Medicare and the FOREIGN SERVICE BENEFIT PLAN

Putting it Together

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 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.

So how can you save money?

Signing up for Medicare may help you save money. With Medicare Parts A and B, FSBP lowers your costs by waiving deductibles and coinsurance. Additionally, opting in to the FSBP - Aetna Medicare Advantage plan allows you to receive a Part B premium reduction of $900 per person, per year.

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

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.

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:

<table>
<thead>
<tr>
<th></th>
<th>Participating</th>
<th>Non-participating</th>
<th>Private Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billed amount</td>
<td>$1,000</td>
<td>$1,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>Medicare approved amount</td>
<td>$800</td>
<td>$760</td>
<td>$800</td>
</tr>
<tr>
<td>Medicare limiting charge</td>
<td>$874</td>
<td></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>Your liability</td>
<td>$0</td>
<td>$0</td>
<td>$840</td>
</tr>
</tbody>
</table>

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.
Medicare approved comprehensive type options offered by private insurers

Part C: Medicare Advantage

Part C Quick Facts

- FSBP offers the FSBP - Aetna Medicare Advantage Plan to members who are enrolled in Medicare Parts A and B as the primary payor. Enrollment:
  - Is voluntary
  - Can be opted in or out of at any time
  - Enhances your FEHB coverage by lowering/eliminating cost-sharing for certain services
  - Offers additional benefits (i.e. vision, dental, podiatry) at no additional cost

Get a complete Medicare Advantage plan without having to suspend your FEHB coverage

Opting in to FSBP - Aetna Medicare Advantage plan offers added programs to help you reach your health goals.

To learn more, visit AetnaRetireeHealth.com/FSBP or call 1-866-241-0262 (TTY: 711), Monday-Friday, 8 AM to 8 PM ET.

Part D: Prescription Drug Plans (PDP)

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

Learn how to sign up for Medicare on the back of this brochure.
### Highlights of the new FSBP Aetna Medicare Advantage Plan

- No additional premium cost
- $900 per year ($75 monthly) Medicare Part B premium reduction for eligible members
- Added programs such as SilverSneakers® fitness, Healthy Home Visits, a nonemergency transportation program and meals after a hospital discharge at no extra cost
- Unlimited physical, occupational and speech therapy visits
- Prescription coverage as low as $0 from preferred pharmacies and $2 from standard pharmacies
- Access to doctors nationwide (use any doctor who is eligible to receive Medicare payment and accepts the Aetna plan)

### 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

To learn more visit [AetnaRetireeHealth.com/FSBP](http://AetnaRetireeHealth.com/FSBP) or call 1-866-241-0262 (TTY: 711), Monday to Friday, 8 AM to 8 PM ET.

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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:

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

**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 assists you in making that decision.

Ways to apply for Medicare Part A and/or Part B.
1. Online – Visit 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

For Questions or to enroll in FSBP-Aetna Medicare Advantage Plan, visit AetnaRetireeHealth.com/FSBP or call 1-866-241-0262 (TTY: 711), Monday-Friday, 8 AM to 8 PM ET.

Resources to help you find more answers.
- opm.gov/healthcare-insurance/healthcare/medicare
- ssa.gov
- medicare.gov
- 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.

For more information or questions, please contact us:

American Foreign Service Protective Association
Hours of Operation – Monday–Friday
8:30am to 5:30pm (EST)
Email: afspa@afspa.org
Website: afspa.org

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Note: This brochure content is accurate as of Spring 2023.

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. This is also a summary of Medicare features. For more information about Medicare, call 1-800-MEDICARE, or visit medicare.gov.