

# Federal Employee Health Benefits and Medicare/ Medicaid

by The Federal Employee Blog Team

One of the most common questions I get when my clients reach this age is why do I need Medicare when I already have FEHB?

If you elect Medicare Part A and Part B, then Medicare becomes your primary insurance and your FEHB is your secondary. In many cases, your current FEHB plan will have even lower out of pocket costs to you. For example, there could be lower or no cost for deductibles or co-pays.

There are a few important disclaimers here though. The first is if you are retired and you elect not to get Part B of Medicare, you will pay a penalty later on if you elect to receive it at an older age. Secondly, if you're still working at 65 or older with health coverage, you can elect not to get Part B and acquire it when you retire with no penalty.

My final disclaimer is one I see too often, if you want to keep your FEHB with your Medicare do not sign up for another Medicare Health plan like Medicare Advantage or Part D prescription coverage. Almost all of those automatically kick you out of your FEHB, so only sign up with one of those plans if you're sure that is what you would like. An even safer route is to speak with someone who knows your options before making an important decision.

## **Federal employee question of the day**

From an FAA Federal Employee in Boulder Colorado: I am 52 and have almost 26 years in Federal Service. I am on FERS. I would like to retire in 5 or 10 years, but it seems I am really going to lose A LOT of money unless I stay in until my date with Social Security at 67 ½. That puts me at 40 years in. My husband is 15 years older than me so I would like to have some time with him before he is no longer with me. When will I be eligible to retire and not lose tons of money?

## **Have you ever had any questions like this?**

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