

# Medicare and the Foreign Service Benefit Plan

Putting it together

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AMERICAN FOREIGN SERVICE PROTECTIVE ASSOCIATION



Reaching age 65 is an important milestone. Many people choose to retire at that time and it is also the point at which most people become eligible for Medicare. This guide will help you understand Medicare's features and how these benefits work with your Foreign Service Benefit Plan (FSBP) coverage.

## What is Medicare?

### **Medicare is a health insurance program for:**

- People age 65 or older
- Certain people under age 65 who have disabilities
- People of any age with End-Stage Renal Disease

While **FSBP** provides for coverage of eligible family members, Medicare does not. Medicare provides for individual coverage to those who meet Medicare's enrollment criteria. Your eligible family members still can be covered under your **FSBP** benefits when you maintain a Self Plus One or Family enrollment.

Medicare provides health care benefits for services rendered (in the U.S. only) like most other health insurances, but it does not cover everything. Consider keeping your **FSBP** coverage to help pay what is left after Medicare pays its benefits.

### **So how can you save money?**

Signing up for Medicare may help you save money. With Medicare Parts A and B, **FSBP** lowers your costs by waiving deductibles and coinsurance. Additionally, opting in to the **FSBP** - Aetna Medicare Advantage plan allows you to receive a Part B premium reduction of **\$900** per person, per year.

# It's time to make a decision regarding your Medicare coverage.

## Part A: Hospital Insurance

### It helps pay your hospital expenses like:

- Inpatient hospital care (not observation care, which is outpatient)
- Hospice care services
- Limited inpatient care in a skilled nursing facility (SNF) – NOT custodial or long term care

## Part A: Quick Fact



Everyone eligible for premium-free Part A should enroll, whether working or retired, as soon as you reach age 65

## Part B: Medical Insurance

### It helps pay your medical expenses like:

- 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

### Participating providers (who accept Medicare assignment) agree to:

- Bill Medicare for patient services
- Be paid by Medicare (receive the amount Medicare approves for their services)
- Charge only the Medicare deductible and/or coinsurance amount

**FSBP will pay cost-sharing (deductibles and coinsurance).**

### Non-participating providers (who do not accept Medicare assignment):

- The Medicare approved amount is lower than for participating providers
- Physicians can charge only up to the limiting charge (115% of the Medicare approved amount)

**FSBP will pay regular cost-sharing up to the limiting charge.**

**Private Contract** (Opt Out) providers may ask you to sign a private contract agreeing to be billed directly for services ordinarily covered by Original Medicare, that is, the provider may have opted out of the entire Medicare Program.

### Should you sign an agreement:

- Original Medicare, other Medicare plans and Medigap plans will NOT pay
- You are responsible for ALL charges
- No claim can be submitted to Medicare

**FSBP will pay only the amount we would have paid as if Medicare had made payment (generally 20%), and you are responsible for all charges beyond the FSBP payment.**

**Provider types are important as they relate to what Medicare Part B pays and what FSBP pays.** This chart displays an example of how your expenses can change, depending on the category of provider you visit.

	Participating	Non-participating	Private Contract
<b>Billed amount</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>
<b>Medicare approved amount</b>	<b>\$800</b>	<b>\$760</b>	<b>\$800</b>
<b>Medicare limiting charge</b>		<b>\$874</b>	
<b>Medicare pays</b>	<b>\$640</b>	<b>\$608</b>	<b>\$0</b>
<b>FSBP pays</b>	<b>\$160</b>	<b>\$266</b>	<b>\$160</b>
<b>Your liability</b>	<b>\$0</b>	<b>\$0</b>	<b>\$840</b>

## Part B: Quick Facts



- Enrollment in Part B is voluntary at age 65
- You must pay a monthly premium, subject to Means Testing based on your Modified Adjusted Gross Income (MAGI), as filed on your 1040 tax return
- You may pay a penalty, if you are not enrolled at first opportunity and enroll at a later date
- You can defer Part B under certain situations, such as being covered under a group health plan based on current employment

**NOTE:** Since Medicare generally does NOT cover services overseas, **FSBP** will pay normal benefits for treatment you receive abroad. You must file your overseas claims directly with **FSBP**.

**It is always a good idea to use a provider who participates in the FSBP network.**

In-network providers agree to limit what they will bill you:

If your physician:	Then you are responsible for:
Participates with Medicare and is a member of our network	Your in-network deductibles and coinsurance
Participates with Medicare and is not a member of our network	Your out-of-network deductibles and coinsurance
Does not participate with Medicare and is a member of our network	Your in-network deductibles, coinsurance, and any balance, up to 115% of the Medicare approved amount
Does not participate with Medicare and is not a member of our network	Your out-of-network deductibles, coinsurance, and any balance, up to 115% of the Medicare approved amount
Opts-out of Medicare via private contract	Your deductibles, coinsurance, copayments, and any balance your physician charges

**NOTE:** It is generally to your financial advantage to use a physician who participates with Medicare. Such physicians are permitted to collect only up to the Medicare approved amount.

# Signing up for Medicare Part B

## Initial Enrollment Period

- Seven months – the three months before your 65th birthday, the month of your birthday, and the three months after your birthday

## Special Enrollment Period

(if you remain actively employed beyond your 65th birthday)

- Eight month period after your 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 your retirement date

## General Enrollment Period

- Annually: January–March

## Part B Late Enrollment Penalty

- If you don't enroll in Medicare Part B when you first become eligible, your Part B premiums will be 10% higher for each full 12-month period you didn't enroll
- You will pay this penalty for as long as you have Medicare

## In summary – if you are retired, over age 65 and have Medicare:

Medicare A & B will be the primary payor.

**FSBP** will work closely with Medicare to:

- Fill most of the gaps in Medicare benefits for services covered by them (be aware of SNF limits for both Medicare and **FSBP**)
- Coordinate coverage with Medicare

You generally have little or no liability. Plus, you retain the excellent prescription drug benefits that **FSBP** will continue to cover.

Learn how to sign up for Medicare on the back of this brochure.

# Part C: Medicare Advantage

## Medicare approved comprehensive type options offered by private insurers

### Part C: Quick Facts

**FSBP offers the FSBP – Aetna Medicare<sup>SM</sup> Advantage Plan (MAP) to members who are enrolled in Medicare Parts A and B as the primary payor. Enrollment:**

- Is voluntary
- Can be opted in or out of at any time
- Enhances your FEHB coverage by lowering/eliminating cost-sharing for certain services
- Offers additional benefits (i.e. vision, dental, podiatry) at no additional cost
- Once enrolled in the FSBP – Aetna MAP you are not suspending or terminating your FSBP enrollment



## Get a complete Medicare Advantage plan without having to suspend your FEHB coverage

Opting in to **FSBP** – Aetna Medicare Advantage plan offers added programs to help you reach your health goals.

**To learn more**, visit [AetnaRetireeHealth.com/FSBP](https://AetnaRetireeHealth.com/FSBP) or call **1-866-241-0262 (TTY: 711)**, Monday–Friday, 8 AM–8 PM ET.

# Part D: Prescription Drug Plans (PDP)

Prescription drug coverage offered by Medicare approved private insurers



## Part D: Quick Facts

FSBP offers the FSBP – Express Scripts Medicare Prescription Drug Plan (PDP) Employer Group Waiver Plans (EGWP), designed for Medicare eligible, retired members, age 65 and above, with Medicare Parts A and/or B.

- If you are not enrolled in the FSBP – Aetna MAP, you are eligible to enroll in the FSBP – Express Scripts Medicare PDP EGWP
- Is voluntary
- Can opt in or disenroll at anytime
- Once enrolled in the FSBP – Express Scripts Medicare PDP, you are not suspending or terminating your FSBP enrollment
- Our PDP option will enhance the FEHB prescription drug coverage by lowering cost-sharing for your prescription drugs
- Our PDP option is subject to Medicare rules. Express Scripts will continue administering your prescription drug benefits
- Your formulary will be similar to your current formulary. There will be a savings on drugs at network retail pharmacies and home delivery.
- If you choose to disenroll, you will revert to the FSBP High Option Plan

## Now for Something Different

### Highlights of the FSBP Aetna Medicare Advantage Plan

- No additional premium cost
- **\$900** per year (**\$75** monthly) Medicare Part B premium reduction for eligible members
- Added programs such as SilverSneakers® fitness, Healthy Home Visits, a nonemergency transportation program and meals after a hospital discharge at no extra cost
- Unlimited physical, occupational and speech therapy visits
- Prescription coverage as low as **\$0** from preferred pharmacies and **\$2** from standard pharmacies
- Access to doctors nationwide (use any doctor who is eligible to receive Medicare payment and accepts the Aetna plan)

### What if you DON'T enroll in Medicare Part B?

- **FSBP** provides the same excellent coverage, only with no coordination of benefits
- You will have regular out-of-pocket expenses
- Federal law limits your liability to some extent
- If your physician participates with Medicare, then he/she cannot charge more than the Medicare approved amount
- If your physician does not participate with Medicare, then he/she can charge only up to the limiting charge (115% of Medicare approved amount) – excludes Opt-out physicians

**To learn more**, visit [AetnaRetireeHealth.com/FSBP](https://www.aetna.com/retireehealth) or call **1-866-241-0262 (TTY: 711)**, Monday–Friday, 8 AM–8 PM ET.

# Highlights of the FSPB – Express Scripts Medicare PDP EGWP

- Is voluntary
- There is no separate PDP premium
- You can opt in or disenroll any time
- No deductible on your prescription drugs
- No gap in coverage
- 90-day prescriptions are not limited to CVS and Walgreens. You may fill prescriptions at any participating network retail pharmacy

## Comparison and Savings Chart\*

Prescription Coverage	FSBP High Option Plan – You Pay:	NEW FSPB – Express Scripts Medicare PDP EGWP – You Pay:	FSBP– Aetna Medicare Advantage Plan You Pay:
<b>Generic (preferred, non-preferred, and non-formulary) drug</b>	<b>\$10</b> copays	<b>\$2</b> copays or lesser of	<b>\$2</b> copays
<b>Preferred Brand drug</b>	<b>25%</b> coinsurance ( <b>\$30</b> minimum; <b>\$100</b> maximum)	<b>\$40</b> copays or lesser of	<b>\$40</b> copays
<b>Non-preferred and non-formulary brand drug</b>	<b>35%</b> coinsurance ( <b>\$60</b> minimum; <b>\$200</b> maximum)	<b>\$75</b> copays or lesser of	<b>\$75</b> copays
<b>Specialty drug</b>	<b>25%</b> coinsurance up to a <b>\$150</b> maximum	<b>25%</b> coinsurance up to a <b>\$150</b> maximum	<b>25%</b> coinsurance up to a <b>\$150</b> maximum

\* Network retail prescription drug copayments or coinsurance up to a 30-day supply

## How to opt in of the FSPB – Express Scripts Medicare PDP EGWP

- You must take action and opt in or if you choose to disenroll after you opted in by completing the secured form at [afspa.org/pdp](https://afspa.org/pdp) or by calling **1-202-833-4910** Monday-Friday 8:30 AM–5:30 PM ET.
- If you opt out of the **FSPB – Express Scripts Medicare PDP EGWP** you will revert to the **FSBP High Option Plan** with your current prescription drug benefits.

## Who to contact for more information about the FSPB – Express Scripts Medicare PDP EGWP

Call Express Scripts at **1-855-690-8353**, 24 hours a day, 7 days a week or go to [Express-scripts.com](https://Express-scripts.com)

## Will my income affect my cost for Medicare Part D coverage?

Some members may pay an extra amount called the Part D Income-Related Monthly Adjustment Amount (Part D-IRMAA) because of their yearly income. If you have to pay an extra amount, Social Security – not your Medicare Plan – will send a letter telling you what the extra amount will be and how to pay it. If you have any questions about this extra amount, contact Social Security at **1-800-772-1213** between 8 AM–7 PM, Monday–Friday to speak with a representative. Automated messages are available 24 hours a day. TTY users should call **1-800-325-0778**.

# In Summary

Apply for Medicare – even if you’re not ready to retire, but are reaching, or already over 65. Everyone eligible for premium-free Part A should enroll, regardless of employment status. However, enrolling in Medicare Part B is a personal choice. We hope this brochure assists you in making that decision.

## Ways to apply for Medicare Part A and/or Part B.

1. **Online** – Visit [SSA.gov/benefits/medicare](https://www.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 [Medicare.gov/manage-your-health/information-for-my-situation/im-outside-the-us](https://www.Medicare.gov/manage-your-health/information-for-my-situation/im-outside-the-us)

## For Questions or to enroll in FSBP-Aetna Medicare Advantage Plan:

Visit [AetnaRetireeHealth.com/FSBP](https://www.AetnaRetireeHealth.com/FSBP) or call **1-866-241-0262 (TTY: 711)**, Monday-Friday, 8 AM-PM ET.

## Resources to help you find more answers:

- [OPM.gov/healthcare-insurance/healthcare/medicare](https://www.OPM.gov/healthcare-insurance/healthcare/medicare)
- [SSA.gov](https://www.SSA.gov)
- [Medicare.gov](https://www.Medicare.gov)
- [Medicare.gov/sign-up-change-plans](https://www.Medicare.gov/sign-up-change-plans)

If you have questions about coordinating your **FSBP** benefits with Medicare, call us at **1-202-833-4910** or email us at: [Health@afspa.org](mailto:Health@afspa.org)

For more information or questions, please contact us:

**American Foreign Service Protective Association**

**Hours of Operation**

Monday-Friday 8:30 AM-5:30 PM ET

[afspa@afspa.org](mailto:afspa@afspa.org) / [afspa.org](https://www.afspa.org)



**Note:** This brochure content is accurate as of Fall 2024.

This is a summary of the features of the Foreign Service Benefit Plan (**FSBP**). For a complete description, please read the Plan’s Federal Brochure (RI 72-001). All benefits are subject to the definitions, limitations, and exclusions set forth in the Federal brochure. This is also a summary of Medicare features. For more information about Medicare, call **1-800-MEDICARE**, or visit [Medicare.gov](https://www.Medicare.gov)



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