



**WE CAN HELP YOU SAVE  
ON MEDICAL COSTS**

[fepblue.org](https://fepblue.org)



# Medicare and Blue

The Blue Cross and Blue Shield Service Benefit Plan is the number one choice of federal retirees in the Federal Employees Health Benefits Program. Retirees who choose to combine their Service Benefit Plan coverage with Medicare get great benefits.



## When you retire, your Service Benefit Plan coverage doesn't change.

- You can select from one of our three plans: Standard Option, Basic Option or FEP Blue Focus
- You still get access to the same benefits and features you're used to, such as worldwide coverage, wellness rewards and discounts
- The federal government continues to contribute to your monthly premiums
- You stay in the same insurance group as active employees

## However, if you decide to combine your coverage with Medicare Parts A and B, you get additional benefits, such as:

- We'll waive your copays, coinsurance and deductibles for covered medical services for all three plans
- Standard and Basic Option members get reduced copays for certain prescription drug tiers
- Basic Option members get access to the Mail Service Pharmacy and can get up to an **\$800** reimbursement for paying Medicare Part B premiums

# Get to know Medicare

Medicare is a health insurance program provided by the federal government, available to people:

- **65 and older**
- **Under 65 with certain disabilities**
- **With permanent kidney failure who need dialysis treatment or a transplant (End-Stage Renal Disease)**

<b>Part A</b>	Hospital insurance	Covers inpatient care, home healthcare and hospice	Free for people who are 65+ and eligible for Social Security
<b>Part B</b>	Medical insurance	Covers outpatient care, doctor's visits, durable medical equipment and more	You pay a monthly premium for this plan. Visit <a href="https://www.medicare.gov">medicare.gov</a> to see the 2022 monthly premium
<b>Part C</b>	Medicare Advantage	Private health insurance that helps cover things Parts A and B don't cover	Benefits and premiums vary based on the plan you choose
<b>Part D</b>	Prescription drug coverage	Covers prescriptions that aren't included in Parts A and B coverage	Benefits and premiums vary based on the plan you choose



To learn more about Medicare coverage and premiums, visit [medicare.gov](https://www.medicare.gov) or call **1-800-MEDICARE** (TTY: 1-877-486-2048).

Medicare works best with your Service Benefit Plan coverage when Medicare Parts A and B (also known as Original Medicare) are your **primary** coverage. That means Medicare pays for your service first, and then we pay our portion (secondary coverage). Usually, if you're retired, Medicare is primary. If you're still actively working, we're your primary coverage.

*Throughout this booklet, we'll talk about your benefits if Medicare is primary (unless otherwise noted). If you want to know about benefits when Medicare is secondary, you can view our brochures at [fepblue.org/brochure](https://www.fepblue.org/brochure).*

# Is combining our coverage with Medicare right for you?



## Combine with Medicare to cut costs

Even though you pay a premium for Part B and your Service Benefit Plan coverage, when you combine them, we eliminate your other out-of-pocket costs (deductibles, copays and coinsurance) for covered medical services. You would still need to pay for prescriptions, but for Standard and Basic Option, we reduce the amount you pay for some drugs when you have Medicare Part B primary.

Combining your Service Benefit Plan coverage with Medicare is a choice. Here are some things to know that can help you decide:



If you decide to hold off on enrolling in Medicare Part B when you're first eligible, you may pay a penalty if you decide to enroll after your initial eligibility date. The penalty is a 10% increase in premium for each year you delay your Medicare Part B enrollment. Learn more on [page 15](#).



Keep your future healthcare needs in mind before making a decision. Even if you're in perfect health now, our health needs tend to change as we age.



You or your spouse must have **five (5)** years of continuous coverage in the FEHB in order to continue your FEHB coverage into retirement.



If you **cancel** your FEHB coverage while retired, you cannot re-enroll in the Program. If you want to try out a non-FEHB plan (such as Medicare Part C), you should **suspend** your FEHB coverage—don't cancel it.



If you pass away, your covered spouse and children under age 26 would be able to keep your Service Benefit Plan coverage.

## What you'll pay when Medicare Parts A and B are primary

Benefit	Standard Option	Basic Option	FEP Blue Focus
Primary care doctor	\$0 copay	\$0 copay	\$0 copay
Specialists	\$0 copay	\$0 copay	\$0 copay
Virtual doctor visits through Teladoc®	\$0 copay	\$0 copay	\$0 copay
Urgent care centers	\$0 copay	\$0 copay	\$0 copay
Inpatient hospital	\$0 copay	\$0 copay	\$0 copay
Outpatient hospital	\$0 copay	\$0 copay	\$0 copay
Surgery	\$0 copay	\$0 copay	\$0 copay
ER (accidental injury)	\$0 copay	\$0 copay	\$0 copay
ER (medical emergency)	\$0 copay	\$0 copay	\$0 copay
Lab work (such as blood tests and EKGs)	\$0 copay	\$0 copay	\$0 copay
Diagnostic services (such as sleep studies, X-rays, CT scans)	\$0 copay	\$0 copay	\$0 copay
Chiropractic care	\$0 copay for up to 12 visits	\$0 copay for up to 20 visits	\$0 copay for up to 10 visits*
Physical therapy <sup>1</sup>	\$0 copay for up to 75 visits	\$0 copay for up to 50 visits	\$0 copay for up to 25 visits

\*Up to 10 visits combined for chiropractic care and acupuncture. <sup>1</sup>Visit limits are combined for physical, speech and occupational therapy.

Remember, for Basic Option and FEP Blue Focus, you must use Service Benefit Plan Preferred providers to have your cost shares eliminated. Under Standard Option, you can see any provider.



## Covering the things Medicare doesn't cover

Medicare Parts A and B cover many of your healthcare services, but not all. Another reason to combine your coverage is to get access to benefits not covered by Medicare.

	Standard Option	Basic Option	FEP Blue Focus
<b>Hearing aids</b>	<p>Receive an allowance of up to <b>\$2,500</b> every 5 calendar years for the purchase of hearing aids and hearing aid supplies</p> <p>Get hearing aid discounts through our Blue365<sup>®</sup> Discount Program. You can combine this discount with the hearing aid benefit above</p>		<p>Get hearing aid discounts through our Blue365<sup>®</sup> Discount Program</p>
<b>Routine foot care</b>	<p>If you have a long-term condition such, as diabetes, your Service Benefit Plan coverage will cover necessary routine foot care. And, when combined with Medicare coverage, you'll pay nothing out of pocket for these treatments</p>		
<b>Acupuncture</b>	<p>Receive up to 24 visits per year at no cost to you</p>	<p>Receive up to 10 visits per year at no cost to you</p>	
<b>Dental care</b>	<p>We'll pay up to the fee schedule amount listed in the Standard and Basic Option brochure</p>	<p>You pay nothing for preventive dental services (up to 2 cleanings a year)</p>	<p>No benefit</p>
<b>Overseas care</b>	<p>All three of our plans cover you abroad. Learn more about overseas coverage at <a href="https://fepblue.org/overseas">fepblue.org/overseas</a></p>		

# Prescription drug coverage

Medicare Parts A and B don't include prescription drug coverage, but your Service Benefit Plan coverage does.

## What you'll pay for a 30-day supply when Medicare Part B is primary

	Standard Option	Basic Option	FEP Blue Focus
<b>Preferred Retail Pharmacy</b>	<b>Tier 1:</b> \$5 copay <b>Tier 2:</b> 30% of our allowance <b>Tier 3:</b> 50% of our allowance <b>Tier 4:</b> 30% of our allowance <b>Tier 5:</b> 30% of our allowance	<b>Tier 1:</b> \$10 copay <b>Tier 2:</b> \$50 copay <b>Tier 3:</b> 50% of our allowance (\$60 min.) <b>Tier 4:</b> \$80 copay <b>Tier 5:</b> \$100 copay	<b>Tier 1:</b> \$5 copay <b>Tier 2:</b> 40% of our allowance (\$350 max.)
<b>Mail Service Pharmacy</b>	<b>Tier 1:</b> \$10 copay <b>Tier 2:</b> \$90 copay <b>Tier 3:</b> \$125 copay	<b>Tier 1:</b> \$20 copay <b>Tier 2:</b> \$100 copay <b>Tier 3:</b> \$125 copay	No benefit
<b>Specialty Pharmacy</b>	<b>Tier 4:</b> \$65 copay <b>Tier 5:</b> \$85 copay	<b>Tier 4:</b> \$80 copay <b>Tier 5:</b> \$100 copay	<b>Tier 2:</b> 40% of our allowance (\$350 max.)

**Please note:** The drugs covered in each tier for Standard Option, Basic Option and FEP Blue Focus vary. Both Standard and Basic Option cover Preferred and Non-preferred drugs, while FEP Blue Focus only covers Preferred drugs.

If you currently take a prescription drug, you should check our approved drug lists (formularies) to ensure your drug is covered under your selected plan. This is **VERY** important to ensure you get the most out of your coverage. You don't want to select a plan where your drug is not covered, and you pay very high costs for your prescriptions. You can download copies of the current formulary lists at [fepblue.org/formulary](https://fepblue.org/formulary). You can also use our Prescription Drug Cost Tool to see what your prescriptions will cost under each of our plans if you combine your coverage with Medicare. Use the tool today at [fepblue.org/rx](https://fepblue.org/rx).

## What about Medicare Part D?

OPM says our prescription drug coverage pays out, on average, the same amount as a Medicare Part D plan. Therefore, you don't need to enroll in Part D.

# 2021 Medicare Parts A and B costs\*

		2021 Medicare Costs*
<b>MEDICARE PART A</b>	<b>Inpatient hospital deductible</b>	<b>\$1,484</b>
	<b>Inpatient hospital out-of-pocket costs</b> All costs are per each Medicare benefit period	<b>Days 1-90</b> <b>Days 1-60: Nothing</b> <b>Days 61-90: \$371 per day</b>
		<b>Days 91 and beyond</b> <b>\$742 per each lifetime reserve day</b> Beyond lifetime reserve days: all costs
	<b>Home healthcare</b>	<b>Nothing</b> for home healthcare services <b>20%</b> of Medicare's allowance for durable medical equipment
	<b>Hospice care</b>	<b>Traditional hospice: Nothing</b> (does not include room and board charges) <b>Respite (inpatient) hospice: 5%</b> of Medicare's allowance
<b>Skilled nursing facility</b> All costs are per each Medicare benefit period	<b>Days 1-20: Nothing</b> <b>Days 21-100: \$185.50 per day</b> <b>Day 101+: All costs</b>	
<b>MEDICARE PART B</b>	<b>Annual deductible</b>	<b>\$203</b>
	<b>Out-of-pocket costs for most services, including:</b> <ul style="list-style-type: none"> <li>• <b>Doctors' services</b> (including services provided by hospital doctors)</li> <li>• <b>Outpatient therapy</b></li> <li>• <b>Durable medical equipment</b></li> </ul>	<b>20%</b> of Medicare's allowance

\*Costs at the time of printing (Sept 2021). Visit [medicare.gov](https://www.medicare.gov) for 2022 Medicare cost information.



What you pay when you combine with Standard Option	What you pay when you combine with Basic Option	What you pay when you combine with FEP Blue Focus
<b>Nothing</b>		
<b>Nothing</b>		
Nothing in Preferred and Member hospitals	Nothing in Preferred hospitals until you use your <b>lifetime reserve days</b> . <sup>1</sup> Once you use all your lifetime reserve days, you pay <b>\$175</b> per day; up to <b>\$875</b> per admission	Nothing in Preferred hospitals until you use your <b>lifetime reserve days</b> ! Once you use all your lifetime reserve days, you pay <b>30% of our allowance</b>
<b>Nothing</b>		
<b>Nothing</b>		
Nothing up to day 30. You pay the Medicare cost share beginning day 31	No benefit. You pay the Medicare cost share	
<b>Nothing</b>		
<b>Nothing</b>		

<sup>1</sup>For more information about lifetime reserve days, see **page 10** of this guide.

# Using your benefits

When you receive care, you should show your providers both your Service Benefit Plan member ID card and your Medicare member ID card. This helps to ensure we process your claims correctly.

When you visit a provider that's in our nationwide network (a Preferred provider), they submit your claims to us and Medicare for you. Find Preferred providers by downloading our **fepblue** mobile app or online at [fepblue.org/provider](https://fepblue.org/provider).

## Medicare network

Medicare has its own network of Participating providers. These providers accept Medicare's assignment (or payment). You can see which providers are in Medicare's network at [medicare.gov](https://www.medicare.gov).

If a provider doesn't accept Medicare's assignment, they can only charge you up to **115%** of the Medicare-approved amount (this is called the limiting charge). See the example below:

**Provider's billed charge: \$2,500**

**Medicare's assignment: \$2,000**

**The most the provider can charge you:  $\$2,000 \times 115\% = \$2,300$**

When you visit a provider (regardless of if they accept Medicare's assignment), we'll pay the difference between what Medicare pays and what you owe the provider. Meaning, you'll pay nothing. If you have Basic Option or FEP Blue Focus, the provider must be a Preferred Service Benefit Plan provider for us to pay our portion. Standard Option members can see providers outside of the network.

### **Note about private contracts**

A provider may ask you to sign a contract asking you to agree to them billing you directly for services usually covered by Medicare. ***We do not recommend you sign a contract like this.*** If you do, Medicare will not cover your service. We'll only pay the amount we would've paid had Medicare paid their portion. You'll have to pay the additional charges.

## What is a Medicare lifetime reserve day?

Lifetime reserve days are additional days that Medicare Part A will pay for when you are in a hospital for more than 90 days during a benefit period. You're limited to a total of 60 reserve days over the course of your life.

## Medicare premiums

Medicare Part A is free for most people. Most federal employees take this coverage when they first become eligible for it.

For Part B, you pay a premium. Currently, most people pay \$148.50 a month on average, but the amount you pay is based on your income.\* Visit [medicare.gov](https://www.medicare.gov) or contact your local Social Security office for more information.

**If you decide to combine your coverage, you'll pay your Service Benefit Plan premiums in addition to Medicare Part B premiums. Even though you pay both of these amounts, your total out-of-pocket costs for healthcare services may still be lower than the amount you pay annually in premiums.**

\*Costs at the time of printing (Sept 2021). Visit [medicare.gov](https://www.medicare.gov) for 2022 Medicare cost information.



# Selecting the right Service Benefit Plan coverage

You've decided to combine your coverage—great! However, you may be asking yourself which of our three plans is the best fit for you.

## Premiums

When you're retired, you pay your premium monthly instead of bi-weekly. The premium is usually deducted from your monthly annuity.

Standard Option		
Self Only (104)	Self + One (106)	Self & Family (105)
\$276.19	\$627.49	\$680.57

Basic Option		
Self Only (111)	Self + One (113)	Self & Family (112)
\$173.73	\$424.95	\$459.96

FEP Blue Focus		
Self Only (131)	Self + One (133)	Self & Family (132)
\$115.15	\$247.55	\$272.29



While the monthly premium you'll pay is important, don't make your decision on the premiums alone. There are other things to consider.

## Prescription drug coverage

As we mentioned earlier in this book, Medicare Parts A and B don't include prescription drug coverage, but your Service Benefit Plan coverage does.

**If you have a lot of prescriptions, you like the option of receiving your drugs by mail, you take brand name drugs and/or you take drugs to treat complex health conditions, you should look at Standard Option or Basic Option.**

FEP Blue Focus has a closed formulary, meaning it only covers a limited selection of drugs. It's a good choice if you're only taking generic maintenance drugs, but if you have more complex drug needs, it's not the best option for you.

## Coverage for hearing aids and dental care

Both Standard and Basic Option have a hearing aid benefit and provide you access to our Blue365 Discount Program. FEP Blue Focus only provides you access to the Blue365 Discounts. If hearing aids are important to you, keep this in mind.

Similarly, under Basic Option you get two free dental cleanings a year when you combine your coverage with Medicare. Under Standard Option, we'll pay a small portion of the cost of your dental cleanings. FEP Blue Focus doesn't include dental coverage.

## Coverage for dependents

If you're still covering a spouse or children under age 26 on your plan, it's important to keep their needs in mind. If these individuals don't have Medicare Parts A and B primary, they'll get the regular benefits listed in our brochures. You'll want to ensure that the level of coverage you select meets their needs.

To learn more about benefits for individuals who don't have primary Medicare coverage, visit [fepblue.org](https://www.fepblue.org).



### AskBlue<sup>SM</sup> FEP Medical Plan Finder

You can use our AskBlue tool to help you decide which coverage type is right for you. AskBlue will ask you a series of questions and provide you with a recommendation on which product is right for you. Use it today at [askblue.fepblue.org](https://askblue.fepblue.org).

# Get money back for paying Part B premiums

Basic Option members who have Medicare Parts A and B (they don't have to be primary) can get reimbursed for paying Medicare Part B premiums. Each member in your household who has Medicare Parts A and B coverage can earn up to **\$800** per calendar year.

## Here's how the program works:

- 1 Submit a Medicare Reimbursement claim. You can submit your claim online by registering for or logging into your Medicare Reimbursement Account at [fepblue.org/mra](https://fepblue.org/mra) or through the EZ Receipts app. You can also mail or fax in a claim form. You can download the form from our website.
- 2 Include proof of Medicare Part B premium payments with your claim submission. Examples of proof of payment include:
  - a. **Your annual Cost of Living Adjustment (COLA) Statement**
  - b. **A canceled check\***
  - c. **A credit card statement\***
  - d. **A bank statement\***
- 3 Once we review your claim, we'll direct deposit the funds to your bank account if you selected this option online or through the EZ Receipts app. If you didn't select direct deposit (or if you mailed or faxed a form), you'll receive a paper check. Learn more at [fepblue.org/mra](https://fepblue.org/mra) or call **1-888-706-2583**.

\*The bank statement, credit card statement or canceled check you submit must match your Medicare Part B premium bill. You must submit the bill with the proof of payment.



# Other ways to earn or save money

## Wellness Incentive Program

Open to Standard and Basic Option members, you can earn up to **\$170** by completing your Blue Health Assessment and up to three Online Health Coach goals. You can use the money for qualified medical expenses, which include prescription and over-the-counter drug costs, hearing aids, glasses and more.

## Routine Annual Physical Incentive Program

FEP Blue Focus members can earn a reward by getting an annual physical. Once we receive the claim for the physical, you'll be able to choose rewards, such as a Fitbit® device or a four-month gym membership.

## Diabetes Programs

Open to Standard Option and Basic Option members with diabetes, earn up to **\$100** for keeping your A1c levels under control with our Diabetes Management Incentive Program. You can also get a digital glucose monitor, unlimited test strips and one-on-one diabetes support through our Diabetes Management Program by Livongo®. Learn more at [fepblue.org/diabetes](https://fepblue.org/diabetes).

## **NEW** COVID-19 Vaccination Incentive Program

Did you receive a COVID-19 vaccine in 2020 or 2021? If so, earn **\$50** when you submit your vaccination record no later than December 31, 2021. Learn more at [fepblue.org/vaccineincentive50](https://fepblue.org/vaccineincentive50).

## Blue365®

Blue365 is a discount program exclusively for Blue Cross and Blue Shield members. Through the program, you can get discounts on different products and services that can help you live a healthy lifestyle, such as diet and exercise plans, gym shoes and athletic apparel, hearing aids and more. View all the current available deals at [blue365deals.com/fep](https://blue365deals.com/fep).



You can learn more about all of these programs as well as others at [fepblue.org/healthwellness](https://fepblue.org/healthwellness).

# Enrolling in Medicare

## Initial enrollment period

Your initial Medicare eligibility period begins three months before your 65th birthday and ends three months after your 65th birthday.

If you are currently receiving Social Security benefits, you may automatically be enrolled in Medicare Parts A and B. If that's the case, you'll get your Medicare member ID card three months before your 65th birthday.

**If you're not automatically enrolled, you can enroll:**



Online at [medicare.gov](https://www.medicare.gov).



By phone at **1-800-772-1213** (TTY: 1-800-325-0778) from 7 a.m. to 7 p.m. local time, Monday through Friday.



In person at your local Social Security office. You can locate your local office and find the contact number to make an appointment at [ssa.gov](https://www.ssa.gov).

## Delaying your Medicare enrollment

Most federal employees take Part A right away because it's free. Because Part B has a premium, you may wonder if you should delay taking Part B coverage until you "need" it.

### Late Enrollment Penalty

An important thing to consider is Medicare's late enrollment penalty. If you delay your Part B enrollment, Medicare will charge you a penalty for each year you forgo Part B coverage if you decide later that you want to enroll. **The penalty is a 10% premium increase for each year you choose to delay your enrollment.** So, if you decide to enroll five years after you're first eligible, your premium would be 50% higher than it would be if you had taken Medicare initially.

There is an exception to this. If you delay your enrollment because you or your spouse is still working and receiving health insurance coverage through an employer, the penalty doesn't apply to you. Once you retire, you'll have eight months to enroll in Part B before the penalty kicks in.

### General Enrollment Period

If you don't sign up when you're first eligible, you'll usually have to wait until the General Enrollment Period to sign up for Medicare. This is January 1 to March 31 every year. You may be able to sign up for coverage outside of this period if a special circumstance (such as the exception noted above for the late enrollment penalty) applies.



# Enrolling in FEHB coverage

## Federal benefits Open Season

As long as you remain a member of the FEHB, you'll have the option of switching your coverage during the annual federal benefits Open Season. If you select a plan that meets your needs now, you'll always have the option of switching to a different plan a few years later if your needs change. Open Season is typically the second Monday of November through the second Monday of December each year.

If you need to make an enrollment change during Open Season, you'll work with the U.S. Office of Personnel Management. Visit [opm.gov/healthcare-insurance](https://opm.gov/healthcare-insurance) to learn more.



# Resources for you

There are a number of resources for you if you want to learn more about Medicare.

## Medicare

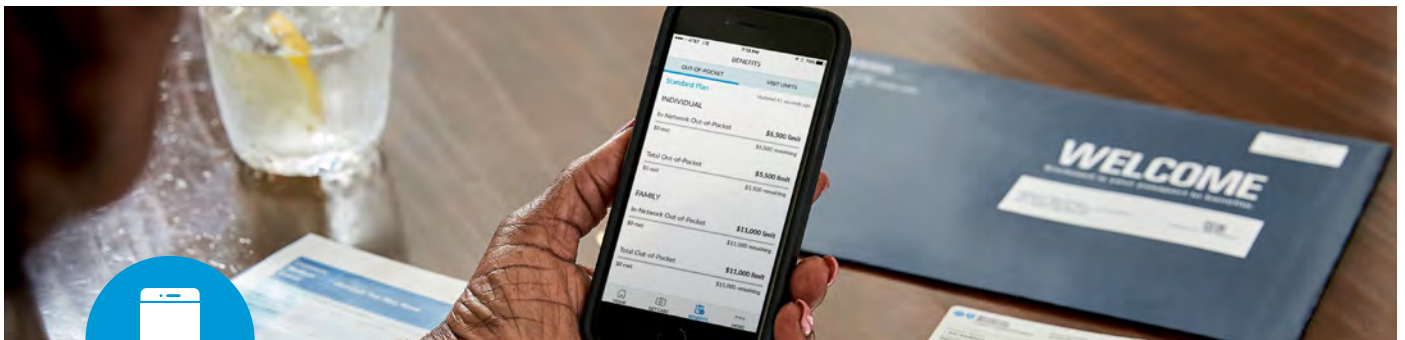
Visit [medicare.gov](https://www.medicare.gov) or call **1-800-MEDICARE** (TTY: 1-877-486-2048) to learn more about Medicare benefits and services.

## Social Security

Your local Social Security office can help you with your Medicare enrollment needs. Locate your local office at [ssa.gov](https://www.ssa.gov) or call the national number at **1-800-772-1213** (TTY: 1-800-325-0778).

## OPM

Once you retire, OPM is your payroll office. Visit [opm.gov](https://www.opm.gov) to learn more about the FEHB and other federal benefit programs.



### Download our app today

We encourage you to download our **feplblue** mobile app\* to keep up with the Service Benefit Plan on the go. You can access benefit and claim information, find providers and connect to a nurse or virtual doctor 24/7, plus much more. Download the app today from the App Store<sup>SM</sup> or Google Play<sup>TM</sup>.

\*You must have a MyBlue<sup>®</sup> account to access most of the app's features.



# Want to learn more about the Service Benefit Plan?

Visit our website or give us a call at **1-800-411-BLUE (2583)** between 8 a.m. and 8 p.m. Eastern time, Monday through Friday, to ask benefit-related questions.



If you have customer service questions, please call the number on the back of your member ID card.

You can also see our full list of customer service numbers at [fepblue.org/contact](https://www.fepblue.org/contact).



Visit [fepblue.org](https://www.fepblue.org) to discover everything Blue Cross and Blue Shield has to offer.



**National  
Information Center**

1-800-411-BLUE  
(2583)



**Telehealth  
Services**

1-855-636-1579



**24/7  
Nurse Line**

1-888-258-3432



**Medicare  
Reimbursement  
Account**

1-888-706-2583

## Learn more

To learn more about Medicare coverage and premiums, visit [medicare.gov](https://www.medicare.gov) or call **1-800-MEDICARE** (TTY: 1-877-486-2048).

[fepblue.org](https://www.fepblue.org)



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*This is a summary of the features of the Blue Cross and Blue Shield Service Benefit Plan. Before making a final decision, please read the Plan's Federal brochures (Standard Option and Basic Option: RI 71-005; FEP Blue Focus: RI 71 017). All benefits are subject to the definitions, limitations and exclusions set forth in the Federal brochures.*

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