

TRICARE Fundamentals Course

TRICARE and Medicare

7

Participant Guide

References

32 CFR § 199

National Defense Authorization Act, FY 2001, Section 712

TRICARE Operations Manual, Chapter 20

TRICARE Policy Manual 6010.57-M, Chapter 7

TRICARE Reimbursement Manual, Chapter 4

Medicare & You Handbook 2012

Medicare Prescription Drug, Improvement, and Modernization Act of 2003

www.medicare.gov



Brainteaser

Each of the 8 items below is a separate puzzle.
How many can you figure out?

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

1 _____

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Module Objectives



- **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 TRICARE for Life 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 worldwide.

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. TFL benefits start on the first day that Medicare Part A and Part B are effective.

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 must keep their DEERS information current, including their Medicare status.

Beneficiaries must visit the nearest ID card-issuing facility to update their uniformed services ID card when they become entitled to Medicare.

4.0 Basics of Medicare

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

- 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

4.1 Medicare Part A and Part B

Medicare Part A (Hospital insurance), funded through payroll taxes, helps cover inpatient care in hospitals, skilled nursing facilities, hospice care, and home health care. If a beneficiary has paid into Medicare for 40 quarters, he or she is entitled to premium-free Medicare Part A at age 65.

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.

If eligible for premium-free Medicare Part A, beneficiaries receive a *Notice of Award*, the official letter from the Social Security Administration (SSA) advising the beneficiary of his or her entitlement to premium-free Medicare Part A and enrollment in Medicare Part B (or enrollment in Medicare Part B only). This process is not automatic; the individual must be collecting SSA benefits.

If not eligible for premium-free Medicare Part A based on their 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 I "What if not eligible for premium-free Medicare Part A" for more details.)

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 within 120 days of their 65th birthday of the requirement to enroll in Medicare B when entitled based on age.

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.

There are exceptions to the Medicare Part B requirement:

- Medicare-entitled active duty service members (ADSMs) and active duty family members (ADFMs) are not required to have Medicare Part B to remain TRICARE eligible.
- ADSMs and ADFMs who are entitled to premium-free Medicare Part A remain eligible for TRICARE Prime or TRICARE Standard. These dual-eligible beneficiaries don't have to enroll in Medicare Part B while the sponsor is on active duty.
- Medicare Part B MUST be in effect on 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 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 Medicare eligible 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 are entitled to Medicare because of End-Stage Renal Disease (ESRD).

5.2 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.

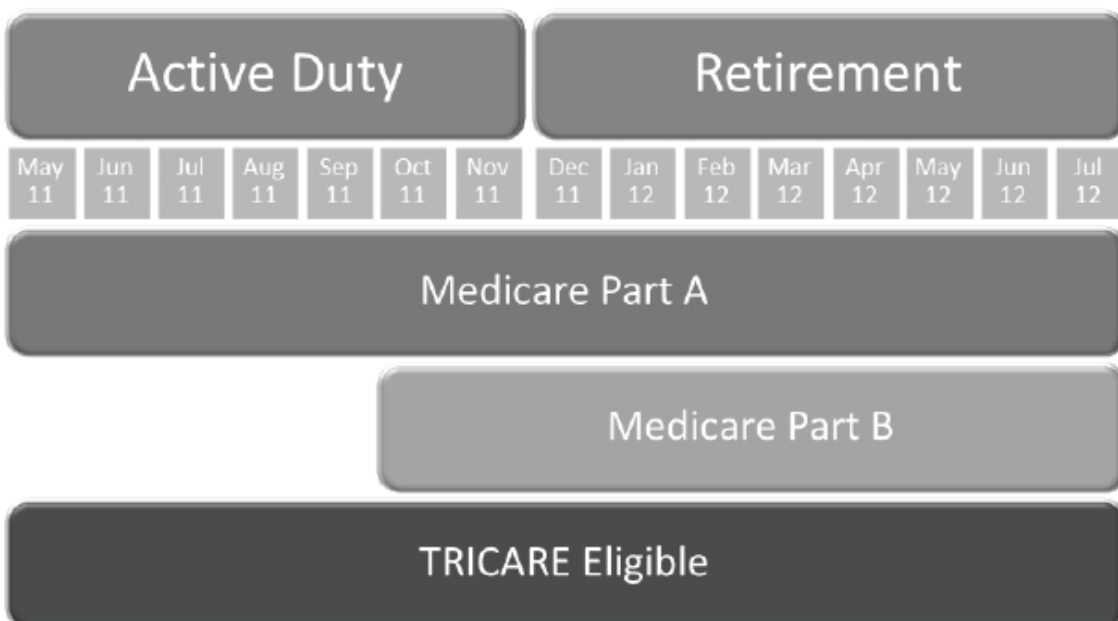
Captain Williams

- 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



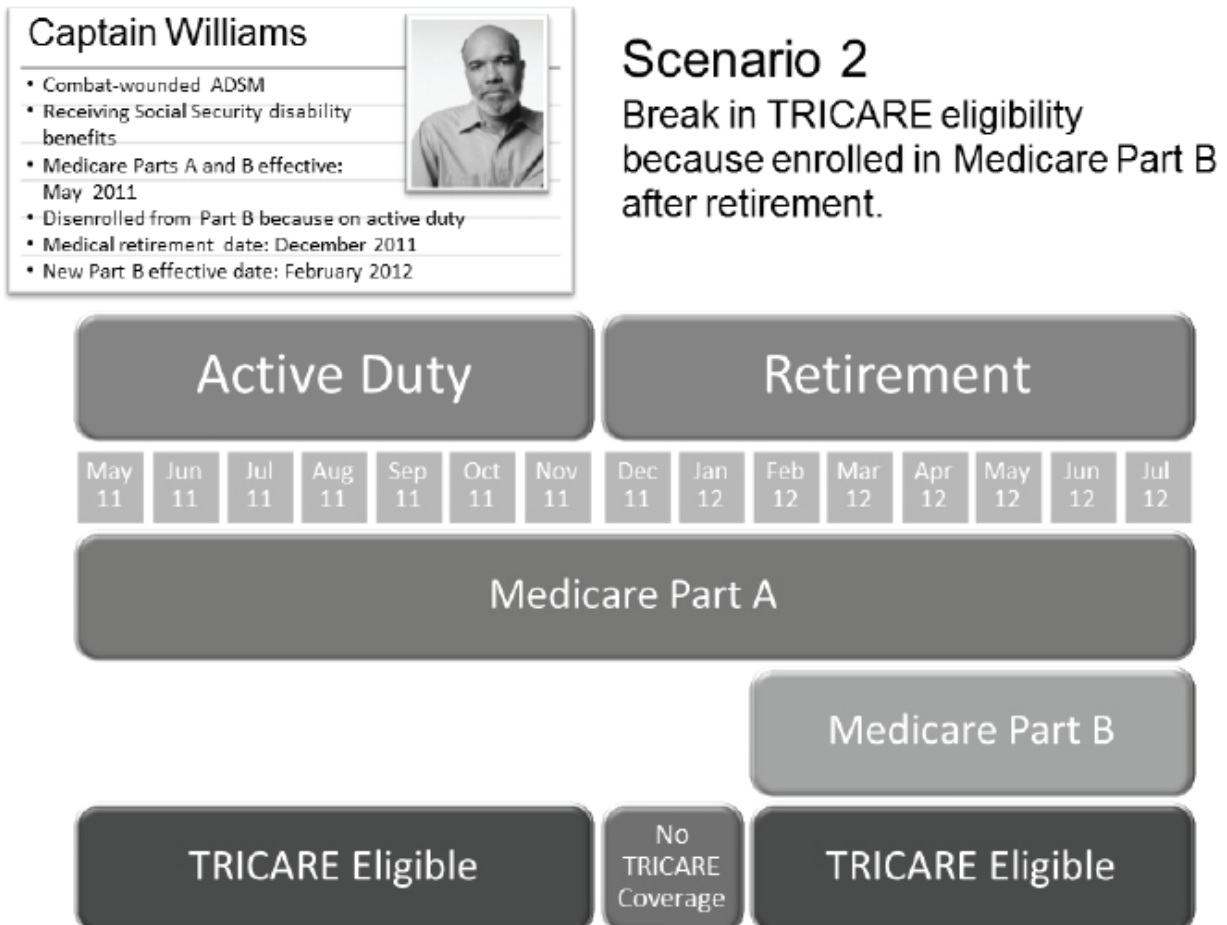
Scenario 1

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



5.2.1 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.



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). *Examples: Overseas care, exhausted Medicare benefits, and first three pints of blood as an outpatient.*

6.4 Services Not Covered by TRICARE or Medicare:

The beneficiary is responsible for the entire cost of care. *Example: Cosmetic surgery, beneficiary not following Medicare guidelines.*

It is important to note that if a service is denied by Medicare as "not medically necessary," TRICARE will also deny the service even if it is a covered benefit. In this situation, the beneficiary must appeal the claim with Medicare.

TRICARE then will consider payment as a covered benefit pending Medicare's coverage determination.

6.5 Payer Table

	✓ Medicare ✓ TRICARE	✓ Medicare x TRICARE	✓ TRICARE x Medicare	x TRICARE x 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

7.0 TFL and Other Health Insurance (OHI)

When a beneficiary has Medicare, TRICARE, and OHI, 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.

8.0 Working TFL Beneficiaries Age 65 and Older

Medicare-eligible beneficiaries who continue to work beyond age 65 must have Medicare Part B to remain TRICARE eligible, regardless of group health plan coverage based on their current employment. Beneficiaries may enroll in Medicare Part B before they retire or lose group health plan coverage to ensure TRICARE coverage. Unless they have Medicare Part B, TRICARE would be last payer. 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 it and forwards the claim to the TFL claims processor.
- For beneficiaries residing 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.
 - 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.
 - 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 (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 TRICARE and Medicare:

- Medicare process the claim.
- Medicare then automatically forwards the claim to TRICARE for processing.
 - The TFL claims processor handles all claims for TFL beneficiaries (except those living overseas), including those ADSMs/ADFM's enrolled in TRICARE Prime who have Medicare Part A and/or Part B.
- Beneficiaries receive a monthly TFL explanation of benefits (EOB) detailing the claims processed, rather than separate EOBs for each service associated with a claim.
 - TFL beneficiaries may choose to receive their EOBs electronically by registering to receive e-mail alerts at TRICARE4u.com. The e-mail alert provides a link to a web site where beneficiaries can view and/or print the TFL EOB.

11.0 Pharmacy

The TRICARE pharmacy benefit does not change under TFL. Beneficiaries do not need to enroll in a Medicare prescription drug plan to keep the TRICARE pharmacy benefit.

For nearly all TFL beneficiaries, there is no benefit in enrolling in a Medicare Part D prescription drug plan.

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

12.0 Application Exercise

Scenario 1: Mrs. White, a uniformed service retiree, has Medicare Part A and Part B, OHI, and TFL. TFL will be the primary payer of her claims. True or False? Why?

Scenario 2: Mr. Smith is a uniformed service retiree, who is still employed full time at age 67. Mr. Smith has Medicare Part A but doesn't have Medicare Part B. He is eligible for TFL. True or False? Why?

Scenario 3: 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?

Scenario 4: 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?

13.0 For More Information

See the *TRICARE Electronic Resources* module for TFL, Medicare, and the Social Security Administration contact information. For more information on Medicare, please see *Addendum: Medicare Overview*, or visit [medicare.gov](https://www.medicare.gov).

Module Objectives



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 I: What if I am not eligible for premium-free Medicare Part A

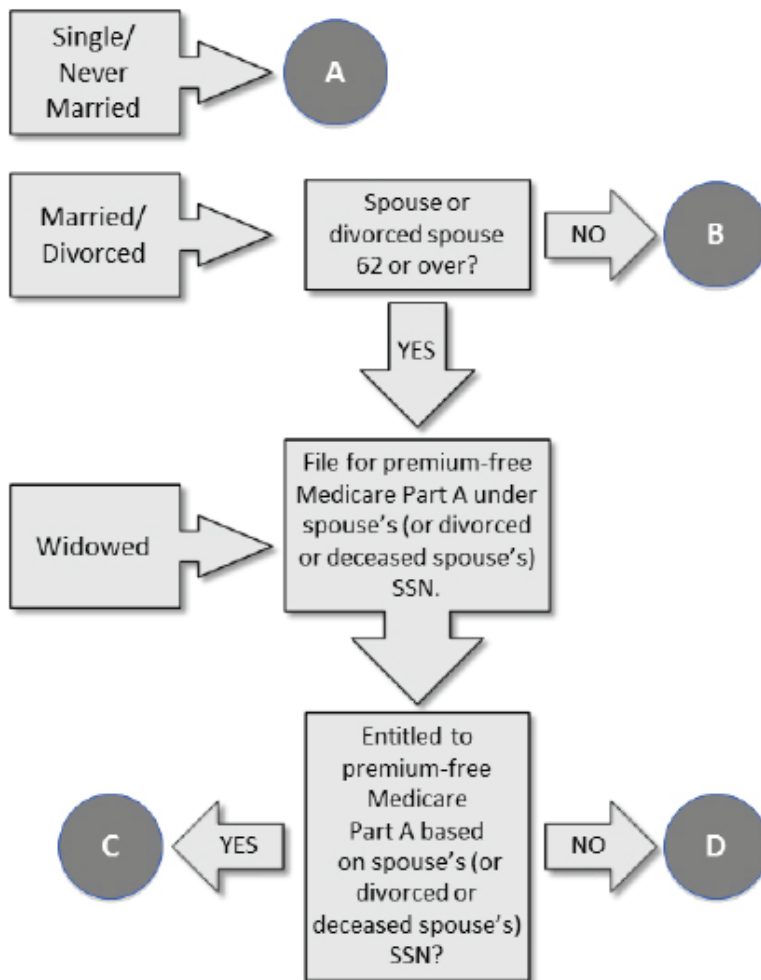
“What if I apply for Medicare benefits on my own SSN and I’m not eligible for premium-free Medicare Part A at age 65?”

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*¹ or a *Notice of Disapproved Claim*² 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, 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, Standard/Extra past your 65th birthday.

Addendum: 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 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 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 are 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 are 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 initially 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 of 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.