




2024 MEDICARE AND THE FEHB PUTTING IT TOGETHER


Kyle Longton, CAE, REBC

Chief Executive Officer/Executive Vice President




For Your Information 


- Many regulations for FEHB and Medicare
 - Review FEHB Brochure
 - Review MEDICARE information material
- This information applies **only** to Federal employees/annuitants
- Not applicable to individuals without FEHB
- Not applicable to private sector (commercial insurance)

INFORMATION ACCURATE AS OF 10/29/2024 


2

Acronyms I Will Use 


- **FEHB** – Federal Employees Health Benefits Program
- **FFS** – Fee-for-Service
- **HMO** – Health Maintenance Organization
- **OOP** – Out of Pocket
- **OPM** – Office of Personnel Management

INFORMATION ACCURATE AS OF 10/29/2024 

3



For Your Information 

Biggest question:
Should I enroll in Part B?

INFORMATION ACCURATE AS OF 10/29/2024 

4

First Up: Medicare and Overseas





- Medicare **DOES NOT** cover care you receive outside the U.S., except in certain **very limited** situations
- Generally, your FEHB Plan (FFS) is primary for services you receive outside the 50 United States
 - You must file a claim with your Plan, even if you have Medicare A and/or B
- Are you going to spend a lot of time overseas?

INFORMATION ACCURATE AS OF 10/29/2024

5

Medicare Overview



1

Four Parts of Medicare:

- A, B, C, D
- Premium Costs
- Out-of-Pocket Costs
- Provider Types

2

Medicare Coverage & FEHB


3

No Medicare Coverage & FEHB

INFORMATION ACCURATE AS OF 10/29/2024

6

Medicare Has Four Parts





Parts	Type of Insurance	Monthly Premium
Part A (Original Medicare)	Hospital Insurance	Free (in most cases)
Part B (Original Medicare)	Medical Insurance	\$174.70/month for 2024 (Standard before MAGI – Means Testing)
Part C – (Medicare Advantage)	Comprehensive	Includes Part B premiums. May be additional premiums
Part D	Prescription Drug Coverage	Varies by plan

INFORMATION ACCURATE AS OF 10/29/2024

7

Medicare Part A: Hospital Coverage Covered Services





- **Inpatient** Hospital Care
 - (**NOT** observation care)
- Hospice care services
- Limited Inpatient care in Skilled Nursing Facility (**NOT** custodial or long term)

INFORMATION ACCURATE AS OF 10/29/2024

8

Medicare Part A: Quick Facts





- Everyone eligible for premium-free Part A should enroll
- You should consider enrolling at age 65 whether you are working or retired

INFORMATION ACCURATE AS OF 10/29/2024

9


Medicare Part B: MEDICAL Coverage Covered Services

- 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
- **No Annual Physical Exam**

INFORMATION ACCURATE AS OF 10/29/2024


10

Medicare Part B: Quick Facts 

- Enrollment in Part B is voluntary at age 65
- Must pay a monthly premium
- **May pay a penalty if not enrolled at first opportunity** and decide to enroll at a later date, BUT
 - Can defer Part B under certain situations, such as:
 - Employed and covered under group health plan based on current employment

INFORMATION ACCURATE AS OF 10/29/2024 11

11

Medicare Part B: Quick Facts 


Part B Premium is Means-Tested based on your Modified Adjusted Gross Income (MAGI)

You may pay an Income Related Monthly Adjustment Amount (IRMAA)

What could that mean for you?

INFORMATION ACCURATE AS OF 10/29/2024 12

12


2024 Part B Premium: Modified Adjusted Gross Income (MAGI) Two Year Look-Back on Income 

Income: Individual 2022 Tax Year	Income: Jointly 2022 Tax Year	2024 Monthly Premium
\$103,000 or below	\$206,000 or below	\$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	\$559.00
Above \$500,000	Above \$750,000	\$594.00

"Medicare Premiums: Rules for Higher-Income Beneficiaries": <https://www.ssa.gov/benefits/medicare/medicare-premiums.html>

INFORMATION ACCURATE AS OF 10/29/2024 13


13


Requesting a Medicare Premium Re-determination 

- Allowable reasons for requesting a new determination from the SSA (QLE's):
 - If married, divorced or widowed
 - **If you or your spouse stopped working or reduced work hours**
 - More recent tax information is available
 - Call SSA at 1-800-772-1213 for information
- To view "Medicare Premiums: Rules for Higher-Income Beneficiaries": <https://www.ssa.gov/benefits/medicare/medicare-premiums.html>

INFORMATION ACCURATE AS OF 10/29/2024 14

14


Medicare Part C: Medicare Advantage Plan QUICK FACTS 




- Comprehensive type options approved by Medicare
- May receive additional benefits (e.g., vision, dental, podiatry) and lower cost-sharing
- Receive Part A and Part B coverage, but not from Original Medicare
 - Different OOP costs and rules apply
- FEHB Plans won't waive deductibles, coinsurance, etc. for care outside of MAP service area.
- Can **suspend** FEHB coverage if enrolled in a **commercial MAP**

INFORMATION ACCURATE AS OF 10/29/2024 15

15

Medicare Part D: Prescription Drug Coverage QUICK FACTS 




- Costs vary by plan
- Most people will pay
 - Monthly premium (MAGI applies)
 - Deductible, copays, coinsurance
- All FEHB Plans offer creditable coverage
- Per OPM, Federal retirees likely will not benefit from enrolling in Medicare Part D and paying extra for prescription drug benefits

INFORMATION ACCURATE AS OF 10/29/2024 16

16

2024 Part D Premium: Modified Adjusted Gross Income (MAGI) Two Year Look-Back on Income




Income: Individual 2022 Tax Year	Income: Jointly 2022 Tax Year	2024 Individual Monthly Premium
\$103,000 or below	\$206,000 or below	Plan Premium
\$103,001 - \$129,000	\$206,001 - \$258,000	+\$12.90
\$129,001 - \$161,000	\$258,001 - \$322,000	+\$33.30
\$161,001 - \$193,000	\$322,001 - \$386,000	+\$53.80
\$193,001 - \$500,000	\$386,001 - \$750,000	+\$74.20
Above \$500,000	Above \$750,000	+\$81.00

"Medicare Premiums: Rules for Higher-Income Beneficiaries": <https://www.ssa.gov/benefits/medicare/medicare-premiums.html> INFORMATION ACCURATE AS OF 10/29/2024

17

Signing Up for Medicare at AGE 65




- **Initial Enrollment Period – 7 months**
 - 3 months/birthday month/3 months
 - Everyone eligible for premium-free Part A should enroll at age 65
- **General Enrollment Period***
 - Annually: January-March

*Part B Late Penalty – as long as you have Medicare: 10% for **each** full 12-month period you didn't sign up

INFORMATION ACCURATE AS OF 10/29/2024

18

Signing Up for Medicare at AGE 65




- **Special Enrollment Period**
 - 8-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

Notify your FEHB Plan when you enroll in Part A; and if you enroll in Part B

INFORMATION ACCURATE AS OF 10/29/2024


19

Signing Up for Medicare at AGE 65 


■ **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 <https://www.medicare.gov/basics/get-started-with-medicare/sign-up/when-can-i-sign-up-for-medicare>


INFORMATION ACCURATE AS OF 10/29/2024 

20


Medicare Part A: Hospital coverage OUT-OF-POCKET COSTS FOR 2024 




- Hospital deductible: \$1,632 for inpatient days 1 through 60 of each benefit period
- Additional \$408 daily copay for inpatient days 61 through 90
- Additional \$816 daily copay for days over 90 (Lifetime Reserve)
- Skilled Nursing Facility (SNF): \$204 daily copay for days 21 through 100 (**ONLY SKILLED CARE**)

INFORMATION ACCURATE AS OF 10/29/2024 

21


Medicare Part B: MEDICAL coverage out-of-pocket costs FOR 2024 



Part B


- Yearly deductible: \$240
- 20% coinsurance
- Extra billing by non-participating physicians – depending on your FEHB Plan

And let's talk about physicians.....

INFORMATION ACCURATE AS OF 10/29/2024 

22

Retired Over 65: Fee-for-service (FFS) Medicare B Primary Provider Accepts Assignment




- Participating providers agree to:
 - Be paid by Medicare (accept the amount Medicare approves for their services)
 - Charge only the Medicare deductible and/or coinsurance amount
- FEHB Plans will cover cost-sharing

INFORMATION ACCURATE AS OF 10/29/2024

23

Retired Over 65: FEE-FOR-SERVICE (FFS) Medicare B Primary Provider Does NOT Accept Assignment (Non -Participating Providers)




- Physicians can charge more than the Medicare-approved amount, but there is a limit (limiting charge), usually about 15% more
- FEHB Plans will cover regular cost-sharing
- Patient responsible for the extra 15%
- Some FEHB plans will cover cost-sharing up to the limiting charge

INFORMATION ACCURATE AS OF 10/29/2024

24

Retired Over 65: FEE-FOR-SERVICE (FFS) Medicare B Primary Private Contracts – Opt Out Providers!




- Individual written agreement between you and your doctor not to bill Medicare:
 - Original Medicare, other Medicare plans and Medigap plans will NOT pay
 - You will pay ALL charges
 - No claim can be submitted to Medicare
 - You cannot be asked to sign in an emergency
- FEHB plan will not pay any more than they would have paid if Medicare had made payment (generally 20%) *Per Federal Regulation*

INFORMATION ACCURATE AS OF 10/29/2024

25

Provider accepts assignment / Does not accept / Private Contract




	Provider Accepts	Provider DOES NOT Accept	Private Contract (Opt Out)
Billed amount	\$1,000	\$1,000	\$1,000
Medicare Approved Amount	\$800		\$800
Medicare Limiting Charge = 115% of the Medicare Approved Amount		\$920	
Medicare pays	- \$640	- \$640	- \$0
FEHB plan pays 20% of Approved Amount	- \$160	- \$160	
FEHB plan pays 20% of Approved Amount			- \$160
Your liability	\$0	\$120	\$840

INFORMATION ACCURATE AS OF 10/29/2024

26

Retired Over 65: FEHB FFS & Medicare Medicare A & B Primary




- Plans fill **most** of the gaps in Medicare for services covered by them (be aware of SNF limits)
- Plans waive some costs, like deductible, medical coinsurance/copays, etc.
- Plans coordinate coverage (COB) with Medicare
- Patient generally has little or no liability

The FEHB plans remain primary for PRESCRIPTION DRUGS (except for very limited number like injections at dr's office, certain oral cancer drugs, immunosuppressive drugs, etc.)

INFORMATION ACCURATE AS OF 10/29/2024

27


FEHB HMO & Medicare B: Retired Over 65




- FEHB HMO** enrollees may not need Medicare Part B
 - May not recover the cost of Part B expenses for benefits received
- However, Part B pays for
 - Costs involved with seeing providers outside of the HMO network


INFORMATION ACCURATE AS OF 10/29/2024

28


Medicare Part B Incentives under Some FEHB Plans 



- Copay, Coinsurance or deductible waivers
- Lower Prescription Copays
- Limited Reimbursement for portion of Medicare Part B Premiums

INFORMATION ACCURATE AS OF 10/29/2024 

29

Federal Employees MAP– Optional Value-Added Programs – depending on plan 


- Meal delivery after hospital stay
- Transportation to medical appointments
- Telehealth
- Fitness Benefits through Silver Sneakers
- Part B premium reduction through reimbursement
- Prescriptions (Part D) coverage optional or may be included in the Plan's MAP
- Hearing aids/Vision – glasses/contacts

Must be enrolled in Medicare Parts A & B


You won't have to suspend your FEHB plan as you would with a commercial MAP program

Understand that Medicare Rules apply – it is NOT the same as regular FEHB plan rules

OPT-IN – you must choose to enroll, but can change back anytime during the year

INFORMATION ACCURATE AS OF 10/29/2024 


30



FSBP - Aetna Medicare Advantage (PPO) plan -2025 


FSBP - Aetna Medicare Advantage designed for FSBP retirees with Medicare Parts A and B

You'll also have:


- Keep the same **\$0 cost sharing** for deductibles, copayments and coinsurance that you have today.
- Enroll to get enhanced benefits at an affordable price with no extra cost to you.
- **\$900 per year** Medicare Part B premium reduction for eligible members
- Added programs such as **SilverSneakers®** and Healthy Home Visits
- **Prescription copays:** as low as \$0 from preferred pharmacies and \$2 from standard pharmacies (MAX OOP \$2000)
- **Unlimited** chiropractor, physical, occupational, and speech therapy visits
- **Enhanced** Acupuncture and podiatry care
- **Nationwide providers** (use any provider who is eligible to receive Medicare payment and accepts the plan)









 



INFORMATION ACCURATE AS OF 10/29/2024 **One routine vision exam at \$0** 

31

Wellness programs and support 


In addition to the benefits of Aetna Medicare Advantage for FSBP plan, you get access to:

 Teladoc®	 Meal benefit program
 Non-emergency transportation	 Hearing aid reimbursement
 SilverSneakers®	 Resources For Living®

INFORMATION ACCURATE AS OF 10/29/2024


32

FSBP - Aetna Medicare Advantage (PPO) plan Some Important Differences 

- Some service require prior authorization
 - INPT Hospital, OUTPT surgery, physical and massage therapy, etc.
- **Massage Therapy benefits**
 - Must be Medically Necessary – provider completes a medical necessity review form
 - Can use ASH in or out-of-network provider – but must accept both Medicare and Aetna Medicare Advantage Plan
 - No coverage for massage for comfort or relaxation purposes
- **Pharmacy Benefit is through CVS Health**
 - Review formulary list
- Customer Service handled by Aetna Retiree Service Center, NOT by AFSPA
- CMS rules apply, including Income Related Monthly Adjustment Amount (IRMAA) **premium add-on**

INFORMATION ACCURATE AS OF 10/29/2024

33

FEHB Plans with Medicare Prescription Drug Plan(PDP) – Launched in 2024 

- Allows group plans to enroll members aged 65 and older in a Part D plan and take advantage of lower costs set within Part D plans
- All eligible members age 65+ **may be automatically enrolled; can opt-out if desired**
- Cost structure sharing can make the option appealing for members with lower copays and a lower out of pocket max for Rx drugs
- CMS rules apply, including possible IRMAA premium add-on

Only an enhancement to the Prescription Drug Benefit (5f) – members receive all same other benefits and programs in regular Plan design

OPT-OUT – must opt-out if you want to stay with regular 5f benefits.

Some plans allow you to opt back in at anytime; some make you wait until the next Open Season.

DO THE MATH

INFORMATION ACCURATE AS OF 10/29/2024

34

FEHB-Express Scripts Medicare® Prescription Drug Plan (PDP) EGWP

afspa
AMERICA'S FEDERAL EMPLOYERS' SAVING PLAN ASSOCIATION

- Changing from auto enrollment to opt-in
- Enrolls eligible members in Part D PDP EGWP
- Larger pharmacy network and greater flexibility for 90-day fills
- Copays equal to or less than FSBP High Option copays
- Greater savings may be available in 2025 due to changes in Part D out of pocket calculations

Only an enhancement to the Prescription Drug Benefit (5f) – members receive all same other benefits and programs in regular Plan design

DO THE MATH – May be subject to Part D IRMAA

INFORMATION ACCURATE AS OF 10/29/2024 35

35

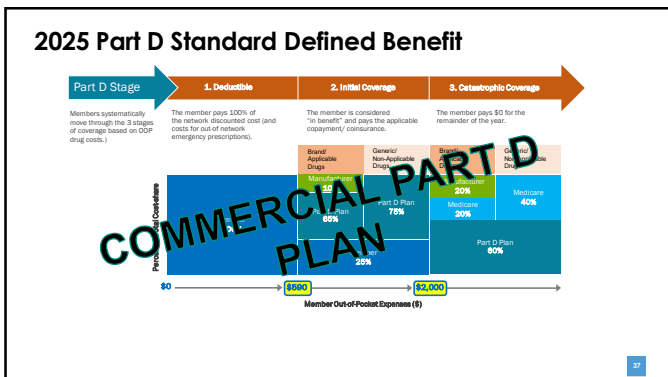
Medicare Prescription Drug Coverage in 2025

afspa
AMERICA'S FEDERAL EMPLOYERS' SAVING PLAN ASSOCIATION

- Inflation Reduction Act provisions will lead to additional cost savings for those covered by Part D plans
- Continuation of provisions in place in 2023/2024 – cap on insulin spending, \$0 cost sharing on certain vaccines, and \$0 cost sharing in catastrophic phase
- Redesign in 2025
 - Capping annual out-of-pocket (OOP) costs for beneficiaries at \$2,000 Part D Spend
 - Change in how OOP is calculated
 - Removal of the Coverage Gap stage and ending the Coverage Gap Discount Program
 - Implementation of new manufacturer discount program (MDP)
 - New Medicare Prescription Payment Program (M3P)
- 2026 and beyond: Allowing Medicare to negotiate drug prices
- Implementing drug manufacturer inflationary rebates (penalties) in Medicare

INFORMATION ACCURATE AS OF 10/29/2024 36

36



37

Medicare Prescription Drug Coverage in 2025 


What does this all mean?

Greater Savings


for those covered by Part D plans

INFORMATION ACCURATE AS OF 10/29/2024 


38

Medicare and FEHB Ins and Outs 


- Medicare does not provide coverage for spouses or children – no family enrollment
- FEHB is primary on spouse under age 65 who does not have Medicare
- See FEHB brochure, Section 9:
 - COB with Medicare
 - Primary Payor Chart

INFORMATION ACCURATE AS OF 10/29/2024 


39

Medicare and FEHB Tandem Couples 

- Medicare Part B is an individual decision
- FEHB is primary on spouse who does not have Medicare
- If one spouse is active duty, might consider coverage under that plan
 - Based on current employment
 - Qualify for Special Enrollment Period when active spouse retires
 - Might be higher premium compared to 2 Self Only plans but can delay Medicare Part B decision (and monthly premium) until active spouse retires.

INFORMATION ACCURATE AS OF 10/29/2024 

40

TRICARE for Life (TFL) and the FEHB 


- Medicare Part A and Part B enrollment is **required** in order to maintain TRICARE eligibility and use TRICARE for Life
- If you use TFL and continue your FEHB, TRICARE is normally the last payer after Medicare and FEHB
- You can suspend FEHB and use Medicare/TFL without losing the right to return to FEHB during a future Open Season

Before suspending FEHB consider the following:

- Do you spend most of your time overseas?
- Do you use a specific benefit that is covered by your FEHB plan but not Medicare/TRICARE?

41


41

For More TRICARE Information 

- **Resources**
 - <https://tricare.mil/tfl>
 - www.tricare4u.com
 - <https://www.opm.gov/healthcare-insurance/insurance-faqs/>
- **Publications**
 - TRICARE® and MEDICARE
 - https://tricare.mil/~media/Files/TRICARE/Publications/BrochuresFlyers/Turning65_Br.a.shx
 - TRICARE FOR LIFE and MEDICARE
 - https://www.tricare.mil/~media/Files/TRICARE/Publications/Handbooks/TFL_HBK.pdf

42


42

What Happens if I **DON'T Enroll in Medicare Part B?** 

- **Same Benefits as before, and...**
 - **Because of the 5 CFR § 890.905 law, your liability is limited**
- By law, FFS plans must limit their payments for inpatient hospital care and physician care to those payments you would be entitled to if you had Medicare
- Your physician (Medicare participating & non-participating) and hospital cannot bill you for more than they could bill you if you had Medicare
- You are responsible for deductibles, coinsurance, or copayments under your **FEHB** Program Plan

43

43


What Happens if I **DON'T Enroll in Medicare Part B?** 

- Opt-Out physicians, outpatient hospital care and non-physician based care are **NOT** covered by this law
- If using a in Network provider, discounts still apply, so you still have protection

44

INFORMATION ACCURATE AS OF 10/29/2024

44


Enroll in Medicare B: Should I or Shouldn't I? 

- Consider the following in deciding to enroll or not in Medicare B
 - **First** – Will you spend a great deal of time outside the U.S.?
 - **Second** – What is your financial situation?
 - While you might be concerned about MAGI, consider cost of healthcare
 - With Medicare B - virtually 100% covered
 - You must have Part B to enroll in a MAP

45

INFORMATION ACCURATE AS OF 10/29/2024

45

Enroll in Medicare: Should I or Shouldn't I? 

- Consider the following in deciding to enroll or not in Medicare B
 - **Third** – How is your health?
 - As we age we are more likely to seek medical care
 - **Do your favorite doctors accept Medicare?**
 - **Fourth** – What is your tolerance for paperwork?
 - Electronic crossover from Medicare B to FEHB, hence virtually no paperwork

46

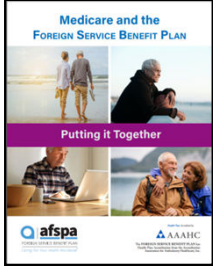
INFORMATION ACCURATE AS OF 10/29/2024

46

MEDICARE RESOURCES

- <https://www.opm.gov/healthcare-insurance/healthcare/medicare/>
- <https://www.ssa.gov>
- <https://www.medicare.gov>
- <https://www.medicare.gov/sign-up-change-plans/index.html>
- <https://www.afspa.org/fsbp-and-medicare/>

■ Contact your plan for their Medicare brochure



afspa
MEDICARE, TRICARE, MEDICARE & RESIDENCE

Medicare and the FOREIGN SERVICE BENEFIT PLAN

Putting it Together

afspa
AMERICAN FOREIGN SERVICE PROTECTIVE ASSOCIATION

AAAHC
ACCREDITED HEALTH CARE ORGANIZATION

INFORMATION ACCURATE AS OF 10/29/2024


47

47

MEDICARE RESOURCES

- FOCUS on MEDICARE Series
 - Buzzsprout at www.afspatalks.buzzsprout.com/
 - Videos at www.youtube.com/afspacares
 - Medicare and the FEHB
 - Medicare, Tricare and the FEHB (featuring Dr. Christine Hunter, USN, Ret.)
 - Federal Medicare Advantage Plans
 - FSBP - Express Scripts Medicare® Prescription Drug Plan(PDP)

All other episodes can be found at www.afspa.org/podcast



afspa
MEDICARE, TRICARE, MEDICARE & RESIDENCE

48

48



Caring For Your Health Worldwide®

Kyle Longton, CAE, REBC
 Chief Executive Officer/Executive Vice President
 American Foreign Service **Protective Association**
 Phone: 202-833-4910 Website: www.AFSPA.org
 E-mail: presentation@afspa.org

afspa
MEDICARE, TRICARE, MEDICARE & RESIDENCE

49

49
