



Legal Briefs

From the Fort Knox Legal Assistance Office

MEDICARE: INFORMATION FOR VETERANS

What is Medicare?

Medicare is a health insurance program for people 65 or older, people with certain disabilities, and people with end-stage renal disease. Original Medicare is split into two main parts: Part A and Part B. Part A covers inpatient hospital care and treatment at skilled nursing facilities. Part B covers physician services, physical therapy, durable medical equipment, and home health care. Part A is typically free, but Part B usually carries a monthly premium based on income. In 2019, the Part B premium is \$135.50 for those who filed an individual tax return of \$85,000 or less or a joint return of \$170,000 or less.

Medicare Part C Plan, also known as a Medicare Advantage Plan, is an alternative to Original Medicare. Medicare Advantage Plans are provided by private insurance companies and may offer additional benefits. However, Medicare Advantage Plans may be more expensive, and they typically limit the network of providers available to an individual.

Original Medicare allows the insured person to see any doctor, health care provider, or supplier that accepts Medicare anywhere in the country. Thus, the providers available to someone with Original Medicare is more expansive than a Medicare Advantage Plan. For this reason, Original Medicare can be a particularly good option for people who need access to care in different parts of the country, like snowbirds and frequent travelers.

Medicare Part D is for prescription drug coverage and carries a premium based on income. If your individual tax return income is less than \$85,000 or your joint tax return is less than \$170,000, then you will not pay an additional amount other than your Part B plan premium

Why do you need to make a decision to sign up for Medicare when you turn 65?

You must sign up for Medicare Part A and Part B during the 6 month window around your 65th birthday. You are eligible to enroll in Medicare during the three months before your 65th birthday and for the three months following your 65th birthday; this is called the “initial enrollment period.” If you do not enroll during this time, you will incur a penalty, unless you have group health plan coverage through **current** employment (not retirement). The penalty imposed is a 10% increase in your premium for each full year period following the initial enrollment period. This means if you choose to enroll in Medicare Part B five years after your initial enrollment period, your premium penalty will be 50%, and that increase lasts for as long as you have Medicare!

How do Veteran Affairs benefits intersect with Medicare?

The short-answer: they are completely separate. If you have Veterans Affairs (VA) benefits, it is important to know that Medicare does not cover any services received at VA facilities. Similarly, the VA does not pay for services obtained from non-VA providers. Thus, even if you have VA benefits, you should consider obtaining Medicare for any services you may need outside of a VA facility or from a non-VA provider. Remember Part A coverage is usually free, so obtaining Part A will provide you hospital coverage in a non-VA hospital, which is especially important in emergency situations. While Part B does carry a premium, it's worth considering in case your VA benefits are dropped or if your local VA facility does not cover all the health services you need. Remember to make this decision when you're in the six month window of 65 so you avoid a penalty on your premium!

How does Tricare for Life work?

Tricare for Life is wraparound coverage for certain costs not covered by Medicare, such as coinsurance and deductibles from Medicare, as well as some costs from Medicare non-participating providers and opt-out providers. When retired servicemembers become eligible for Tricare for Life, you can no longer enroll in Tricare Prime. To remain Tricare eligible, you must sign up for Medicare Part B.

Bottom Line: Health insurance is complicated and you have options. Making the best choice will depend on your particular needs. Things to consider:

- Determine what services you need
- Think about services you may need –e.g. emergency care, care away from home
- Determine whether your providers are VA providers, Medicare providers, or neither
- Determine what services are covered by the VA, Medicare, and Tricare for Life

Resources: www.medicare.gov
www.benefits.va.gov
www.tricare.mil/LifeEvents/Medicare