

# TRICARE Fundamentals Course

## TRICARE and Medicare

# 8

### Instructor Guide

#### References

32 CFR § 199

National Defense Authorization Act, FY 2001, Section 712

2008 TRICARE Operations Manual, Chapter 20

2008 TRICARE Policy Manual, Chapter 7

2008 TRICARE Reimbursement Manual, Chapter 4

Medicare & You Handbook 2012

Medicare Prescription Drug, Improvement, and Modernization Act of 2003

[www.medicare.gov](http://www.medicare.gov)



**Brainteaser**

Each of the eight items below is a separate puzzle.  
 How many can you figure out?

<p>1.</p> <p>BRIDGE w t r a e</p>	<p>2.</p> <p>issue issue issue issue issue issue issue issue issue issue</p>	<p>3.</p> <p>p o o r</p>	<p>4.</p> <p>T T T T R R R R R R R R</p>
<p>5.</p> <p>Answer Answer Answer Answer ←</p>	<p>6.</p> <p>P-----P L---L A N---N E-----E</p>	<p>7.</p> <p>CITY</p>	<p>8.</p> <p>injury + insult</p>

1. Bridge over troubled water

5. Final Answer

2. Tennis shoes

6. Explain

3. Downpour

7. Capital City

4. 49ers

8. Adding Insult to Injury\_

# Module Objectives



Show slide #2

## Module Objectives

- State what TRICARE For Life (TFL) is and who is eligible
- Identify how active duty service affects Medicare Part B enrollment
- Discuss the interaction between TFL and Other Health Insurance (OHI)



Introduce TRICARE and Medicare.

- **State what TRICARE for Life (TFL) is and who is eligible**
- **Identify how active duty status affects Medicare Part B enrollment**
- **Discuss the interaction between TFL and other health insurance (OHI)**

1.0 Test question

Show slide #3

**TFL Overview**

- TRICARE for Life (TFL) combines TRICARE Standard coverage with Medicare Part A and B to provide wrap-around medical coverage to dual-eligible (Medicare-TRICARE) beneficiaries worldwide
- TFL is for TRICARE beneficiaries who:
  - Are entitled to premium-free Medicare Part A, and
  - Have purchased Medicare Part B, regardless of their age or place of residence



## 1.0 TRICARE for Life (TFL) Overview

TRICARE for Life (TFL) combines TRICARE Standard coverage with Medicare Part A and Part B to provide wrap-around medical coverage to dual-eligible (TRICARE and Medicare) beneficiaries.

## 2.0 Eligibility

- TFL is for TRICARE beneficiaries entitled to premium-free Medicare Part A and who purchase Medicare Part B, regardless of their age or place of residence. (Some exceptions apply. See Section 5.1.1 of this module for more information.)
- TFL benefits start on the first day that Medicare Part A and Part B are in effect.
- Dual-eligible beneficiaries under age 65 may enroll in TRICARE Prime if available in their local area; Prime enrollment fees are waived for those who have Medicare Part B.

## 3.0 Defense Enrollment Eligibility Reporting System (DEERS)

- TFL beneficiaries' DEERS information must be current to show their Medicare status.
- Beneficiaries may visit the nearest ID card-issuing facility to update their Uniformed Services ID card when they become entitled to Medicare. TFL status is shown as pending until verified.
- TRICARE and Medicare exchange files to verify beneficiaries' Medicare Part A entitlement and Part B status.

## 4.0 Basics of Medicare

Medicare is a health insurance program. Eligibility is based on age, disability or disease, to include:

- Individuals age 65 or older
- Individuals under age 65 with certain disabilities
- Individuals of any age with end-stage renal disease (ESRD)
- Individuals of any age with amyotrophic lateral sclerosis (ALS), commonly known as Lou Gehrig's disease
- Individuals of Lincoln County, Montana who have an asbestos-related disease

### 4.1 Medicare Part A and Part B

- Medicare Part A (Hospital insurance), funded through payroll taxes, helps cover inpatient care and costs in hospitals, skilled nursing facilities, hospice care, and home health care. If a beneficiary paid into Medicare for 40 quarters, he or she is entitled to premium-free Medicare Part A at age 65.
  - If eligible for premium-free Medicare Part A, a beneficiary receives a *Notice of Award*, the official letter from the Social Security Administration (SSA) advising the beneficiary of his/her entitlement to premium-free Medicare Part A and enrollment in Medicare Part B (or enrollment in Medicare Part B only).
  - If not eligible for premium-free Medicare Part A based on their own work history, beneficiaries should contact SSA to find out if they may qualify under their spouse's or divorced spouse's social security number. (See *Appendix A* of this module for more information.)
- Medicare Part B (Medical insurance) helps cover medically necessary outpatient services, such as doctor services, outpatient hospital care, home health services, some preventive health services, and other medical services. Medicare Part B premiums are based on an individual's reported income.
  - Beneficiaries should enroll in Medicare Part B when first eligible to avoid paying higher Medicare premiums.
- The Defense Manpower Data Center (DMDC) automatically notifies TRICARE beneficiaries approximately five months before their 65th birthday of the requirement to enroll in Medicare B when entitled based on age.

Show slide #4 for 4.0

**Medicare Basics**

Medicare is federal health insurance for

- People age 65 or older
- People under age 65 with certain disabilities
- People of any age with:
  - End-stage renal disease
  - Amyotrophic lateral sclerosis, also known as Lou Gehrig's Disease
- People of Lincoln County, Montana who have an asbestos-related disease



4.0 There are three entitlement categories: Age, Disability, and Disease. If you are not entitled to Medicare, you are not eligible for TFL.

Show slide #5 for 4.1

**Medicare Overview**

<p><b>Medicare Part A</b> Hospital Insurance</p> <p>Funded through payroll taxes Helps cover inpatient care in hospitals and skilled nursing facilities, hospice care, and home health care</p>	<p><b>Medicare Part B</b> Medical Insurance</p> <p>Helps cover outpatient services (doctor services, outpatient care, home health services, some preventive services, etc.) Premiums may change on an annual basis and are determined by income</p>
<p><b>Medicare Part C</b> Medicare Advantage Plan</p> <p>Provides all of Medicare Part A and Medicare Part B coverage May offer vision, hearing, dental, and/or health and wellness coverage</p>	<p><b>Medicare Part D</b> Prescription Drug Coverage</p> <p>Available through Medicare-approved private insurance companies</p>

There are 4 main parts to Medicare, but this module focuses on Medicare Parts A and B. For more information on Medicare, advise students to see Appendix I and Addendum I or visit [www.ssa.gov](http://www.ssa.gov).

Show slide #6 for 5.1



### 5.1: Test Questions

Exceptions to the Part B requirement:

These ADSMs are covered under TRICARE Prime or TPR while on active duty status. Once they retire or the service medically retires them, they are required to enroll in Part B to remain TRICARE eligible.

ADFM's who remain TRICARE eligible are covered under Prime or Standard until their active duty sponsor retires.

## 5.0 TRICARE for Life

### 5.1 Medicare Part B Enrollment Is Required

Under Federal law, TRICARE beneficiaries entitled to premium-free Medicare Part A must have Medicare Part B to remain TRICARE eligible. Beneficiaries lose their TRICARE benefits and claims are denied if they do not have Medicare Part B, disenroll from Medicare Part B, or stop paying their Medicare Part B premiums.

#### 5.1.1 Exceptions to Medicare Part B Enrollment Requirement:

The following beneficiaries do not have to be enrolled in Medicare Part B to remain TRICARE eligible.

- Active duty service members (ADSMs) and active duty family members (ADFM's) who are entitled to premium-free Medicare Part A don't have to enroll in Medicare Part B while the sponsor is on active duty to maintain TRICARE eligibility.
  - Medicare Part B MUST be in effect on or before the sponsor's retirement date, whether medical or regular, to avoid a break in TRICARE coverage.
  - If the beneficiary enrolls in Medicare Part B after the sponsor's retirement date, there may be a break in TRICARE coverage until Medicare Part B takes effect.
- TRICARE Reserve Select and TRICARE Retired Reserve enrollees who are entitled to premium-free Medicare Part A are not required to have Medicare Part B to qualify for these programs.
- US Family Health Plan enrollees are not required to have Medicare Part B to remain TRICARE eligible unless they're entitled to Medicare because of End-Stage Renal Disease (ESRD).

Show slide #7

**Captain Williams**

**Scenario 1**  
 No break in TRICARE eligibility because enrolled in Medicare Part B prior to retirement.

Active Duty      Retirement

Medicare Part A

Medicare Part B

TRICARE Eligible

Scenario 1  
 Teaching Point:  
 If ADSM enrolls  
 prior to retirement,  
 there is no break  
 in TRICARE  
 coverage.

## 5.2 Scenarios

### 5.2.1 Scenario 1

Captain Williams is a combat-wounded ADSM receiving Social Security disability benefits. He receives notice that his Medicare Part A and Part B effective dates are May 2011. He disenrolls from Medicare Part B because he is on active duty. His service notifies him that his medical retirement date is December 2011. He decides to enroll in Medicare Part B, while still on active duty, with his Medicare Part B effective October 2011. Although he declined his Medicare Part B when he was first eligible, he enrolled prior to his retirement, ensuring that his TRICARE eligibility continues without a break in coverage.

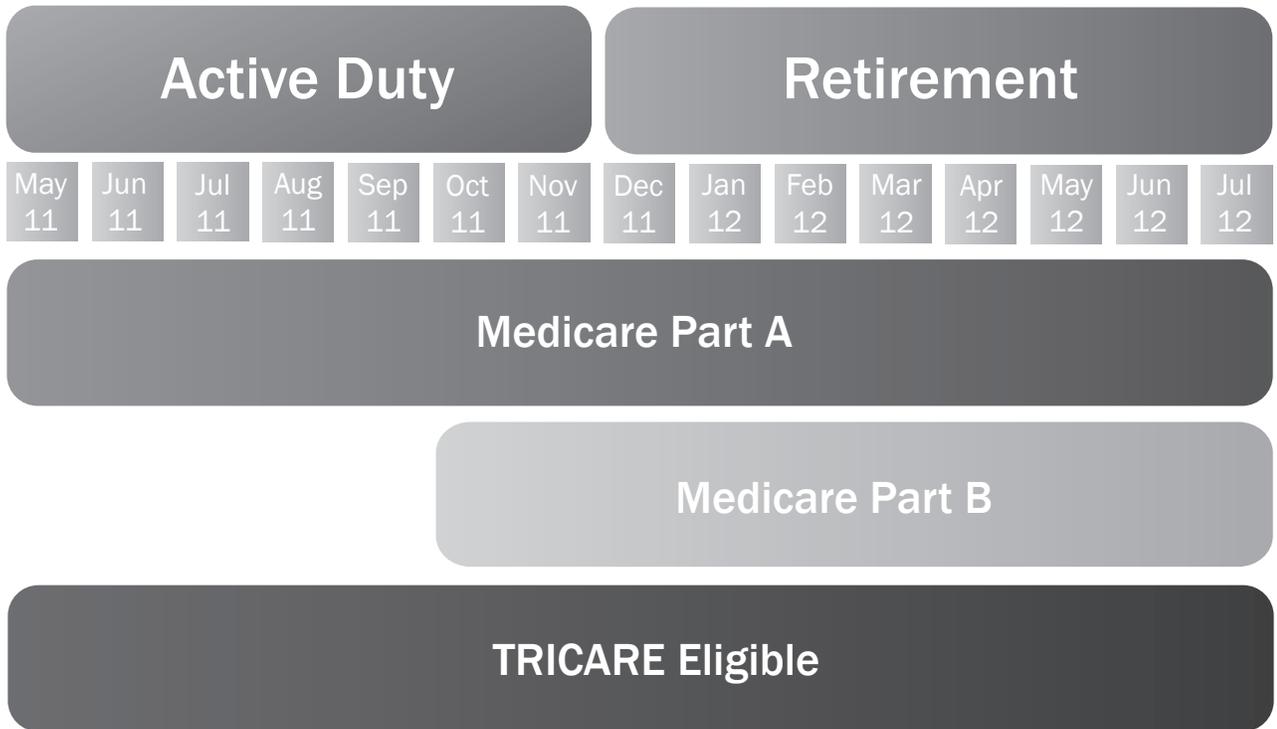
**Captain Williams**



- Combat-wounded ADSM
- Receiving Social Security disability benefits
- Medicare Parts A and B effective: May 2011
- Disenrolled from Part B because on active duty
- Medical retirement date: December 2011
- New Part B effective date: October 2011

### Scenario 1

No break in TRICARE eligibility because enrolled in Medicare Part B prior to retirement.



Show slide #8

**Scenario 2**  
Break in TRICARE eligibility because enrolled in Medicare Part B after retirement.

Active Duty Retirement

Medicare Part A Medicare Part B

TRICARE Eligible No TRICARE Coverage TRICARE Eligible

**Scenario 2**  
**Teaching Point:**  
If the ADSM enrolls during the special enrollment period, there is no penalty imposed by Medicare. However, TFL does not begin until Part B is in effect. It is recommended to enroll prior to retirement to ensure there is not a break in TRICARE coverage.

### 5.2.2 Scenario 2

Captain Williams is a combat-wounded ADSM receiving Social Security disability benefits. He receives notice that his Medicare Part A and Part B effective dates are May 2011. He disenrolls from Medicare Part B because he is still on active duty. His service notifies him that his medical retirement date is December 2011. Captain Williams decides to enroll in Medicare Part B in January 2012. Based on Medicare guidelines, his Medicare Part B becomes effective February 2012. He has a break in TRICARE coverage.

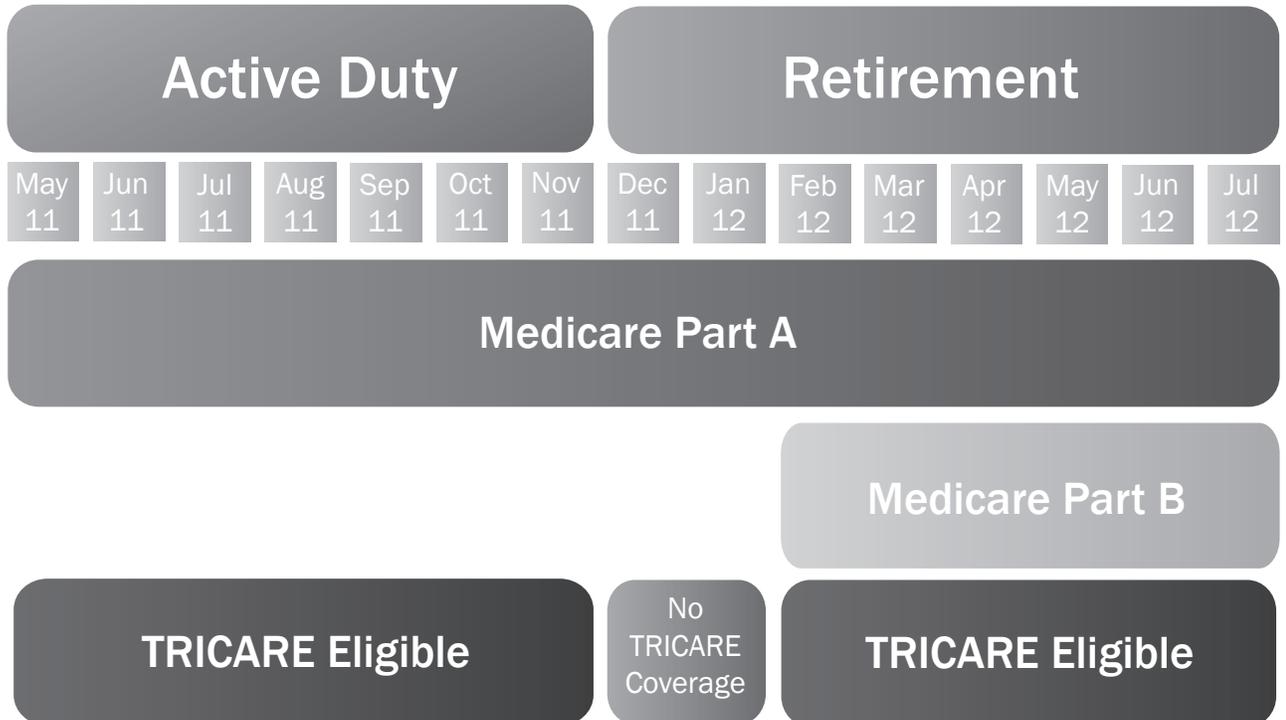
**Captain Williams**

- Combat-wounded ADSM
- Receiving Social Security disability benefits
- Medicare Parts A and B effective: May 2011
- Disenrolled from Part B because on active duty
- Medical retirement date: December 2011
- New Part B effective date: February 2012



### Scenario 2

Break in TRICARE eligibility because enrolled in Medicare Part B after retirement.



## 6.0 How TFL Works with Medicare

### 6.1 Services Covered by Both Medicare and TRICARE:

- Medicare is the primary payer for services covered by both Medicare and TRICARE. TRICARE pays second, typically covering the beneficiary's Medicare deductible and cost-shares.
- Medicare Part B usually pays 80 percent of covered costs and TRICARE pays the remaining 20 percent.

### 6.2 Services Covered by Medicare, But Not by TRICARE:

Medicare pays as usual; TRICARE makes no payment. The beneficiary is responsible for Medicare's deductible and cost-shares. (Example: Limited chiropractic services)

### 6.3 Services Covered by TRICARE, But Not by Medicare:

Medicare denies payment; TRICARE pays as the primary payer. The beneficiary pays TRICARE's deductible and cost-shares (Standard/Extra rates). (Example: Medicare doesn't cover compression stockings. TRICARE becomes the primary payer. TRICARE deductibles and cost-shares apply.)

### 6.4 Services Not Covered by TRICARE or Medicare:

The beneficiary is responsible for the entire cost of care. (Examples: Cosmetic surgery, beneficiary not following Medicare rules)

### 6.5 Payer Table

Show slide #9 for 6.5

Payer Table				
	Medicare / TRICARE	Medicare / TRICARE	TRICARE / Medicare	TRICARE / Medicare
Medicare	Pays First	Pays First	Does Not Pay	Does Not Pay
TRICARE	Pays Second	Does Not Pay	Pays First	Does Not Pay
Beneficiary	No Out-of-Pocket Expenses	Pays Remaining Medicare Cost Shares and/or Deductibles	Pays TRICARE Cost Shares and/or Deductibles	Pays Total Charges

	✓ Medicare ✓ TRICARE	✓ Medicare ✗ TRICARE	✓ TRICARE ✗ Medicare	✗ TRICARE ✗ Medicare
Medicare	Pays First	Pays First	Does Not Pay	Does Not Pay
TRICARE	Pays Second	Does Not Pay	Pays First	Does Not Pay
Beneficiary	Minimal Out-of-Pocket Expenses	Pays Remaining Medicare Cost Shares and/or Deductibles	Pays TRICARE Cost Shares and/or Deductibles	Pays Total Charges

## 7.0 TFL and Other Health Insurance (OHI)

When a beneficiary has Medicare, TRICARE, and OHI (including host nation insurance), TRICARE is the last payer for TRICARE-covered services.

- If the beneficiary has employer group health plan coverage based on current employment, the employer group pays first, Medicare pays second, and TRICARE pays last.
- If the beneficiary is currently retired or not working, and has OHI, Medicare pays first, OHI pays second, and TRICARE pays last.
  - When the OHI processes the claim after Medicare, the beneficiary must submit a claim to the TFL claims processor for any remaining balance/payment.

## 8.0 Working Beneficiaries Age 65 and Older

- Medicare allows individuals age 65 and older with group health plan coverage based on current employment to delay Part B enrollment and sign up during a special enrollment period, which is available within the eight months following either (1) retirement or (2) the end of the group health plan coverage, whichever comes first.
- To remain TRICARE eligible, these beneficiaries must purchase Medicare Part B when they first become eligible for Part B.
  - If they don't purchase Part B when they first become eligible, beneficiaries should purchase Part B before they retire or lose group health plan coverage to ensure TRICARE for Life coverage begins immediately, and so they don't have a gap in health care coverage.
  - TFL coverage begins on the same day as the Medicare Part A **and** Medicare Part B effective dates.

## 9.0 Using TFL While Overseas

TFL is available to dual-eligible beneficiaries living overseas, provided they have Medicare Part A and Part B.

- Medicare provides coverage in U.S. territories (Puerto Rico, Guam, U.S. Virgin Islands, American Samoa, and Northern Mariana Islands). In these areas, claims are processed as usual, with the provider billing Medicare first. Medicare processes the claim and forwards it to the TFL claims processor.
- For beneficiaries living overseas in areas not covered by Medicare, TRICARE is the primary payer (as long as there is no other health insurance) and no Medicare Summary Notice (MSN) is required. (See Section 10.0 of this module for more information.)
  - Overseas TFL beneficiaries should be prepared to pay the total billed charges up front and file their own claims for reimbursement. TFL beneficiaries receiving care in these areas submit the claim form *TRICARE DoD/CHAMPUS Medical Claim Patient's Request for Medical Payment* form (DD Form 2642) and a copy of the provider's itemized bill to the overseas claims processor.

## 10.0 TFL Claims Processing

When a beneficiary has Medicare and TRICARE:

- The TFL claims processor handles all claims for TFL beneficiaries, except those living overseas, including those enrolled in TRICARE Prime who have Medicare Part A.
- Medicare process the claim. It issues an MSN to the beneficiary.
  - An MSN is a notice that shows all of the beneficiary's services and/or supplies that providers and suppliers billed to Medicare during a three month period, what Medicare paid, and what the beneficiary may owe the provider. It's not a bill.
- Medicare then automatically forwards the claim to TRICARE for processing according to TRICARE policy (as long as there is no other OHI).
- Beneficiaries receive a monthly TFL explanation of benefits (EOB) detailing all claims processed in that month.
  - TFL beneficiaries may choose to receive their EOBs electronically by registering to receive e-mail alerts at [www.TRICARE4u.com](http://www.TRICARE4u.com). The e-mail alert provides a link to a secure website where registered users can view and/or print their TFL EOB.
- It's important to note that Medicare, as the primary payer, is responsible for determining medical necessity. If Medicare does not pay because it determines that the care is not medically necessary, TFL also does not pay.
  - The beneficiary may appeal Medicare's decision, and if Medicare reconsiders and provides coverage, TFL also reconsiders coverage. (See the *Claims and Appeals* module for more information).

Show slide #10

Application Exercise

Scenario 1: Mr. Willis

Mr. Willis's ambulance transportation claim is denied by Medicare as not medically necessary. The claim is also denied by TFL.



What should you advise the Power-of-Attorney for Mr. Willis to do regarding this claim/bill?

## 11.0 Pharmacy and TFL

The TRICARE pharmacy benefit does not change under TFL. TFL Beneficiaries do not need to enroll in a Medicare prescription drug plan (Medicare Part D) to keep the TRICARE pharmacy benefit. (See the *Pharmacy* module for more information.)

If a beneficiary chooses to enroll in Medicare Part D, he/she does not incur a penalty for late enrollment, as the TRICARE Pharmacy Program is considered creditable drug coverage.

Overseas TFL beneficiaries pay for covered prescription medications up front and file a claim for reimbursement with the overseas claims processor; TRICARE deductible and cost-shares apply.

Show slide #11

Application Exercise

Scenario 2: Mr. Smith

Mr. Smith's claim for his vitamin D test is denied by Medicare as not medically necessary. TFL also denies the claim.



What should you advise that Mr. Smith do to have his claim reconsidered by TFL?

## 12.0 Application Exercises

**Scenario 1**—Mr. Willis has Medicare and TRICARE. He is seriously ill, unable to care for himself, and lives in a nursing home. He needs to go to Memorial Medical Center for an MRI. Mr. Willis is unable to sit up for more than a few seconds at a time and requires an ambulance to transport him to the hospital.

Medicare processes the claim for the ambulance transportation and denies it as not medical necessary, which is an appealable denial. The claim crosses over to TFL and is denied by TFL because services were denied by Medicare and cannot be considered until additional documentation is submitted to Medicare to make a determination.

What should you advise the Power-of-Attorney for Mr. Willis to do regarding this claim/bill?

**Answer:** Advise to contact the physician who ordered Mr. Willis to have the MRI and request a letter from him/her stating the need for ambulance transportation due to Mr. Willis's condition and him not being able to sit. Medicare is now able to determine the necessity for the ambulance trip and issue payment. Once TFL receives the new MEOB, TFL will issue payment for the Medicare cost-share.

Show slide #12

Application Exercise

Scenario 3: Mrs. White

Mrs. White, a uniformed service retiree, has Medicare Part A and Part B, OHI, and TFL.



True or False: TFL will be the primary payer of Mrs. Smith's claims. Why?

**Scenario 2**—Mr. Smith has TFL. During a routine check-up his doctor decides to test Mr. Smith's Vitamin D level. The claim is submitted to Medicare and the Vitamin D test is denied as not medically necessary. The claim crosses over to TFL and the Vitamin D test is denied by TFL because services were denied by Medicare. Mr. Smith immediately requests that his doctor submit additional documentation stating the necessity for the Vitamin D test. His doctor tells him there is no documentation to support the Vitamin D test because the test was part of a routine check-up and therefore is not covered by Medicare.

What should you advise that Mr. Smith do to have his claim reconsidered by TFL?

**Answer:** Advise Mr. Smith to submit an appeal to Medicare stating the vitamin D test was part of a routine check-up and there were no other health problems or reason for this test.

Show slide #13

Application Exercise

Scenario 4: Mr. Smyth

Mr. Smyth is a uniformed service retiree, who is still employed full time at age 69. Mr. Smyth has Medicare Part A, but doesn't have Medicare Part B.



True or False: Mr. Smyth is eligible for TFL. Why?

Medicare may now deny the test as a covered benefit (non-appealable denial). Once TFL receives the new MEOB stating the test is not covered, TFL may consider the charges for payment after he has met his annual deductible.

**Scenario 3**—Mrs. White, a uniformed service retiree, has Medicare Part A and Part B, OHI, and TFL. TFL will be primary payer. True or False? Why?

**Answer:** False, Medicare pays first, the OHI will pay second (if a retiree insurance) if they cover the benefit and TRICARE will pay last.

Show slide #14

Application Exercise

Scenario 5: Sgt. Jones

Sergeant Jones was an ADSM receiving Social Security disability benefits. She is now retired. Prior to retirement, she enrolled in Medicare Part B.



True or False: Sergeant Jones is eligible for TFL. Why?

**Scenario 4**—Mr. Smyth is a uniformed service retiree, who is still employed full time at age 69. Mr. Smyth has Medicare Part A but doesn't have Medicare Part B. He is eligible for TFL. True or False? Why?

**Answer:** False, because he doesn't have Medicare Part B.

Show slide #15

Application Exercise

Scenario 6: Mr. Green

Mr. Green is a retired uniformed service member who lives outside of the United States. He is entitled to Medicare Part A and enrolled in Medicare Part B.



True or False: Mr. Green is eligible for TFL. Why?

**Scenario 5**—Sergeant Jones was an ADSM receiving social security disability benefits. She is now retired. Prior to her retirement, she enrolled in Medicare Part B. She is eligible for TFL. True or False? Why?

**Answer:** True, she is entitled to Medicare Part A and enrolled in Part B before retirement.

**Scenario 6**—Mr. Green is a retired uniformed service member who lives outside of the United States. He is entitled to Medicare Part A and enrolled in Medicare Part B. He is eligible for TFL. True or False? Why?

**Answer:** True, as long as he is entitled to Part A and enrolled in Part B it doesn't matter where he lives.

# Module Objectives



Show slide #16

Module Summary

- State what TRICARE For Life (TFL) is and who is eligible
- Identify how active duty service affects Medicare Part B enrollment
- Discuss the interaction between TFL and Other Health Insurance (OHI)

Show slide #17

Questions?



Show slide #18



## Summary:

- State what TRICARE for Life (TFL) is and who is eligible
- Identify how active duty status affects Medicare Part B enrollment
- Discuss the interaction between TFL and other health insurance (OHI)

## Appendix A: What If I Am Not Eligible for Premium-Free Medicare Part A?

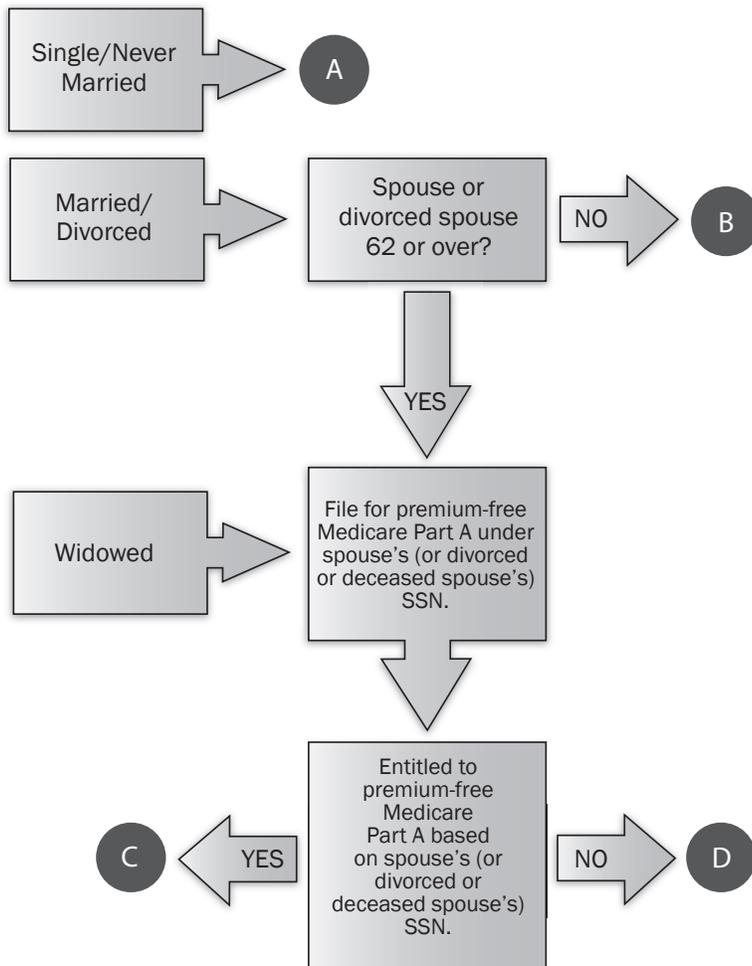
### “What if I apply for Medicare benefits on my own SSN and I’m not eligible for premium-free Medicare Part A at age 65?”

If you’re not eligible for premium-free Medicare Part A based on *your* Social Security Number (SSN) and work history, you receive a *Notice of Award* or a *Notice of Disapproved Claim* from your regional Social Security Administration office.

- A *Notice of Award* is an official letter that advises you of your entitlement to premium-free Medicare Part A and/or Part B enrollment, or enrollment in Part B only.
- A *Notice of Disapproved Claim* is an official letter that advises you of your non-entitlement to premium-free Medicare Part A.

If you sign up for Medicare Part B when first eligible, you avoid paying a Medicare premium surcharge if later you decide, or are required to, have Part B.

Use the diagram below to find the scenario that fits you best and follow the necessary steps to remain TRICARE-eligible. Even if you’re not eligible for premium-free Medicare Part A at age 65, you’re still eligible for Part B.



#### To Remain TRICARE Eligible

- Take your *Notice of Award* and/or *Disapproved Claim* based on your SSN to your local ID card issuing facility to update your DEERS record and receive a new ID card. Then you can remain eligible for TRICARE Prime and Standard/Extra past your 65th birthday.
- Follow instructions for A. Then, three to four months before your spouse (or divorced spouse) turns 62, file for premium-free Medicare Part A under his or her SSN. If you didn't enroll in Part B when first eligible, you must wait until the Medicare General Enrollment Period (GEP) to enroll. If you wait to enroll during the GEP you may have a break in TRICARE coverage.
- You receive a *Notice of Award* based on your spouse's (or divorced or deceased spouse's) SSN. Enroll in Part B. To avoid a break in TRICARE coverage, be sure to enroll three to four months before your 65th birthday. Take your Medicare card showing Parts A and B to your local ID card issuing facility to update your DEERS record. Your TRICARE benefits begin on the earliest date that you have both Parts A and B.
- You receive a *Notice of Award* and/or *Disapproved Claim* based on your spouse's (or divorced or deceased spouse's) SSN. Take this notice and the original notice based on your SSN to your local ID card issuing facility to update your DEERS record and receive a new ID card. Then you can remain eligible for TRICARE Prime and Standard/Extra past your 65th birthday.

## Appendix B: Medicare Overview

- Medicare Part A (Hospital insurance)
  - Funded through payroll taxes, helps cover inpatient care in hospitals, skilled nursing facilities, hospice care, and home health care
  - The Social Security Administration (SSA) determines entitlement to premium-free Medicare Part A based on an individual's/spouse's work history
- Medicare Part B (Medical insurance)
  - Helps cover medically-necessary outpatient services like doctor services, home health services, some preventive services, and other outpatient medical services
  - Individuals enroll in Medicare Part B and pay a monthly premium; premiums may change on an annual basis
    - Most people will pay the standard premium amount, while others may have to pay more depending on their income
- Medicare Part C (Medicare Advantage Plans)—includes Medicare HMOs, Medicare PPOs, Medicare special needs plans and Medicare private fee-for-service plans
  - Provides all of Medicare Part A and Part B coverage, and may offer vision, hearing, dental and/or health and wellness coverage
  - Includes a prescription benefit
  - Details about Medicare Advantage plans are available online at [www.medicare.gov/choices/advantage.asp](http://www.medicare.gov/choices/advantage.asp)
- Medicare Part D (Medicare Prescription Drug Coverage) helps cover the cost of prescription drugs run by Medicare approved private insurance companies.

## Medicare Eligibility

Medicare is a health insurance program for:

- People age 65 or older
- People under age 65 with certain disabilities
- People of any age with end-stage renal disease (ESRD)
- People of any age with amyotrophic lateral sclerosis (ALS), commonly known as Lou Gehrig's disease
- People of Lincoln County, Montana who have an asbestos-related disease

## Medicare Part B Enrollment Periods

### **Initial Enrollment Period**

- The seven-month period that begins three months before the month the beneficiary is first eligible for Medicare Part B.
  - Individuals with a birthday on the first of the month are eligible for Medicare the month before their 65th birthday.
  - Individuals with a birthday that is other than the first of the month are eligible for Medicare the first of the month in which they turn 65.
- Beneficiaries receiving Social Security or Railroad Retirement Board (RRB) retirement benefits before age 65 automatically get Medicare Part A and Medicare Part B beginning on the first day of the month they turn age 65, or the month prior if their birthday falls on the first of the month.

- Disabled beneficiaries under age 65 automatically get Medicare Part A and Part B starting the 25th month of receiving disability benefits (Social Security Disability Insurance) or disability from the RRB.
- Beneficiaries should receive their Medicare card in the mail about three months before their 65th birthday or three months before their 25th month of disability benefit entitlement (only if they're getting SSA or RRB benefits).

### **General Enrollment Period**

The General Enrollment Period runs from January 1 through March 31 of every year. Medicare Part B coverage begins July 1 of that year. Individuals may have to pay a higher premium for late enrollment.

### **Special Enrollment Period**

The Special Enrollment Period (SEP) is for individuals who didn't sign up for Medicare Part B when they were first eligible because either they or their spouses were working and they had group health plan coverage. This includes beneficiaries whose sponsor was on active duty.

During the SEP, individuals may enroll in Medicare:

- Any time they're covered by employee group health plan coverage based on current employment
- During the eight month period that begins the month following the month that employment ends or the employee group health plan coverage ends, whichever comes first
  - Beneficiaries who enroll in Medicare Part B during the SEP do not pay a Medicare Part B premium surcharge for late enrollment.
  - Medicare Part B coverage begins the month following enrollment.

### **Medicare Part B Premium Penalty**

Most people do not pay for Medicare Part A because they (or their spouse) paid Medicare taxes while they were working. Medicare Part B, however, is premium-based and requires enrollment. If an individual does not enroll in Medicare Part B when first eligible, he or she may have to pay a Medicare premium penalty to get it later. For each 12-month period that the individual could have enrolled in Part B, but chose not to, he or she will have to pay an extra 10 percent for the Part B premium.

#### *Example*

MSgt Miller's (Ret) initial enrollment period ended June 30, 2009. He did not enroll in Medicare Part B during his initial enrollment period. He waited until January 2012 to enroll in Medicare Part B. His Part B effective date will be July 1, 2012. His Part B premium penalty is 20 percent. He will have to pay a higher Medicare Part B premium because his Part B is effective 24 months after he was first eligible.

### **Medicare Prescription Drug Benefit — Medicare Part D**

- Medicare prescription drug coverage is available to Medicare beneficiaries for a monthly premium.
- This benefit covers both brand name and generic drugs at participating pharmacies.

#### *Medicare Part D Enrollment*

- Enrollment window: Beneficiaries can join or switch Medicare drug plans every year during the open enrollment period.
- Medicare drug coverage generally begins on January 1 of the following year.
- Penalty: Individuals who do not join a Medicare drug plan when first eligible for Medicare Part A and/or B and go without creditable prescription drug coverage for 63 continuous days or more may have to pay a late enrollment penalty to join a Part D plan later.
- TRICARE beneficiaries may disenroll from Part D at anytime because the TRICARE pharmacy program benefit is considered creditable coverage.

## Module Review Sheet

### Question 1: True or False

Beneficiaries are eligible for TRICARE for Life if they are eligible for premium-free Medicare Part A and have purchased Medicare Part B.

**Answer 1:** True

### Question 2:

Are ADSMs who receive disability benefits required to purchase Medicare Part B to remain TRICARE eligible? Why or Why not?

**Answer 2:**

No. ADSMs who are receiving disability benefits are covered under TRICARE Prime or TRICARE Prime Remote, until they retired or their Service medically retires them.

### Question 3: True or False

Only those TRICARE beneficiaries who reside in the United States are required to purchase Medicare Part B.

**Answer 3:**

False. All Medicare-eligible beneficiaries must purchase and retain Medicare Part B to remain eligible for TRICARE, regardless of residence. The only exceptions are ADSMs and ADFMs.

## Exam Questions and Answers: TRICARE and Medicare

33) TRICARE for Life (TFL) combines TRICARE Standard coverage with Medicare \_\_\_\_\_ to provide wraparound medical coverage to dual-eligible beneficiaries.

- A. Part A and Part B
- B. Part B and Part D
- C. Part A and Part D
- D. Part B and Part C

**Answer: [A] Reference: Participant Guide, TRICARE and Medicare, Section 1.0**

34) Under Federal law, TRICARE beneficiaries entitled to Medicare must enroll and pay which monthly Medicare premium to remain TRICARE eligible?

- A. Medicare Part A
- B. Medicare Part C
- C. Medicare Part B
- D. Medicare Part D

**Answer: [C] Reference: Participant Guide, TRICARE and Medicare, Section 5.1**

35) Medicare-eligible ADSMs and ADFMs remain eligible for TRICARE Prime and/or Standard without enrolling in Medicare until:

- A. The sponsor is ordered to active duty
- B. The sponsor is ordered on medical leave
- C. The sponsor reenlists
- D. The sponsor is retired

**Answer: [D] Reference: Participant Guide, TRICARE and Medicare, Section 5.1**

36) TRICARE is the \_\_\_\_\_ payer when services are covered by Medicare, TRICARE, and a beneficiary's other health insurance (OHI).

- A. Last
- B. Primary
- C. Secondary
- D. Only

**Answer: [A] Reference: Participant Guide, TRICARE and Medicare, Section 7.0**