



Federal Employee Health Benefit (FEHB) plans cover current and retired government employees. They are administered by the Office of Personnel Management (OPM).

FEHB plans follow some of the same coordination of benefits rules as non-federal employer and retiree insurance, with a few important exceptions. Because you work for the federal government—considered to be an employer with 100+ employees—FEHB is always primary if you are currently working.

When you retire, you can:

- Decide to keep FEHB and enroll in Medicare Parts A and B. Medicare pays first, and your retiree FEHB coverage may pay for your Medicare cost-sharing or for services not covered by Medicare.
- Turn down Medicare (either Parts A and B or Part B only) and just keep FEHB. If you turn down part B, your federal insurance is primary and will provide the same coverage you had while working. This means that you can decline some or all parts of Medicare. Some choose to enroll in Part A because it's premium-free but turn down Part B because of the additional monthly premium. Remember, though, that if you delay enrollment in Medicare but eventually take Part B, you may pay a penalty on top of your premium. This penalty will increase the longer you wait to enroll into Medicare after you are first eligible.
- Disenroll from your FEHB coverage and just enroll in Medicare. If you choose this option, know that you may be unable to enroll in FEHB benefits again once disenrolled. Speak to your insurer before disenrolling from FEHB coverage.

The following are some common questions asked about Medicare and FEHB. For more information, contact the Medicare Rights Center at 800-333-4114.

Frequently Asked Questions

- 1. Should I enroll in premium-free Medicare Part A when I am first eligible, even if I am still actively working and have a FEHB plan?**

If you are entitled to premium-free Medicare Part A, you should take it. It may help pay for additional expenses (such as your FEHB plan's deductibles and coinsurance) when you receive Part A-covered services. Your FEHB plan will remain your primary coverage.

2. Should I enroll in Medicare Part B after my FEHB coverage is no longer based on active employment?

Deciding whether to enroll in Medicare 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 plan offers the flexibility you need?

If you decide to enroll in Medicare Part B, you should do so within eight months of retiring and understand the coordination of benefits rules (see question 3). Review your FEHB plan brochure for more details.

3. What are the basic coordination of benefits rules for FEHB and Medicare?

- Your FEHB is **PRIMARY** if your FEHB coverage is no longer based on active employment through you or your spouse and you have not enrolled in Medicare Part B.
- Your FEHB is **SECONDARY** if your FEHB coverage is no longer based on active employment through you or your spouse, and you have enrolled in Medicare Part B. In this case, your FEHB plan will pay after Medicare.

4. Will my FEHB plan pay primary when I visit an opt-out provider (a provider who does not take Part B)?

It depends. Different FEHB plans will treat charges from opt-out providers in different ways. For instance, some will not pay the full charge if Medicare will not pay, and others will pay the full charge if the provider is in-network for the plan. Ask your FEHB plan or refer to your plan documents for more information about how FEHB will pay as secondary if your doctor does not accept Medicare assignment or if your doctor opts out of Medicare.

5. If I enroll in Medicare Part B, is it better that I have a FEHB HMO plan or FFS plan?

If you are enrolled in a health maintenance organization (HMO) under FEHB, you may find that the HMO provides such comprehensive coverage that you do not need to enroll in Part B. However, in an HMO you will be limited to only using doctors, hospitals, and pharmacies in your plan’s network. Having Part B through Original Medicare could increase your access to providers; most doctors and hospitals in the country take Original Medicare. See the table below for details.

| | HMO |
|--------------------------------|--|
| In-network provider | <ul style="list-style-type: none"> • Contracts with plan to provide health care services • You will usually pay less |
| Out-of-network provider | <ul style="list-style-type: none"> • Does not contract with plan • Your care is not covered unless it’s emergency care |

If you are enrolled in a fee-for-service (FFS) plan under FEHB, you may find it better to take Medicare because your plan waives most Medicare deductibles, coinsurances, and copayments (except for prescription drugs) if you have Part B. As a result, FEHB FFS plan enrollees with both Parts A and B find that they have little or no out-of-pocket expenses. See the tables below for details.

| | FFS (non-PPO) |
|--------------------------------|---|
| Non-PPO provider | <ul style="list-style-type: none"> • Plan either pays your medical provider directly or reimburses the provider after you file claim • You can see any provider but may have higher costs |
| | FFS with PPO |
| PPO provider | <ul style="list-style-type: none"> • Contracts with plan to provide health care services • You pay less when receiving services from PPO providers (as opposed to non-PPO) |
| Out-of-network provider | <ul style="list-style-type: none"> • Does not contract with plan |

6. When I become eligible for Medicare, can I switch between the FEHB FFS and HMO options?

You may make a one-time enrollment change beginning thirty days before you become eligible for Medicare. You can also change your plan during the annual Open Season. For additional information on FEHB enrollment:

<https://www.opm.gov/healthcare-insurance/healthcare/reference-materials/reference/enrollment/>

7. How do I know if I am eligible for the Part B SEP?

It depends on why you are entitled FEHB insurance. If you are entitled based on your current job, and you meet the other SEP requirements (e.g., you had either Part B or current employment insurance when you first became eligible for Medicare), you will have an SEP. If you are entitled to FEHB insurance based on your previous job, you do not have an SEP.

8. Do I need to enroll in Part D if I have prescription drug coverage through my FEHB plan?

FEHB plans offer creditable drug coverage. If you keep your FEHB plan, you can delay enrollment in Part D and have a two-month SEP if you lose FEHB coverage. If you choose to enroll in Part D and keep your FEHB plan, Part D pays primary. If you only want Part D to cover your drugs, you must disenroll from your entire FEHB plan. You cannot disenroll from FEHB drug coverage and keep health coverage.

9. Medicare premiums may increase every year. How much will I pay based on my tax filing for adjusted gross income?

The Medicare Part B premium is the same for most people, but some higher income individuals have to pay an additional amount, called the Income Related Monthly Adjustment Amount (IRMAA). For more information on IRMAA: <http://www.medicareinteractive.org/get-answers/how-original-medicare-works/original-medicare-cost-overview/what-you-pay-for-part-b-if-your-income-is-high>

10. I am having issues with the coordination of benefits between Medicare and my FEHB – each says the other pays first? How can I find out what is correct?

Contact your plan first to find out if it should pay primary or secondary when you are enrolled in Medicare. For further assistance, be sure to contact Medicare's coordination of benefits contractor to check which of your insurance plans is primary and which is secondary. The Benefits Coordination & Recovery Center can be reached at 885-798-2627

11. Can I drop Medicare coverage after I enroll in it, if I decide I don't want it anymore?

You may choose to drop your Medicare coverage. If you plan to drop Medicare, make sure that you are enrolled in an FEHB plan that will provide you with adequate **primary** coverage. Also know that if you drop Medicare to use a retiree FEHB plan, you may face costs later on if you decide to re-enroll in Medicare. For instance, you would likely incur premium penalties and have to wait to re-enroll during the General Enrollment Period (January 1 – March 31), with coverage starting July 1. The Part B penalty is 10% for each 12-month period that you were eligible but delayed enrollment (or re-enrollment) into Medicare.

12. Can I try a Medicare Advantage Plan and decide if I prefer it to my FEHB coverage?

Yes. When you become eligible for Medicare, you are given the option of suspending your FEHB insurance to enroll in a Medicare Advantage Plan. You will not have to pay for your FEHB premium while it is suspended.

Note: Medicare Advantage and FEHB coverage often provide similar benefits. You may not need to enroll in both.

13. Where can I get more FEHB and Medicare information?

You can visit the FEHB website at www.opm.gov/insure/health.