

FEHBP / Medicare Decisions

There is always interest in trying to save money on health insurance premiums. Some consider dropping their Federal Employee Health Benefits (FEHB) after becoming eligible for Medicare while others consider not taking Medicare Part B and just continuing to rely on their FEHB and the free Medicare Part A. This is not to advise you to do either. I recommend you seriously consider those options before taking action. It is a very complex issue and neither, when used without the other, will provide coverage as good as the combination does.

Medicare sends all eligible participants a book each year titled "Medicare and You". The "Medicare and You" book and the FEHB Plan brochures thoroughly explain their respective programs. OPM no longer provides brochures for the individual FEHB Plans unless they are requested. They provide a phone number and on-line address for requesting them during FEHB Open Season. Outside of Open Season the plan providers may provide plan brochures. The following link is to an OPM paper called Fast Facts about the Federal Employees Health benefits (FEHB) Program and Medicare:

<http://www.opm.gov/healthcare-insurance/fastfacts/fehbmedicare.pdf>

A good summary is provided in the OPM on-line Booklet RI 75-12, The Federal Employees Health Benefits Program and Medicare. <http://www.opm.gov/insure/archive/health/medicare/75-12-FINAL.pdf>.

Frequently asked questions (FAQs) and answers are at this link:

<http://www.opm.gov/insure/health/medicare/medicare01.asp>

This link is to a FAQs about FEHB Plans only – no Medicare:

<http://www.opm.gov/FAQS/topic/insure/index.aspx?cid=2c4aa5b6-f91e-4929-a7fd-c8ec87ac5157>

This link is to FEHB Plan comparison charts including satisfaction ratings:

<http://www.opm.gov/healthcare-insurance/healthcare/plan-information/compare-plans/>

This link has FAQs about Tricare, ChampVA and Tricare-for-Life:

<http://www.opm.gov/faqs/topic/insure/index.aspx?cid=900d6517-45d7-4395-b1eb-cf79fb9c3916&page=1>

There are some important points you should be aware of.

Regardless of what options might be being considered, if a retiree is not receiving Social Security retirement, disability benefits or railroad retirement checks he/she should contact Social Security between three months before the month of the 65th birthday (preferred) and three months after the month of the 65th birthday. For details see this link: <http://www.medicare.gov/sign-up-change-plans/get-parts-a-and-b/when-sign-up-parts-a-and-b/when-sign-up-parts-a-and-b.html>

For every year that the person eligible for Medicare is not enrolled in Medicare Part B there will be a 10% penalty added to their premiums if they do decide to enroll. That is a permanent penalty that will be in effect as long as you pay for Part B. Details are at the link at the end of the preceding paragraph.

Someone who is covered on her spouses FEHB Plan, asked about just taking Medicare Parts A and B for herself while her spouse converted from Self and Family to Self Only. Retirees' FEHB can be converted from Self and Family to Self Only any time. If going with Medicare only proves inadequate, the conversion back to Self and Family must have a Qualifying Life Event (QLE) to change outside of Open Season, otherwise it can be changed in Open Season. **If the annuitant on Self Only dies while on Self Only, the Survivor Annuitant will never be allowed to enroll in FEHB.** For QLEs see this link starting at page 10: http://www.opm.gov/Forms/pdf_fill/sf2809.pdf

There are conditions under which you can suspend FEHB. If the retiree does not qualify for any of those and simply cancels FEHB, he/she will never be able to re-enroll. See the links at the end of the second paragraph.

While there is a lot of good information at the above links, there is one bit of advice I always like to give about taking Medicare Part B. Remember Medicare has many times more enrollees than the FEHB Plans do, so there are more likely to be undesirable changes made to the FEHB Plans than there are to Medicare.

John R. Ledman
NARFE Florida, Inc.
Service Officer
321jrl@gmail.com
321-639-8972