

# Medicare enrollees (High Option Plan)



**Brian  
Hellman**

**W**hen you are eligible and enroll in the federal Medicare program, the NALC Health Benefit Plan (the Plan) is here to give you the added security you need. In most cases, when you are enrolled in Medicare Parts A and B and the Plan, you will have no out-of-pocket costs for medical services. You also continue to have the same great prescription drug coverage, but with lower coinsurances and copayments. The decision to enroll in Medicare is yours; however, we feel it is imperative that you understand the importance of having total medical and prescription drug coverage if you are approaching age 65 or are age 65 and retired.

Medicare is a health insurance program for:

- People 65 years of age and older
- Some people with disabilities under 65 years of age
- People with end-stage renal disease (permanent kidney failure requiring dialysis or a transplant)

Medicare has four parts, which are Medicare A, Medicare B, Medicare C and Medicare D:

**Medicare A (Hospital Insurance)**—Most people do not have to pay for Part A. If you or your spouse worked for at least 10 years in Medicare-covered employment, you should be able to qualify for premium-free Part A insurance. For those who do not meet the work credit requirements, you may be able to buy Part A (and Part B) by paying a monthly premium. Part A benefits help to pay for inpatient hospital care, inpatient skilled nursing facility care, home health and hospice care. There are deductibles and coinsurance that apply to these expenses, but when you are enrolled in the High Option Plan, and Medicare Part A is your primary payor, we pay these for you.

**Medicare B (Medical Insurance)**—Most people pay monthly for Part B. Generally, Part B premiums are withheld from your monthly Social Security check or your retirement check. Once you approach age 65, you should receive a notice from the Centers for Medicare and Medicaid (CMS) that you are eligible to enroll in Medicare Part B. Medicare Part B benefits help you pay for doctor charges, diagnostic services, ambulance charges, surgeries, medical equipment, and covered services not covered under Medicare Part A. When Medicare Part B is your primary payor, the Plan will pay the Medicare Part B deductible and coinsurance on covered services.

**Medicare C (Medicare Advantage)**—These are Medicare health plan options that are part of the Medicare program. If you decide to join one of the many Medicare Advantage plans, you generally must receive all your Medicare covered health care through that Plan. Medicare Advantage plans can also include prescription drug coverage. In some cases, there are extra benefits and lower copayments than in the original Medicare plan; however, you may be required to receive treatments or referrals only from providers that belong to the Medicare Advantage Plan.

**Medicare D (Medicare prescription drug coverage)**—There is a monthly premium for Part D coverage. If you are enrolled in Medicare, you are eligible to enroll in a Medicare Prescription Drug Plan. There are many plans from which to choose, and each has an additional premium. When you are enrolled in a Medicare Part D Plan and Medicare Part D pays first, the NALC Health Benefit Plan will waive your retail fill limit and retail day's supply limitations. We will coordinate benefits as the secondary payor and pay the balance after Medicare's drug payment or our prescription drug benefit, whichever is less.

---

**“When you are eligible and enroll in the federal Medicare program, the NALC Health Benefit Plan is here to give you the added security you need.”**

---

## Reminder

**You must tell us if you or a covered family member has Medicare coverage, and let us obtain information about services denied or paid under Medicare if we ask. You must also tell us about other coverage you or your covered family members may have, as this coverage may affect the primary/secondary status of this Plan and Medicare.**

## FEHBP Five-Year Rule

**As each month passes and we draw closer to Open Season, I take this opportunity to remind you about the Federal Employees Health Benefits Program's (FEHBP) “Five-Year Rule” regarding eligibility for retiree health benefits. Please keep in mind that you must be *covered* by a health plan in the FEHBP for five years before you retire to continue coverage into retirement. However, the rule does not require that you must be in the same plan for the five years prior to retirement.**