



Medicare and the Federal Employees Health Benefits (FEHB) Program

Educational Seminar for Federal Employees and Retirees

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Lesson 1

Medicare Program Basics

What's Medicare?

- Health insurance for 3 groups of people
 - 65 and older
 - Under 65 with certain disabilities—Amyotrophic Lateral Sclerosis (ALS)
 - Any age with End-Stage Renal Disease (ESRD)
- Centers for Medicare & Medicaid Services (CMS)
 - Administers the program
- Social Security
 - Enrolls most individuals
- Railroad Retirement Board (RRB)
 - Enrolls railroad retirees

The Parts of Medicare



Part A (Hospital Insurance) helps cover:

- Inpatient care in hospitals
- Skilled nursing facility (SNF) care
- Hospice care
- Home health care



Part B (Medical Insurance) helps cover:

- Services from doctors and other health care providers
- Outpatient care
- Home health care
- Durable medical equipment (like wheelchairs, walkers hospital beds, and other equipment)
- Many preventive services (like screenings, shots or vaccines, and yearly “Wellness” visits)



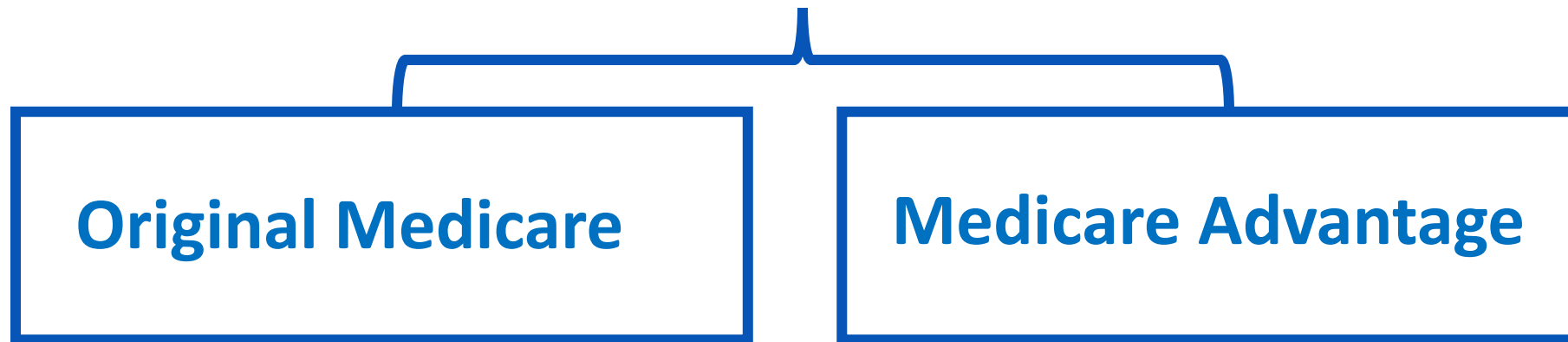
Drug coverage (Part D) helps cover:

- Helps cover the cost of prescription drugs (including many recommended shots or vaccines)
- Plans that offer Medicare drug coverage are run by private insurance companies that follow rules set by Medicare

Your 2 Main Medicare Coverage Choices

When you first enroll in Medicare, and during certain times of the year, you can choose how you get your Medicare coverage.

There are 2 main ways to get Medicare:



★ NOTE: Medicare Supplement Insurance (Medigap) policies only work with Original Medicare.

Your Medicare Options: Original Medicare

- Original Medicare includes Medicare Part A (Hospital Insurance) and Part B (Medical Insurance).
- Can use any doctor or hospital that takes Medicare, anywhere in the U.S.
- If you want drug coverage, you can join a separate Medicare drug plan (Part D).
- To help pay your out-of-pocket costs in Original Medicare (like your 20% coinsurance), you can also shop for and buy supplemental coverage.

Part A



Part B



You can add:

Part D



You can also add:

Supplemental coverage



This includes Medicare Supplement Insurance (Medigap). Or, you can use coverage from a former employer or union, or Medicaid.

Medicare Part A

- If you paid Federal Insurance Contributions Act (FICA) taxes for at least 10 years:
 - You may get Part A premium free
- If you paid FICA less than 10 years:
 - You can pay a premium to get Part A
 - You may have penalty if not signed up when first eligible

Medicare Part A Coverage

Inpatient Hospital Stays

Semi-private room, meals, general nursing, drugs as part of your inpatient treatment, and other hospital services and supplies. Includes care in acute care hospitals, critical access hospitals, inpatient rehabilitation facilities, and long-term care hospitals. Includes inpatient care as part of a qualifying clinical research study and mental health care (lifetime 190-day limit).

Skilled Nursing Facility (SNF) Care

Semi-private room, meals, skilled nursing and rehabilitation services, and other services and supplies.

Home Health Care Services

Can include part-time or intermittent skilled care, and physical therapy, speech-language pathology, a continuing need for occupational therapy, some home health aide services, medical social services, and medical supplies.

Hospice Care

For terminally ill and includes drugs, medical care, and support services from a Medicare-approved hospice.

Blood

In most cases, if you need blood as an inpatient, you won't have to pay for it or replace it.

Paying for Inpatient Hospital Stays

For Each Benefit Period in 2024	You Pay
Days 1-60	\$1,632 deductible
Days 61-90	\$408 per day
Days 91-150	\$816 per day (60 lifetime reserve days)
All days after 150	All Costs

Paying for Skilled Nursing Facility (SNF) Care

For Each Benefit Period in 2024	You Pay
Days 1-20	\$0
Days 21-100	\$204 per day
All days after 100	All Costs

Medicare Part B

Part B helps cover:

- Doctors' services
- Outpatient medical and surgical services and supplies
- Home Health Care Services
- Clinical lab tests
- Durable medical equipment
- Preventive services

Medicare Part B Coverage

Doctors' Services

Services that are medically necessary (includes outpatient and some doctor services you get when you're a hospital inpatient) or covered preventive services.

Except for certain preventive services, you pay 20% of the Medicare-approved amount (if the doctor accepts assignment), and the Part B deductible applies.

Outpatient Medical and Surgical Services and Supplies

For approved procedures (like X-rays, a cast, or stitches).

You pay the doctor 20% of the Medicare-approved amount for the doctor's services (if the doctor accepts assignment). You also pay the hospital a copayment for each service. The Part B deductible applies.

Home Health Care Services

- Medically necessary part-time or intermittent skilled nursing care
- Physical therapy
- Speech-language pathology services
- Occupational therapy
- Part-time or intermittent home health aide services
- Medical social services
- Medical supplies
- Durable medical equipment
- Injectable osteoporosis drugs

NOTE: You pay nothing for covered services.

Medicare Part B Coverage (continued)

Durable Medical Equipment

Items such as oxygen equipment and supplies, wheelchairs, walkers, and hospital beds for use in the home. Some items must be rented.

Medicare has a program called “competitive bidding.”

If you live in a competitive bidding area, you must use specific suppliers, or Medicare won’t pay for the item and you’ll likely pay full price.

You pay 20% of the Medicare-approved amount, and the Part B deductible applies.

Part B Covered Preventive Services

- "Welcome to Medicare" preventive visit
- Yearly "Wellness" visit
- Abdominal aortic aneurysm screening
- Alcohol misuse screening and counseling
- Bone mass measurement
- Breast cancer screening (mammogram)
- Cardiovascular disease (CVD) Risk Reduction Visit
- Cardiovascular disease screenings
- Cervical and vaginal cancer screening
 - Human Papillomavirus (HPV) Testing
- Colorectal cancer screenings
 - Screening fecal occult blood test
 - Screening flexible sigmoidoscopy
 - Screening colonoscopy
 - Screening barium enema
 - Multi-target stool DNA test

Part B Covered Preventive Services (continued)

- Depression screening
- Diabetes screenings
- Diabetes self-management training
- Flu shots (Vaccine)
- Glaucoma tests
- Hepatitis B shots (Vaccine)
- Hepatitis C screening test
- HIV screening
- Lung cancer screening
- Medical nutrition therapy services
- Obesity screening and counseling
- Pneumococcal shots (Vaccine)
- Prostate cancer screening
- Sexually-transmitted infection screening and counseling
- Smoking and tobacco-use cessation counseling

Part B also covers some additional medically-necessary medical services and supplies. Costs vary. For more information visit [Medicare.gov/coverage](https://www.Medicare.gov/coverage).

Medicare Part B Costs for Most People

Yearly Deductible 2024

\$240.00

Coinsurance for Part B Services

- 20% coinsurance for most covered services, like doctors' services and some preventive services, if provider accepts assignment
- \$0 for some preventive services
- 20% coinsurance for outpatient mental health services, and copayments for hospital outpatient services

What You Pay: Part B Premiums


2024 Premiums

- Standard premium—\$174.40 (or higher depending on your income)
- Some people who get Social Security benefits pay less than this amount
- Some people pay the standard premium and an Income Related Monthly Adjustment Amount (IRMAA)

Monthly Part B Standard Premium: Income-Related Medicare Adjustment Amount (IRMAA) for 2024

Chart is based on your yearly income in 2022 (for what you pay in 2024)

File Individual Tax Return	File Joint Tax Return	File Married & Separate Tax Return	You pay
\$103,000 or less	\$206,000 or less	\$103,000 or less	\$174.40
Above \$103,000 up to \$129,000	Above \$206,000 up to \$258,000	Not applicable	\$244.60
Above \$129,000 up to \$161,000	Above \$258,000 up to \$322,000	Not applicable	\$349.40
Above \$161,000 up to \$193,000	Above \$322,000 up to \$386,000	Not applicable	\$454.20
Above \$193,000 and less than \$500,000	Above \$386,000 and less than \$750,000	Above \$103,000 and less than \$397,000	\$559.00
\$500,000 or above	\$750,000 and above	\$397,000 and above	\$594.00

 **NOTE:** You may pay more if you have a Part B late enrollment penalty.



Lesson 2

Enrolling in Medicare

Automatic Enrollment: Part A (Hospital Insurance) and Part B (Medical Insurance)

- Automatic for those getting:
 - Social Security benefits
 - Railroad Retirement Board (RRB) benefits
- Welcome to Medicare Package
 - Mailed 3 months before:
 - 65, or
 - 25th month of disability benefits
 - Includes your Medicare card



If Not Automatically Enrolled, When Can I Enroll in Part B?

Enrollment Period	When
Initial Enrollment Period (IEP)	7-month period surrounding your birthday month
General Enrollment Period (GEP)	January 1–March 31 each year. (10% penalty for every 12-month period you were eligible but didn't sign up)
Special Enrollment Period (SEP)	8-month period beginning the month after you retire or lose employer-based coverage, whichever comes first



Lesson 3

Who Should Consider Enrolling/Delaying Enrollment in Medicare?

Who Should Consider Signing up for Medicare Part A (Hospital Insurance)?

- Anyone working or retired and 65 or above
- Premium free for most people
- Automatic enrollment if getting Social Security or Railroad retirement benefits
 - Starts the 1st day of the month you turn 65

Who Should Consider Delaying Enrollment in Medicare Part A?

Consider delaying Part A if enrolled in a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA) and would like to keep it:

- You can't contribute to your HSA once your Medicare coverage begins
- If you don't stop HSA contributions at least **6 months** before Medicare enrollment, you may incur a tax penalty
- If you'd like to continue contributing to your HSA, you shouldn't apply for Medicare, Social Security, or Railroad Retirement Board (RRB) benefits
 - If ineligible for an HSA, you can convert to Health Reimbursement Arrangement (HRA)

Who Should Consider Signing up for Medicare Part B (Medical Insurance)?

If you're 65, still working, and have Federal Employee Health Benefits (FEHB):

- It may be to your advantage to delay Part B (this includes spouse covered under FEHB)
 - FEHB remains primary payer
 - Spouse, 65, remains covered under FEHB as primary payer
- Apply for Part B upon retirement (enroll during 8-month Special Enrollment Period, penalty waived)
 - Get Form CMS-L564 (Request for Employment Information) and employing office completes it
 - Available at [CMS.gov/Medicare/CMS-Forms/CMS-Forms/CMS-Forms-Items/CMS009718.html](https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/CMS-Forms-Items/CMS009718.html)

Who Should Consider Signing up for Medicare Part B (Medical Insurance) (continued)

- If you're retired and have FEHB:
 - Part B may be a good choice
 - Part B and FEHB plans may combine to provide almost complete coverage
 - FEHB plans continue to pay primary for benefits like prescription drugs
- Consider Part B as it:
 - Pays for costs involved with seeing providers outside of the FEHB plan's network
 - Is required for Medicare Advantage and TRICARE For Life

Medicare Part C: Medicare Advantage Plans Quick Facts

- Another way to get Medicare coverage
- Also called Medicare Part C
- Health plan options approved by Medicare
- Run by private companies
- May have to use network doctors or hospitals
- Some FEHB insurers may offer Medicare Advantage Plans
- Can suspend FEHB if enrolled in a Medicare Advantage Plan
 - You may reenroll in FEHB if you later lose or cancel your Medicare Advantage Plan coverage
 - You must wait until the next FEHB Open Season to reenroll in FEHB, unless you involuntarily lose your Medicare Advantage coverage
 - You may reenroll from 31 days before to 60 days after you lose the Medicare Advantage Plan coverage, and your reenrollment in FEHB will be effective the day after the Medicare Advantage Plan coverage ends

Suspending Federal Employee Health Benefits (FEHB) to Enroll in Medicare Advantage

- You (or your spouse) can suspend your FEHB coverage to enroll in a Medicare Advantage Plan
 - You won't have to pay your FEHB premium
 - U.S. Office of Personnel Management (OPM) doesn't contribute to your Medicare Advantage Plan premium
 - If you later want to re-enroll in the FEHB program, generally you may do so only at the next Open Season unless you involuntarily lose coverage or move out of the Medicare Advantage Plan's service area
- Contact your retirement office
 - Provide documentation to suspend FEHB coverage to enroll in a Medicare Advantage Plan
- Suspension of FEHB is effective the day before the Medicare Advantage Plan coverage begins

Part D: Medicare Drug Coverage Quick Facts

- Available to all people with Medicare
- Provided through:
 - Medicare drug plans (also known as PDPs)
 - Medicare Advantage Plan with drug coverage (also known as MA-PDs)
 - Some other Medicare plans
- Higher premium for some who wait to enroll:
 - After first eligible without creditable drug coverage
 - FEHB is creditable coverage
 - Additional 1% of the Part D base-beneficiary premium
 - For each month you could have had Part D or creditable coverage but didn't
 - Lifetime penalty

Who Should Consider Signing up for Medicare Part D?

- Retirees with limited income and resources
 - May consider signing up for Medicare Part D as they'll get financial assistance through Extra Help
 - Resources must be limited to \$17,010 for an individual or \$33,950 for a married couple living together
 - Annual income must be limited to \$21,870 for an individual or \$29,580 for a married couple living together

Who Should Consider Signing up for Medicare Part D? (continued)

- If you have FEHB:
 - May enroll in Part D later without penalty
 - You can continue drug coverage with your current plan or
 - Join a FEHB plan with Part D coverage
 - In 2024 eligible enrollees can receive additional savings and enhanced benefits through a Prescription Drug Plan (PDP) Employer Group Waiver Plan (EGWP) offered by 10 FEHB plans or 28 FEHB plans offering a Medicare Advantage Prescription Drug Plan (MA-PD) EGWP in 2024.
 - If you are a member of an FEHB plan offering a PDP and are enrolled in either Medicare Part A or Medicare Parts A & B, you may be auto-enrolled in the PDP plan for prescription drug coverage. Your plan will send you written notification of the auto-enrollment, and you'll have 30 days to opt out of the PDP. After the 30 days, you'll receive a new prescription drug insurance card, and your Part D coverage will begin 1/1/2024.

2024 Part D Updates

- Inflation Reduction Act (IRA) of 2022:
 - Places a \$35 monthly out-of-pocket cap on Medicare-covered insulins
 - Makes ACIP-recommended vaccines free under Medicare Part D prescription drug coverage
 - Makes Medicare Part D prescription drug coverage more affordable

2024 Updates (continued)

- Postal Service Reform Act (PSRA) of 2022:
 - PSRA establishes the Postal Service Health Benefits (PSHB) Program which begins in 2025. It requires that all PSHB Carriers provide prescription drug coverage for Medicare-eligible Postal Service annuitants and their Medicare-eligible family members through a Medicare Part D plan.
 - Postal employees and annuitants remain enrolled in FEHB for 2024. Next year's Open Season will bring changes to this group with the inaugural Open Season for the new Postal Service Health Benefits (PSHB) Program.
 - <https://www.opm.gov/healthcare-insurance/healthcare/reference-materials/reference/2024-federal-benefits-open-season-highlights.pdf>



Lesson 4

Coordination of Benefits

Medicare & Federal Employee Health Benefits (FEHB) Primary Payer Chart

Member or spouse has Medicare and FEHB	The Primary Payer is
Has FEHB as an active employee or spouse	FEHB
Has FEHB as a retired annuitant or spouse	Medicare
Is receiving Workers' Compensation	Workers' Compensation for injury-related services, Medicare for other services

Reemployed Annuitants

Reemployed Annuitant	Primary
Employed in a position that conveys FEHB eligibility	FEHB
Employed in a position that does NOT convey FEHB eligibility	Medicare

Key Points to Remember if You Have Federal Employee Health Benefits (FEHB)

- Medicare Part A (Hospital Insurance) not required but is recommended if still working and have FEHB
- Contact your health plan when you turn 65 (for coordination purposes)
- Can delay Medicare Part B (Medical Insurance), with no penalty, if still employed
- Medicare Part D not needed

Medicare Resources

Centers for Medicare & Medicaid Services (CMS)

- Call 1-800-MEDICARE (1-800-633-4227); TTY: 1-877-486-2048.
- [Medicare.gov](https://www.Medicare.gov)
 - Medicare Publications—[Medicare.gov/publications](https://www.Medicare.gov/publications)
- [CMS.gov](https://www.CMS.gov)
 - CMS publications—[CMS.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/MLN-Publications.html](https://www.CMS.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/MLN-Publications.html)

Social Security

- Call 1-800-772-1213; TTY: 1-800-325-0778.
- [socialsecurity.gov](https://www.socialsecurity.gov)

Railroad Retirement Board

- Call 1-877-772-5772; TTY: 1-312-751-4701.
- [RRB.gov](https://www.RRB.gov)

Benefits Coordination & Recovery Center

- Call 1-855-798-2627; TTY: 1-855-797-2627
- [CMS.gov/Medicare/Coordination-of-Benefits-and-Recovery](https://www.CMS.gov/Medicare/Coordination-of-Benefits-and-Recovery)

Medicare Secondary Payer Recovery Contractor

- Call 1-866-677-7220
- [CMS.gov/Medicare/Coordination-of-Benefits-and-Recovery](https://www.CMS.gov/Medicare/Coordination-of-Benefits-and-Recovery)

Medicare Resources (continued)

Federal Employees Health Benefits (FEHB)

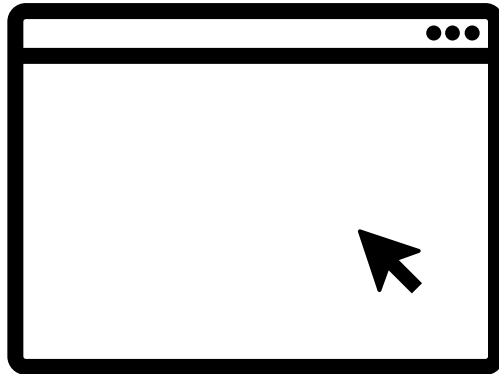
- [OPM.gov/healthcare-insurance/healthcare](https://www.opm.gov/healthcare-insurance/healthcare)

State Health Insurance Assistance Programs (SHIPs)

- [shiptacenter.org](https://www.shiptacenter.org)
- Call 1-877-839-2675
- info@shiptacenter.org



CMS National Training Program (NTP)



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or subscribe to our email list, visit
[CMSnationaltrainingprogram.cms.gov](https://www.cms.gov/nationaltrainingprogram).



Contact us at
training@cms.hhs.gov.