
FEHB AND MEDICARE COORDINATION OF BENEFITS

Medicare Coverage

Part A - Hospital Insurance

Part B - Medical Insurance

**FEHB and Medicare
Coordination of Benefits**

Enrollment Periods

Medicare Publications



Medicare

Original Medicare Plan

Medicare is a Federal health insurance program for people age 65 or older, people any age with permanent kidney failure, and certain disabled people. Medicare is administered by the Health Care Financing Administration. The Social Security Administration provides information about the program, takes applications for Medicare, and assists beneficiaries in claiming Medicare payments.

The Original Medicare Plan is the traditional pay-per visit arrangement that covers Medicare Part A and Part B services. Participants can go to any doctor, hospital, or other health care provider who accepts Medicare.

Medicare+Choice Managed Care Plan

Beginning in 1999, Medicare eligible annuitants may remain in Original Medicare or elect to receive Medicare benefits from an array of Medicare+Choice managed care plan options. These are Medicare sponsored HMO plans, referred to as Medicare Coordinated Care Plans (MCCPs). These managed care plans involve a group of doctors, hospitals, and other health care providers who have agreed to provide care to Medicare beneficiaries in exchange for a fixed amount of money from Medicare every month. They include Health Maintenance Organizations (HMOs), HMOs with Point of Service Options, Provider Sponsored Organizations, and Preferred Provider Organizations.

Medicare+Choice enrollees may not need FEHB coverage because the Medicare managed care plan provides many of the same benefits as FEHB. FEHB enrollees may suspend FEHB coverage to enroll in a Medicare managed care plan and later re-enroll in FEHB if they lose or cancel the Medicare managed care plan. For additional information, contact OPM before suspending FEHB coverage by calling 1-888-767-6738 or 202-606-0500 or write to:

Office of Personnel management
Retirement Operations Center
P.O. Box 45
Boyers, PA 16017-0045

Medicare Part A

Medicare Part A - Hospital Insurance

Original Medicare Part A (Hospital Insurance) helps pay for:

- inpatient hospital care
- skilled nursing facility care
- home health care
- hospice care

Eligibility & Cost

- Persons age 65 or older receiving Social Security benefits are **automatically enrolled** in Medicare Part A with **no monthly premium**.
- **Medicare Part A was mandatorily extended to all Federal employees on 1/1/83.** All Federal employees (and spouses) and former Federal employees (and spouses) who were in Federal service on 1/1/83 or worked for at least ten years in Medicare-covered employment **may enroll with no premium**.
- Persons age 65 or older who are not otherwise eligible can buy Part A Medicare protection.

Deductibles

The **deductibles** for Medicare hospital and skilled nursing facility benefits are based upon benefit periods.

Benefit Period

A benefit period begins on the first day of inpatient Medicare-covered service in a qualified hospital and ends after 60 days in a row out of a hospital or facility that provides skilled nursing or rehabilitation services. A new benefit period begins upon return to hospital after 60 days.

Medicare Part B

Medicare Part B - Medical Insurance

**Original Medicare Part B
(Medical Insurance)
helps pay for:**

- doctor's services
- outpatient hospital care
- X-rays and laboratory tests
- durable medical equipment and supplies
- home health care (if you don't have Part A)
- certain preventive care
- limited ambulance transportation
- other outpatient services
- some other medical services that Part A doesn't cover, such as physical and occupational therapy.

Eligibility

Almost anyone who is age 65 or older is eligible to enroll in Part B - medical insurance.

Cost

The **monthly premium** for Part B - medical insurance changes annually. Generally, premiums are withheld from the monthly Social Security payment. If an individual is not eligible for Social Security payments, he/she may elect to pay quarterly premiums directly to the Health Care Financing Administration or have the premiums withheld from his/her Civil Service annuity.

Deductibles

Medicare Part B pay 80% of Medicare covered expenses after reaching an **annual deductible**.

Medicare Exclusions

Medicare does not cover:

- monthly Part B premium
- deductibles, coinsurance or copayments
- outpatient prescription drugs (with few exceptions)
- custodial care at home or in a nursing home
- most dental care and dentures
- routine foot care
- hearing aids
- routine eye care
- health care while traveling outside of the US
- cosmetic surgery
- some vaccinations
- orthopedic shoes

FEHB and Medicare Coordination

FEHB and Medicare Coordination of Benefits

Generally, FEHB plans help pay for the same kinds of expenses as Medicare. FEHB plans may also provide coverage for:

- prescription drugs
- routine physicals
- emergency care outside of the US
- some preventive care that Medicare does not cover
- Some FEHB plans provide dental / vision coverage

FEHB fee-for-service plans waive most of their deductibles, coinsurance, and copayments for part B enrollees. Medicare and the FEHB fee-for service plans combine to provide nearly complete coverage for all expenses.

FEHB and Medicare Coordination

Employment status & Medicare enrollment status	Primary Payer	Secondary Payer
Federal employee, age 65 or older enrolled in Medicare A (or A & B)	FEHB	Medicare
Spouse of Federal employee, age 65 or older, enrolled in Medicare A (or A & B)	FEHB	Medicare
Federal employee under age 65, eligible for Medicare solely on the basis of disability	FEHB	Medicare
Family member of Federal employee, is under age 65, eligible for Medicare solely on the basis of disability	FEHB	Medicare
Retired Federal employee, age 65 or older, enrolled in Medicare A (or A and B)	Medicare	FEHB
Spouse of retired Federal employee, age 65 or older, enrolled in Medicare A (or A and B)	Medicare	FEHB



Medicare Glossary of Terms

Assignment

In the Original Medicare Plan, Assignment is an arrangement where a doctor or supplier agrees to accept the Medicare-approved amount as payment in full 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 combined payments made by Medicare and any secondary payer, such as FEHB.

Limiting Charge

The maximum amount doctors and other health care providers who don't accept Medicare assignment can charge for covered services. This limit is 15% over Medicare's approved payment amount.

Medicare Approved Amount

The amount that Medicare determines to be reasonable for a service that is covered under Part B of Medicare. It may be less than the actual charge.



Medicare Enrollment Periods

7-month initial enrollment period:

The initial enrollment period for Medicare is the 7-month period surrounding the 65th birthday. An individual who is receiving Social Security benefits will receive a Medicare enrollment package in the mail approximately three months prior to age 65 explaining **automatic enrollment in Parts A and B**. If the individual does not want to enroll in Part B, he/she must return the Medicare card in the envelope provided to receive a new Medicare card showing Part A coverage only. **An individual who is not receiving Social Security benefits must contact the Social Security Administration to enroll in Medicare.**

General enrollment period: January 1 through March 31.

An individual who enrolls during the general enrollment period will be charged a **late enrollment penalty equal to 10%** of the monthly premium for each 12 month period he/she could have been enrolled, but was not.

Special enrollment period:

An individual who continues to work and is covered by an employer health plan or is covered by a spouse's employer health plan, has a special 7 month enrollment period beginning with the month of retirement or the month that the employer health plan ends to enroll in Medicare - Part B with no penalty.



Medicare Publications

FEHB Publications

See your **FEHB Plan brochure** for a discussion of coordination of benefits when you have Medicare.

Medicare / FEHB Publications

The Federal Employees Health Benefits Program and Medicare

RI 75-12, November 1999, published by The Retirement and Insurance Group, U.S. Office of Personnel Management. Available via OPM Internet site: (www.opm.gov) or through your Personnel Office.

Medicare Publications

The following Medicare publications may be obtained from any Social Security office or by writing to:

Medicare Publications
Health Care Financing Administration
6325 Security Boulevard
Baltimore, MD 21207

- The Medicare Handbook
- Medicare Q & A: 85 Commonly Asked Questions
- Guide to Health Insurance for People with Medicare
- Medicare and Coordinated Care Plans
- Medicare Hospice Benefits
- Medicare and Other Health Benefits
- Medicare and Your Physician's Bill

Internet Addresses

Medicare: <http://www.hcfa.gov>
Social Security: <http://www.ssa.gov>
OPM: <http://www.opm.gov>
NARFE: <http://www.narfe.org>