting charge (115% of Medicare approved amount) – excludes Opt-out physicians

It is always a good idea to use a provider who participates in the **FSBP** network. In-network providers agree to limit what they will bill you:

If your physician:	Then you are responsible for:
Participates with Medicare and is a member of our network,	Your in-network deductibles and coinsurance.
Participates with Medicare and is not a member of our network,	Your out-of-network deductibles and coinsurance.
Does not participate with Medicare and is a member of our network,	Your in-network deductibles, coinsurance, and any balance, up to 115% of the Medicare approved amount.
Does not participate with Medicare and is not a member of our network,	Your out-of-network deductibles, coinsurance, and any balance, up to 115% of the Medicare approved amount.
• Opt-out of Medicare via private contract,	Your deductibles, coinsurance, copayments, and any balance your physician charges.

**NOTE: It is generally to your financial advantage to use a physician who participates with Medicare. Such physicians are permitted to collect only up to the Medicare approved amount.**



## In Summary

Apply for Medicare – even if you’re not ready to retire, but are reaching, or already over 65. Everyone eligible for premium-free Part A should enroll, regardless of employment status. However, enrolling in Medicare Part B is a personal choice. We hope this brochure assisted you in making that decision.

### Ways to apply for Medicare Part A and/or Part B:

1. Online: Visit [ssa.gov/benefits/medicare](https://ssa.gov/benefits/medicare)
2. By phone: Call 1-800-772-1213 or 1-800-325-0778 (TTY)
3. In-person: Visit your local Social Security office
4. Outside the U.S. – Enroll at your nearest U.S. Social Security office, usually inside the U.S. Embassy/Consulate. Learn more at [medicare.gov/manage-your-health/information-for-my-situation/im-outside-the-us](https://medicare.gov/manage-your-health/information-for-my-situation/im-outside-the-us)

### Resources to help you find more answers:

- [opm.gov/healthcare-insurance/healthcare/medicare](https://opm.gov/healthcare-insurance/healthcare/medicare)
- [ssa.gov](https://ssa.gov)
- [medicare.gov](https://medicare.gov)
- [medicare.gov/sign-up-change-plans](https://medicare.gov/sign-up-change-plans)

If you have questions about coordinating your **FSBP** benefits with Medicare, call us at **202-833-4910** or email us at [health@afspa.org](mailto:health@afspa.org).

## For more information or questions, please contact us:

### FOREIGN SERVICE BENEFIT PLAN

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Washington, DC 20036

**Secure email:** [afspa.org/fsbp411](mailto:afspa.org/fsbp411)

**Website:** [afspa.org/fsbp](https://afspa.org/fsbp)

**Telephone:** 202-833-4910

### Protective Association

Hours of Operation – Monday – Friday  
8:30am to 5:30pm (EST)

**Email:** [afspa@afspa.org](mailto:afspa@afspa.org)

**Website:** [afspa.org](https://afspa.org)



[afspa.org/fsbp](https://afspa.org/fsbp)

Note: This brochure content is accurate as of Spring 2021.

This is a summary of the features of the **FOREIGN SERVICE BENEFIT PLAN (FSBP)**. For a complete description, please read the Plan’s Federal Brochure (RI 72-001). All benefits are subject to the definitions, limitations, and exclusions set forth in the Federal brochure. Also, this is a summary of Medicare features. For more information about Medicare, call 1-800-MEDICARE, or visit [medicare.gov](https://medicare.gov).