

Medicare Part D coverage



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Over the last few months, we have received many questions surrounding Medicare and how the various parts might affect eligible members of the NALC Health Benefit Plan (the Plan).

I understand that some of our members are overwhelmed. The changes and choices caused by the Postal Service Health Benefits (PSHB) Medicare integration requirement can be confusing, and separating and/or defining the Plan's programs can be a challenge.

In this article, I will do my best to deconstruct the topic, hopefully leaving you with a better understanding. Let's start with the

basics of each Medicare part:

- **Medicare Part A** is generally cost-free and helps to cover inpatient hospital care, inpatient skilled nursing facility care, home health and hospice care.
- **Medicare Part B** helps you pay for doctor charges, diagnostic services, ambulance charges, surgeries, medical equipment and covered services that are not payable under Medicare Part A.
- **Medicare Part C** is offered by private companies and is referred to as Medicare Advantage. There are many types of Medicare Advantage plans on the market; some may provide hospital insurance (Medicare Part A), medical insurance (Medicare Part B) prescription coverage (Medicare Part D), and have extra benefits such as vision, hearing and dental.
- **Medicare Part D** is specific to prescription benefits only.

Since most of the questions we receive pertain to Medicare Part D, I will focus on that topic. To have this discussion, we need to mention the Postal Service Reform Act of 2022, Public Law 117-108. As part of this law, the Office of Personnel Management determined that all health plans participating in the PSHB program are required to provide Medicare Part D prescription drug benefits to all eligible members and dependents.

NALC HBP is compliant with that requirement, and we have incorporated two options within the High Option plan that include Medicare Part D coverage.

To discuss Option 1, we need to rewind the calendar back to 2023, where we recognized the need and moved forward in introducing the NALC High Option Plan—Aetna Medicare Advantage Plan. To outline the program's purpose or scope, it is important to note that this is a Medicare Part C plan with a bundled Part D coverage and extra benefits not offered to our traditional High Option plan members.

This was an exciting enhancement to the NALC High Option Plan; however, we soon realized that this standalone option might not be a perfect fit for all eligible members; therefore, we would need to expand our Medicare Part D benefit structure.

In 2024, this came to fruition when we added Option 2, the SilverScript Prescription Drug Program (PDP) for our members who did not want to participate in our Aetna Medicare Advantage Plan.

What does this mean to you as the member? All eligible PSHB annuitants who have Medicare Part A or Medicare Part B must be enrolled in a Medicare Part D plan offered by the NALC Health Benefit Plan to retain prescription coverage. Should a member opt out or disenroll from the Medicare Part D option, they will lose all prescription benefits under PSHB.

For High Option members, there is a choice. You can choose either to continue traditional coverage with Medicare paying as primary, the Plan paying as secondary and be enrolled in our SilverScript (PDP) or, if you are eligible, you can choose to opt in to our NALC High Option—Aetna Medicare Advantage Plan. It is very important to understand that these are two different programs that offer Medicare Part D compliance, and members must select one or the other, as Medicare does not permit dual enrollment into both programs.

As a default, the Plan will auto-enroll all members who currently have Medicare Part A and/or Medicare Part B, into the SilverScript PDP. Only those members who have previously selected to opt into the Plan's NALC High Option Plan—Aetna Medicare Advantage Plan will not be auto-enrolled. Note: Members auto-enrolled into SilverScript can still select to opt into the Aetna Medicare Program throughout the 2025 plan year. This will result in a transfer of Medicare Part D coverage from SilverScript to Aetna Medicare Advantage once the enrollment is processed.

Consumer-Driven Health Plan members with Medicare A or Medicare B must be enrolled in the SilverScript PDP to maintain prescription coverage, as this is the only Medicare D option for the CDHP.

I understand that this is a complicated subject, but I hope that I have brought some clarity. To learn more about our benefits, make sure to visit nalchbp.org