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# So Many Choices: Which FEHB Plans Work Best with Medicare A & B?

A NARFE Federal Benefits Institute Webinar

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Federal Benefits Expert

*Sponsored by BlueCross BlueShield*

*Closed Captioning (CC) is available on the recorded version of this webinar.*

# Agenda



- **FEHB and Medicare**
- **The Parts of Medicare**
- **Medicare Part B Premiums**
- **What Are Your Options?**
- **Medicare Advantage Plans**
- **Tools and Resources**
- **Next Steps**





## It's Time to Choose!

- Consider
  - Medicare Part A
  - Medicare Part B
  - FEHB
- Goal
  - Low premiums
  - Excellent coverage
  - Low out-of-pocket costs
  - Prescription coverage





## Why Do I Need Medicare if I Have FEHB?

Approximately 25% of Medicare-eligible federal retirees do not take Medicare Part B

Your FEHB plan will still cover you

You may be subject to IRMAA (higher income Medicare premiums)

Approximately 75% of Medicare-eligible federal retirees take Medicare Part B

FEHB and Medicare can cover close to 100% of inpatient and outpatient costs

Medicare caters to the needs of the elderly



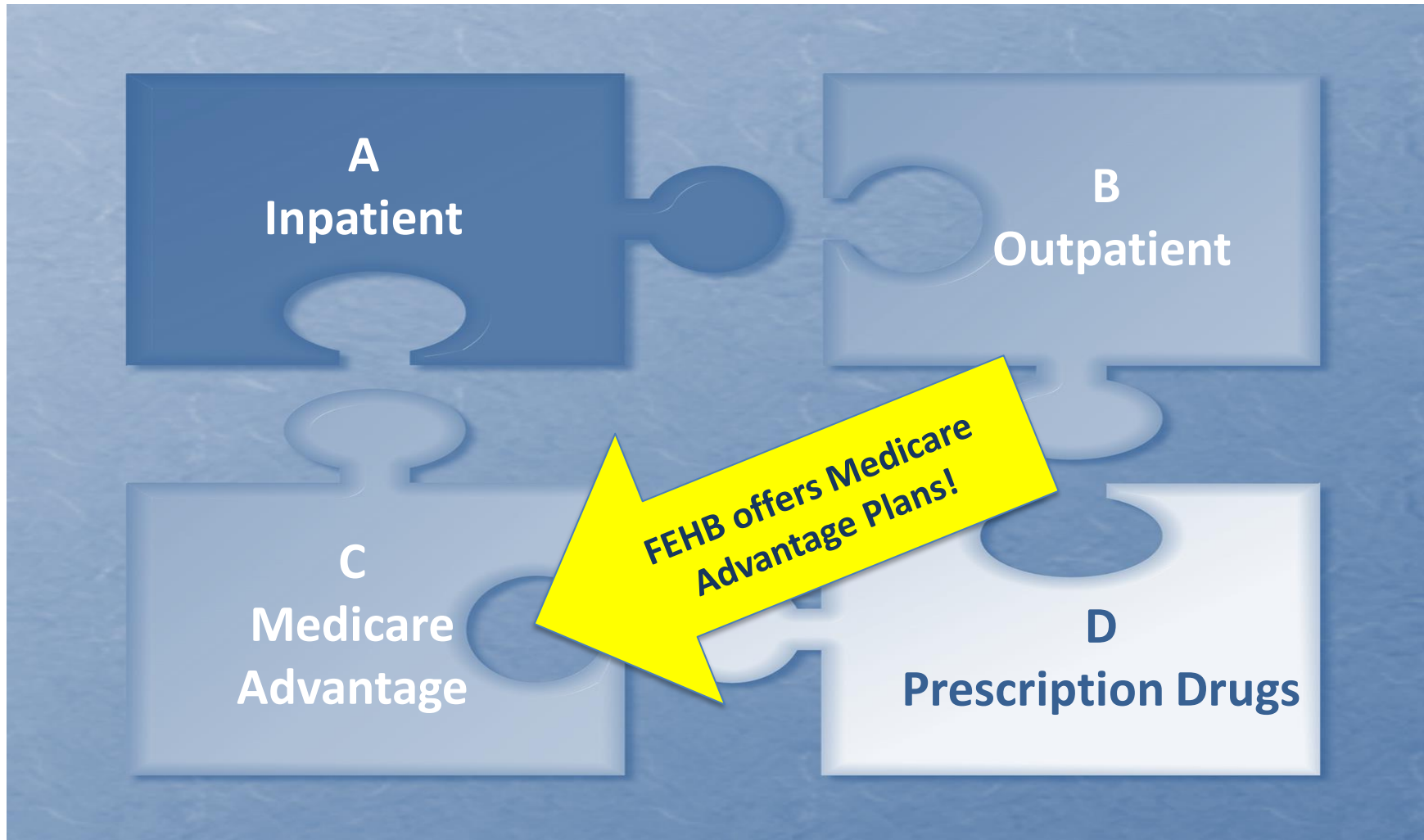


## Why Do I Need FEHB if I Have Medicare?

- FEHB will cover some of the gaps in Medicare A and B, including
  - Prescriptions
  - Hearing aids
  - Dental care
  - Overseas care
- Many FEHB plans will waive cost-sharing when Medicare A and B are primary



# The Parts of Medicare



# Medicare Part B Premiums



Year	Part B Monthly Premium Per Person
1966	\$3
1976	\$7.20
1986	\$15.50
1996	\$42.50
2006	\$88.50
2007	\$93.50
2016	\$120.70 or \$104.90 (hold harmless provision)
2017	\$134 - \$428.60 or \$109 (hold harmless provision)



# Medicare Part B Premiums



If your yearly income in 2019 was			You pay each month (in 2021)
File individual tax return	File joint tax return	File married & separate tax return	
<b>\$88,000 or less</b>	<b>\$176,000 or less</b>	<b>\$88,000 or less</b>	<b>\$148.50</b>
above \$88,000 up to \$111,000	above \$176,000 up to \$222,000	Not applicable	\$207.90
above \$111,000 up to \$138,000	above \$222,000 up to \$276,000	Not applicable	\$297.00
above \$138,000 up to \$165,000	above \$276,000 up to \$330,000	Not applicable	\$386.10
above \$165,000 and less than \$500,000	above \$330,000 and less than \$750,000	above \$88,000 and less than \$412,000	\$475.20
\$500,000 or above	\$750,000 and above	\$412,000 and above	\$504.90



# Medicare Part B Premiums



## Standard 2021 Rate

- $\$148.50 \times 12 \text{ months} =$   
 $\$1,782/\text{year}$

## Two People

- $\$297 \times 12 \text{ months} =$   
 $\$3,564/\text{year}$

## Or More



# What Are Your Options?



## Option 1

- Continue using FEHB and add Medicare Part A

## Option 2

- Continue using FEHB and add Medicare Parts A and B
- Consider changing FEHB coverage
  - Save money
- Better coordination

## Option 3

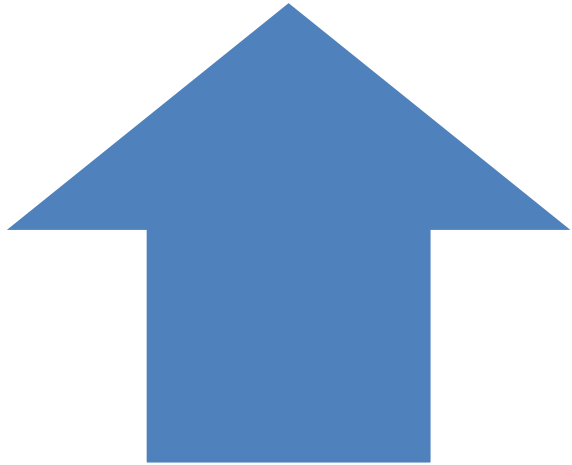
- Suspend FEHB
  - Use Tricare for Life
  - Choose Medicare Advantage Plan



# What Are Your Options?

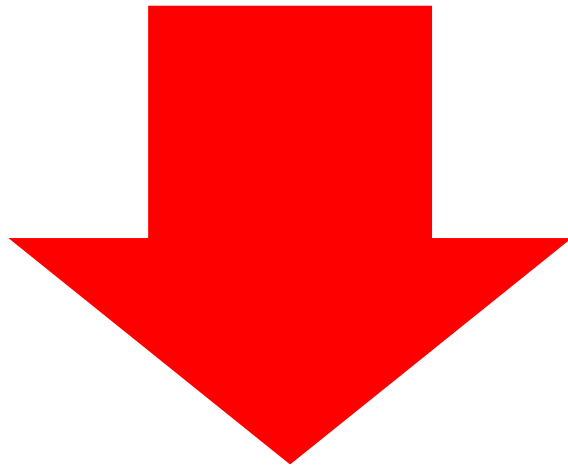


## Option 1: Continue Using FEHB and Add Medicare Part A



**Save cost of Medicare Part B premiums**

**Continue to use FEHB**



**Late enrollment penalty for Part B later on**

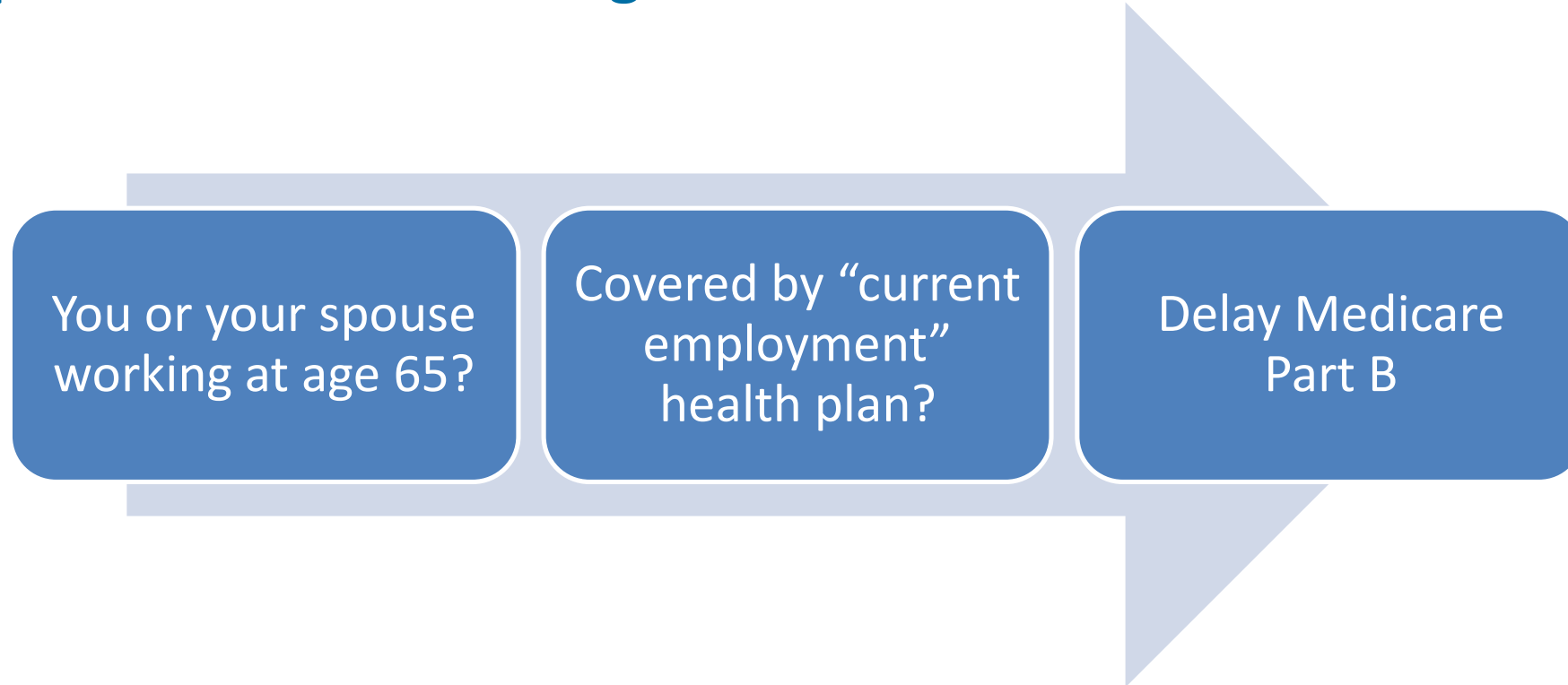
**Higher expenses with chronic illnesses**



# What Are Your Options?



## Option 1: Continue Using FEHB and Add Medicare Part A



Special Enrollment Period to enroll in Medicare without late enrollment penalty



# What Are Your Options?



## Option 1: What Do You Pay Without Medicare?

		Single		Couple	
		Monthly	Annually	Monthly	Annually
Premium: BCBS Standard Option		<b>\$267.48</b>	<b>\$3,209.76</b>	<b>\$608.43</b>	<b>\$7,301.16</b>
Deductible		N/A	\$350	N/A	\$700
Copays 12/year est.	In-network	\$25	\$300	\$50	\$600
	Out-of-network	N/A			
Coinsurance 12 x \$200 est.	In-network	N/A			
	Out-of-network	35%	\$840	35%	\$1,680
<b>Totals for an "average year"</b>			<b>\$4,699.76</b>		<b>\$10,281.16</b>
Catastrophic Cap	In-network		\$5,000		\$10,000
	Out-of-network		\$7,000		\$14,000

# What Are Your Options?



## Option 1: Examples of Plans for Retirees Without Medicare

Premiums Shown are 2021 <b>Monthly</b> Enrollee Share				
Plan	Code	Self Only	Self + One	Self + Family
APWU High Option	471-473	\$224.60	\$449.61	\$576.98
BCBS Standard	104-106	\$267.48	\$608.43	\$650.26
Compass Rose*	421-423	\$229.61	\$535.52	\$589.07
Foreign Service*	401-403	\$155.47	<b>\$387.25</b>	\$384.59
GEHA High	311-313	\$234.31	\$545.85	\$680.61
MHBP Standard	454-456	\$155.56	\$358.07	\$361.51
NALC High	321-323	\$205.47	<b>\$491.06</b>	\$430.49
APWU High	471-473	\$224.60	\$449.61	\$576.98

\*Open only to special groups

# What Are Your Options?



## Option 1: Examples of Plans for Retirees Without Medicare

Premiums Shown are 2021 **Monthly** Enrollee Share

Plan	Code	Self Only	Self + One	Self + Family
NALC High	321-323	\$205.47	<b>\$491.06</b>	\$430.49
SAMBA High	441-443	<b>\$351.26</b>	<b>\$803.14</b>	<b>\$881.01</b>
SAMBA Standard	444-446	\$177.50	\$387.45	\$399.78
Aetna Open Access High	JN1-JN3	<b>\$653.15</b>	<b>\$1,497.69</b>	<b>\$1,426.84</b>
Kaiser Permanente Mid-Atlantic High*	E31-E33	\$222.82	<b>\$595.19</b>	\$498.14
M.D. IPA*	JP1-JP3	<b>\$427.47</b>	<b>\$735.93</b>	<b>\$1,448.07</b>
United Healthcare Open Access High*	LR1-LR3	\$246.98	\$535.17	\$607.62

\*HMO plans may not be available in your area. This is not an inclusive list of all options.



# What Are Your Options?



## How Do You Narrow Down the Field?

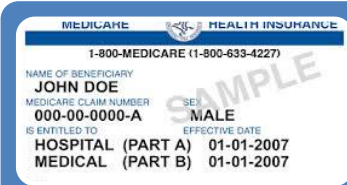
- Consider your needs for
  - Prescription drugs
  - Chronic illness
  - Willingness to use network providers
  - Your providers in-network



# What Are Your Options?



## Option 2: Continue Using FEHB and Add Medicare Parts A and B



Wrap around coverage (many FEHB plans)



Plan may offer (some) Medicare reimbursement



Choose plan with low premium



Evaluate prescription drug benefits



# What Are Your Options?



## Option 2: What Do You Pay With Medicare?

Example: Aetna Direct with Medicare Part B Standard Premium		Single		Couple	
		Monthly	Annually	Monthly	Annually
Medicare Part B Premium		\$148.50	\$1,782.00	\$297.00	\$3,564.00
Aetna Premium (\$153.96 or \$337.64) minus Medicare Reimbursement (\$75/person)		\$78.96	\$947.52	\$187.64	\$2,251.68
<b>Totals</b>		<b>\$227.46</b>	<b>\$2,729.52</b>	<b>\$481.64</b>	<b>\$5,851.68</b>
Deductible		\$0	\$0	\$0	\$0
Copays	In- and out-of-network	\$0	\$0	\$0	\$0
Coinsurance	In- and out-of-network	\$0	\$0	\$0	\$0
Catastrophic Cap	In-network		\$5,000		\$10,000
	Out-of-network		\$7,000		\$14,000

# What Are Your Options?



## Option 2: Examples of Plans for Retirees With Medicare

Premiums Shown are 2021 <b>Monthly</b> Enrollee Share				
Plan	Code	Self Only	Self + One	Self + Family
BCBS Basic	111-113	\$170.31	\$409.87	\$436.08
GEHA High Option	311-313	\$234.31	\$545.85	\$680.61
Aetna Direct	N61-N63	\$153.96	\$337.64	\$388.27
Aetna Advantage	Z24-Z26	\$125.00	\$275.00	\$331.25
United Healthcare Advantage*	Y51-Y53	\$102.93	\$226.45	\$272.77
Kaiser Permanente Senior Advantage Standard*	E34-E36	\$149.57	\$344.01	\$344.01

\*HMO plans may not be available in your area. This is not an inclusive list of all options.



# What Are Your Options?



## Comparing the Blues - BCBS Standard and BCBS Basic

### Standard Option

If your physician

- Accepts Medicare assignment, you pay nothing for covered charges
- Does not accept Medicare assignment, you pay the difference between the “limiting charge” or the physician’s charge (whichever is less)

### Basic Option

Must use preferred providers in order to receive benefits

Basic offers mail-order drugs when enrolled in Medicare A and B

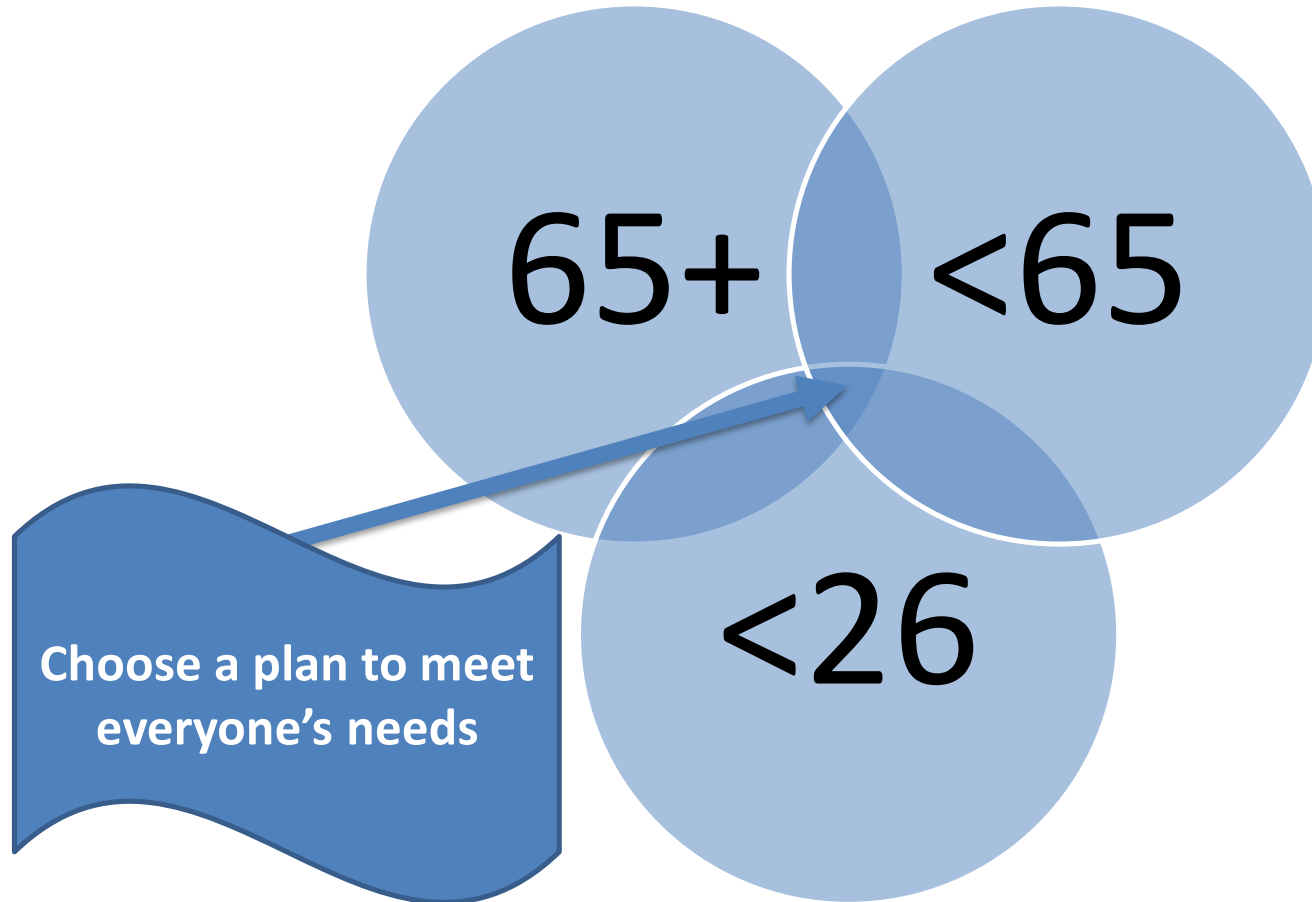
- \$800 Medicare Part B reimbursement per enrollee



# What Are Your Options?



## Option 2: Continue Using FEHB and Add Medicare Parts A and B



# What Are Your Options?



## Option 3: Suspend FEHB (Retiree Only)



### Remember

## There are Medicare Advantage Plans within FEHB

- Kaiser Permanente Senior Advantage for Federal Members
- Aetna Medicare Advantage
- United HealthCare Medicare Advantage





## What is the Advantage of an **FEHB** Advantage Plan?

- Low premiums
- Medicare Part B premium reduction
- Added programs
  - SilverSneakers/Gym membership
  - Home visits
  - Meal delivery
- \$0 deductible and coinsurance
- Prescription coverage
- Seamless coordination of claims — no claims forms
- Nationwide network and coverage
- No referrals



# Medicare Advantage Plans



## Aetna Direct

\$900/person fund

### Retail Pharmacy

- \$6 per covered generic formulary drug
- 30% up to \$600 per brand formulary
- 50% up to \$600 per non-formulary

### Mail-order Pharmacy (up to 90-day supply)

- \$2 per covered generic formulary drug
- 30% up to \$100 per brand formulary
- 50% up to \$200 per non-formulary

## Aetna Medicare Advantage

Reduce Part B by \$75/month or \$900/yr

Added programs like SilverSneakers® and Healthy Home visits

### Retail pharmacy (different formulary)

- Preferred generic: \$2
- Generic: \$10
- Preferred brand: \$40
- Non-preferred brand: \$75
- Specialty: 25% (\$350 max.)

### Mail-order pharmacy

- Preferred generic: \$4
- Generic: \$20
- Preferred brand: \$80
- Non-preferred brand: \$150



# Medicare Advantage Plans



## Kaiser Permanente

High Option

Standard Option

Basic Option

## Kaiser Senior Advantage

No deductible

Lower copays

Lower catastrophic limit

High and Standard Option

- Reimbursed up to \$250 of your Medicare Part B monthly premium (not all plans)
- Silver & Fit Fitness Program
- \$500 hearing aid allowance

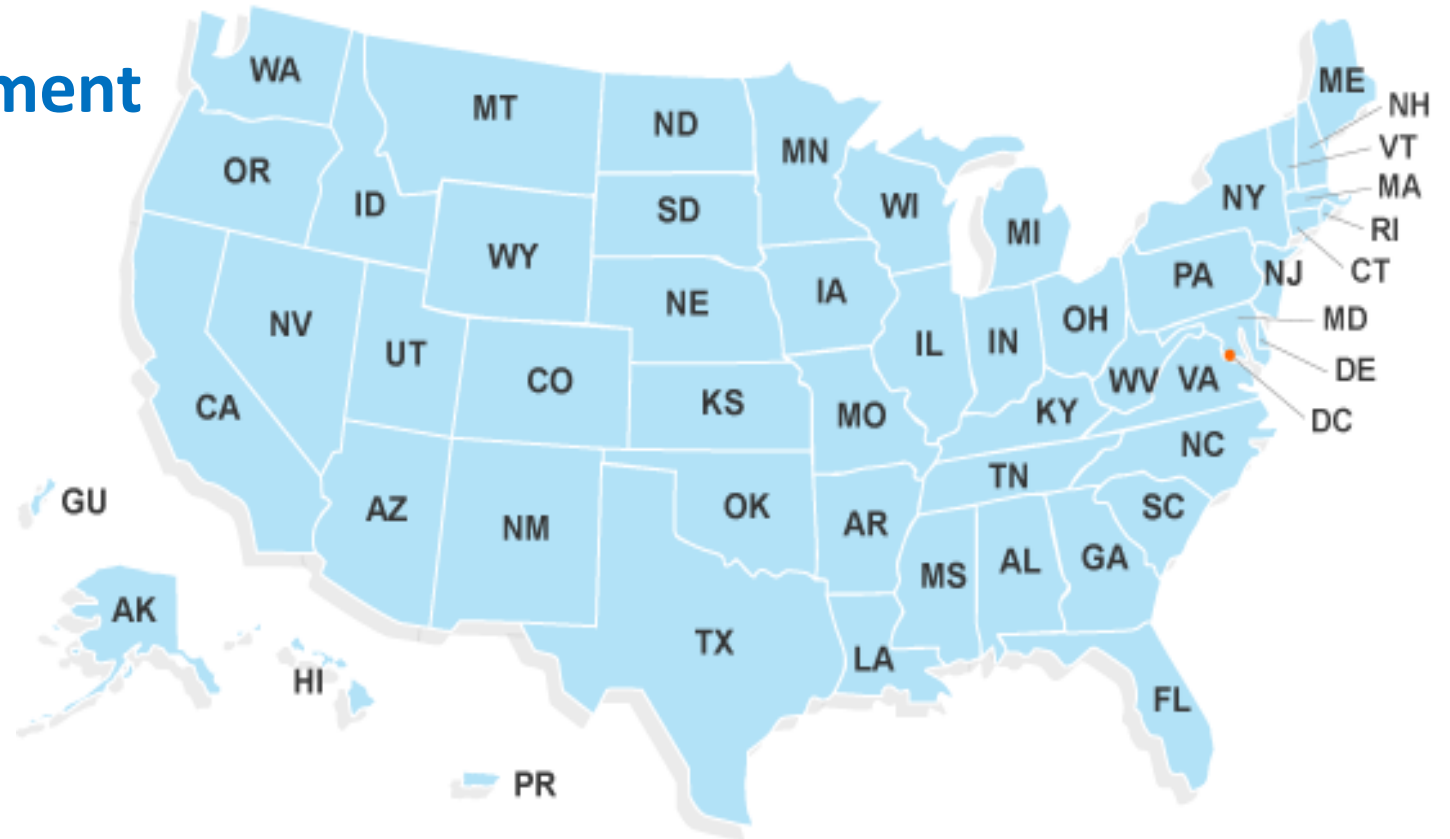




[Office of Personnel Management](#)

[Health Care Plan Information](#)

[Open Season Central](#)





## Consumers' Checkbook Guide to Health Plans for Federal Employees

The screenshot shows the top navigation bar with the 'CONSUMERS' CHECKBOOK' logo, the text 'Guide to Health Plans For Federal Employees', and 'SIGN IN' and 'SUBSCRIBE' buttons. Below this is a section titled 'HOW THE GUIDE WORKS' containing a video player. The video player has a thumbnail showing a laptop displaying the website and the text 'CONSUMERS' CHECKBOOK GuidetoHealthPlans.org'. The video title is 'How to Use Checkbook's Guide to Health Plans' and it has a 'Copy link' button. The video player shows a progress bar at 0:03 / 6:31 and YouTube controls.



<https://www.checkbook.org/newhig2/hig.cfm>

Watch the 6-minute video overview of how to use this beneficial guide



## Click [HERE](#) for NARFE 2020 Open Season Resources

JOIN NOW!

RENEW NOW!



### NARFE 2020 Federal Benefits Open Season Portal

Welcome to NARFE's one-stop shop for all your federal health benefits Open Season needs. Here you will find the information and resources necessary to make informed decisions about your federal health, dental, vision and flexible spending account benefits during the 2020 Federal Benefits Open Season.

This year's Open Season runs from November 9 through December 14, 2020, and allows federal employees and retirees to enroll, change, suspend or cancel federal benefits coverages applicable to the 2021 plan year.

Charts: [2021 FEHB Fee-for-Service and Restricted Fee-for Service Premiums](#) | [2021 FEHB Largest HMO Premiums](#) | [2021 FEDVIP Dental and Vision Premiums](#)

[NARFE Magazine Open Season Report](#) – *NARFE Magazine's* resource for FEHB premiums and information.

#### RESEARCHING YOUR OPTIONS

A great place to start is by registering for one of NARFE's Open Season [webinars](#), exclusive to NARFE members. If you're not a member, never fear. Webinar registration includes one full year of NARFE membership – which gives you access to all NARFE webinars, *NARFE Magazine*, assistance from NARFE's federal benefit specialists and much, much more.



# Next Steps



## Plan Comparison

Use a plan comparison guide

- Checkbook Guide to Federal Health Plans
- OPM Plan Comparison Tool

## Narrow Down

Narrow down your choices

- Are you healthy?
- Do you have pre-existing conditions?
- Need a tax break?

## Top Three

Top three options

- Compare specific coverage
- Consider catastrophic cap



# Next Steps



## 2020 Open Season

Monday, November 9 through  
Monday, December 14

Employee Effective Date

Retiree  
Effective Date

1/3/2021

1<sup>st</sup> day of 2021  
leave year

1/1/2021





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**Open Season Enrollment | Nov. 9 - Dec. 14, 2020**

<https://www.fepblue.org/>

# Thank You!

A NARFE Federal Benefits Institute Webinar

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