

Medicare Minute Teaching Materials — April 2024

Medicare for Federal Employees and Retirees

1. What are Federal Employee Health Benefits?

Federal Employee Health Benefit (FEHB) plans cover current and retired government employees. They are administered by the Office of Personnel Management (OPM). FEHB plans can be either Health Maintenance Organizations (HMOs) or Fee-for-service (FFS) plans. HMOs have networks of providers, and you must usually see in-network providers to be sure services are covered. In an HMO, your out-of-pocket costs may be lower than in other plan types. FFS plans allow you to see any medical provider, but you may have higher costs.

2. How does FEHB coverage coordinate with Medicare?

FEHB plans follow some of the same coordination of benefits rules and rules for delaying Medicare enrollment as non-federal job-based insurance and retiree insurance—with a few important exceptions. Because you or your spouse work for the federal government—an employer with 100+ employees—FEHB is always primary during active employment. Additionally, if you meet other requirements, you will have a Special Enrollment Period (SEP) to enroll in Part B when you are no longer covered by FEHB insurance based on current work.

If you are entitled to FEHB retiree insurance based on your or your spouse's previous job, you do not have an SEP. When you become Medicare-eligible, you can:

- Decide to keep FEHB and enroll in Medicare Parts A and B.
- Disenroll from your FEHB coverage and enroll in Medicare Parts A and B.
- Turn down Medicare Part B, enroll in Medicare Part A, and keep FEHB.

Unlike other retiree insurance, FEHB will pay primary if you do not enroll in Part B. Therefore, in any of these cases, you will have primary coverage. However, you should consider each option and your health insurance needs before deciding whether to delay Medicare enrollment (see question 3).

3. How should I decide whether to enroll in Medicare with FEHB?

Federal Employee Health Benefits (FEHB) plans continue paying primary for retirees who do not enroll in Medicare Part B. FEHB is only secondary if you enroll in Part B.

Whether to enroll in Part B or use FEHB as primary coverage is a personal decision, based on your individual circumstances. You should look at the costs and benefits of each insurance plan and make the choice that's best for you. Questions to consider include:

- Which forms of insurance do your providers take?
- What kind of services do you use regularly?
- Which coverage offers the flexibility you need?

If you decide to enroll in Part B, you should do so within eight months after you no longer have FEHB coverage from current employment. Review your FEHB plan brochure for more details. Note that you may be unable to enroll in FEHB again if you disenroll. If you stay enrolled in FEHB and also take Part B:

- Medicare will be primary
- FEHB may cover your Medicare cost-sharing (deductibles, copayments, coinsurances)

If you stay enrolled in FEHB and do not enroll in Part B:

- Your FEHB plan will continue providing the same coverage it did when you were actively employed
- Note that some individuals choose to enroll in Part A because it is premium-free but turn down Part B because of the additional monthly premium
- Those who want to enroll in Part B in the future may face penalties and have to wait to enroll during the General Enrollment Period (GEP)

Note: If you keep FEHB, you must continue paying full FEHB premiums, regardless of whether you take Medicare.

Remember, FEHB plans offer HMO and FFS options.

- FEHB HMO plans have networks of providers and facilities
- FFS plans allow you to see any provider, but you may pay higher costs

You should also compare the costs and benefits of your FEHB drug coverage and Part D to decide which best suits your needs (see question 4).

4. Should I enroll in Medicare Part D if I have FEHB?

FEHB prescription drug coverage is creditable for Medicare-eligible retirees. This means that if you are enrolled in FEHB, you can delay Part D enrollment without incurring a late enrollment penalty (LEP). Be sure to compare the costs and benefits of your FEHB plan and Part D to decide which best suits your needs.

If you are eligible for Extra Help, you may want to consider enrolling in Part D. The drug copayments for individuals who have Part D and Extra Help are typically lower than the copays under FEHB drug coverage. However, your FEHB plan's formulary may be broader than the formularies of Part D plans offered in your area. You may also want to keep FEHB drug coverage if the plan covers your drugs with no or fewer coverage restrictions than available Part D plans.

If you enroll in both Part D and FEHB drug coverage, Part D is typically the primary payer for your prescription drugs.

Note: FEHB drug coverage cannot be suspended separately from FEHB health coverage. If you want to keep your FEHB health coverage, you must keep drug coverage, even if you enroll in Part D.

5. What are Postal Service Health Benefits?

The Postal Service Health Benefits (PSHB) program is a new program offering health insurance to eligible:

- Postal Service employees
- Postal Service annuitants (retirees)
- And their eligible family members

The first eligibility letters were sent to eligible members in early 2024. They will receive a second notification letter in May 2024, and a third and final letter in August 2024. PSHB will replace FEHB coverage for these eligible groups, starting in 2025.

Some, but not all, eligible members will be required to enroll in Medicare to keep their PSHB. Those who **are** required to enroll in Medicare are:

- Active employees under age 64 (as of 12/31/24) who are participating in FEHB as of 12/31/24
- Covered family members of annuitants when the primary PSHB enrollee is enrolled in Medicare Part B

Note that those who are enrolled in Medicare Part B as of 1/1/2025 must remain enrolled in order to continue participating in the PSHB program.

Those who are **not** required to enroll in Medicare are:

- Annuitants (retirees) who retired on or before 12/31/24 and who are participating in FEHB as of 12/31/24.
- Covered family members of annuitants who are participating in FEHB as of 12/31/24 (unless the primary PSHB enrollee is enrolled in Medicare Part B, see above list)
- Active employees aged 64 or older (as of 12/31/24) who are participating in FEHB as of 12/31/24

Some Postal annuitants eligible for PSHB may still wish to enroll in Medicare as they transition from FEHB to PSHB. Even if they are not required to enroll, enrolling in Medicare Part B may reduce a beneficiary's overall costs for health care expenses. Those who have passed their Initial Enrollment Period (IEP) can enroll in Medicare Part B or premium Part A using a Special Enrollment Period that lasts from April 1, 2024, through September 30, 2024. Remember that those who qualify for premium-free Part A can enroll in Part A at any time.

Those transitioning from FEHB to PSHB will use the Open Season to choose a PSHB plan. The Open Season, also sometimes called Open Enrollment, takes place yearly from November 11 through December 9. During this time, annuitants and employees will be able to review available plans and select an option that suits their and their family's needs.

Beginning January 1, 2025, the PSHB program will be the only health benefits program available through the Postal Service to employees, annuitants, and their eligible family members. Unless they meet one of limited exceptions, those required to enroll in Medicare (see the bulleted lists above) must do so or lose their PSHB eligibility. Once this PSHB eligibility is lost, it cannot be reinstated. These members cannot stay on their traditional FEHB coverage.

The United States Postal Service (USPS) has created two fact sheets on this new program—one for [current Postal employees](#) and one for [Postal annuitants](#). You can read more about these upcoming changes in these fact sheets.

6. What should I do if I notice something incorrect on my Medicare statement or experience other billing-related issues?

Health care providers and their billing departments sometimes make billing errors. These billing errors can be honest mistakes. If you think your doctor or their billing department made an error or mistake, contact them directly first to resolve the issue.

You can spot these errors by keeping a calendar of your medical appointments and services, or by calling your local Senior Medicare Patrol (SMP) to request a [My Health Care Tracker](#). You can then compare your appointments, services, and notes to your Medicare statements. If you have Original Medicare, you should receive Medicare Summary Notices (MSNs). If you have a Medicare Advantage Plan or Part D plan, you should receive an Explanation of Benefits (EOB). If something does not seem right, remember to first call your provider. For example, you may see on your statement that your provider billed Medicare for an office visit on a day when you did not see them. Or, you may see that your provider billed you for a service that was different than what you actually received. If your doctor or billing department made a billing error, they should correct it.

A pattern of errors made by a doctor or other health care provider, if not corrected, could be considered a red flag for potential fraud or abuse. If you cannot resolve the issue with your provider, or if you notice a pattern or errors, contact your local Senior Medicare Patrol (SMP). They can assist you in trying to resolve the error. The role of the SMP also is to help you identify Medicare fraud, errors, or abuse, and help you report potential fraud to the correct authorities. Contact information for your SMP is on the final page of this document.

7. Who can I contact if I have more questions?

State Health Insurance Assistance Program (SHIP): Contact your SHIP if you have questions about how your Federal Employee Health Benefits or Postal Service Health Benefits coordinate with Medicare. SHIP counselors provide unbiased Medicare counseling and assistance. Contact information for your local SHIP is on the last page of this document.

U.S. Office of Personnel Management (OPM): If you are a federal employee or retiree, you can learn more about FEHB through (OPM). You can call 317-212-0454 or visit www.opm.gov/healthcare-insurance.

United States Postal Service (USPS): If you are eligible for Postal Service Health Benefits and wish to learn more, contact USPS.

- Current employees: Call 833-712-7742. Visit www.liteblue.usps.gov.
- Annuitants / retirees: Call 833-712-7742. Visit www.keepingposted.org or www.OPM.gov.

Senior Medicare Patrol (SMP): Contact your SMP if you believe you have experienced potential fraud, errors, or abuse. Contact information for your SMP is on the final page of this document.

SHIP case study

Dario has worked for the federal government for 30 years and is preparing to retire. He is 67 years old and does not have Medicare. He and his wife (who is 66 years old) both have only FEHB coverage. They will soon be transitioning to retiree coverage and curious if they should also enroll in Medicare.

What should Dario do?

- Dario can call his local SHIP to discuss his options with a Medicare counselor.
 - If Dario doesn't know how to contact his local SHIP, he can call 877-839-2675 or visit www.shiphelp.org.
- Dario and his wife have a few options:
 - Transition to FEHB retiree coverage and not enroll in Medicare.
 - Even if they choose not to enroll in Medicare Part B due to the monthly premiums, they should consider enrolling in premium-free Part A, as it would be no extra cost for them.
 - Their FEHB retiree coverage will remain their primary coverage, unlike other forms of retiree coverage.
 - If they later want to enroll in Medicare Part B, they may face penalties and have to wait for the General Enrollment Period (GEP).
 - Transition to FEHB retiree coverage and enroll in Medicare.
 - They will have to pay premiums for both types of coverage but can look at Medicare cost-saving programs to cover their Medicare premiums. Their SHIP counselor can screen them for these programs.
 - Disenroll from FEHB coverage and enroll in Medicare.
 - They may be unable to enroll in FEHB again in the future, so they should choose this option only after carefully considering all choices.
- Dario and his wife should look at the costs and benefits of each insurance plan. They should consider which forms of insurance their providers take, which kind of services they use regularly, and which coverage offers the flexibility they need.
- If Dario and his wife choose to enroll in either Part A or Part B, they will also have the choice to enroll in Medicare Part D for prescription drug coverage. FEHB drug coverage is creditable, meaning if they keep their FEHB, they can enroll in Part D now or later without facing penalties or coverage gaps. A SHIP counselor can help them compare their costs and coverage and determine which coverage is best for them.

SMP case study

Joseph got an Explanation of Benefits (EOB) showing that a doctor submitted several claims to Medicare for services he received the previous month. He noticed the same on the statement from his FEHB plan. He is confused because he only saw the provider once, but his statements list three different dates of service. He is concerned that this is incorrect information or an error, and that it might affect his plan covering services that he needs in the future.

What should Joseph do?

- Joseph can call his Senior Medicare Patrol (SMP) for advice about what to do next.
 - If Joseph doesn't know how to reach his SMP, he can call 877-808-2468 or visit www.smpresource.org.
- The SMP will tell Joseph that he should contact his provider first to let them know about the potential mistakes or errors that he found on his statements and to ask them to clarify the services he received and/or correct it and any errors that were made.

- If Joseph’s provider is unresponsive or unwilling to correct the errors, this could be potential Medicare fraud or abuse. The SMP can assist Joseph with getting the error corrected. If it still is not correct, the SMP can help him report it to CMS and the proper authorities.
- The SMP can remind Joseph to continue keeping track of his health care appointments and checking his Medicare statements and medical bills against an appointment calendar or use his [My Health Care Tracker](#). If Joseph suspects fraud, errors, or abuse on the part of his providers in the future, he can call the SMP again.

Local SHIP Contact Information	Local SMP Contact Information
<p>SHIP toll-free: 800-247-4422</p> <p>SHIP email: IdahoSHIBA@doi.idaho.gov</p> <p>SHIP website: SHIBA.Idaho.gov</p> <p>To find a SHIP in another state: Call 877-839-2675 and say “Medicare” when prompted or visit www.shiphelp.org.</p>	<p>SMP toll-free: 800-247-4422</p> <p>SMP email: IdahoSHIBA@doi.idaho.gov</p> <p>SMP website: aging.idaho.gov/stay-safe/senior-medicare-patrol-fraud-prevention</p> <p>To find an SMP in another state: Call 877-808-2468 or visit www.smpresource.org.</p>
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