

According to Consumers' Checkbook.org

"Almost a third of Medicare beneficiaries now enroll in a Medicare Advantage plan, rather than sticking with original Medicare. Medicare Advantage (MA) is a program designed to be very similar in operation to the FEHB program. Retirees can choose from a wide range of PPO and HMO plans in an annual Open Season. These plans' premiums are paid mainly through the Medicare Part A and B payments (with some adjustments) that the government would otherwise have paid in direct benefits. The enrollees continue to pay their Part B premium. Almost all of these plans include prescription drug coverage and various improvements over the original Medicare structure. For example, most eliminate most of the hospital deductible. In some cases, these plans charge no extra premium for drug coverage and other benefits. Very importantly, all these plans now provide protection against catastrophic costs. The MA program is thoroughly described in the Medicare & You brochure mailed to all Medicare participants. The Medicare web site at www.medicare.gov contains additional information and contains an MA plan comparison tool that includes many of the same features as the online Guide, with a comparison of total costs including both premium and out-of-pocket expenses.

This is important to Federal annuitants because if you join an MA plan you can temporarily suspend your FEHB enrollment and stop paying two sets of premiums. Under this "suspend" option you pay only the Part B premium and sometimes an extra premium charge (usually only a few hundred dollars per year and often nothing at all) that the Medicare Advantage plan charges Medicare enrollees for additional benefits such as prescription drug coverage. You can later switch out of Medicare Advantage and rejoin the FEHB program as if you had never left during any future Open Season. This works equally well for a couple when both spouses are enrolled in Medicare, or if they are willing to pursue separate health insurance options.

Suspending your FEHB enrollment generates substantial savings because you will pay one premium instead of two. How much you will save depends on the precise

benefits the MA plan offers to Medicare enrollees and whether or how much it charges in extra premium. Most MA plans are comparable to FEHB plans in hospital and medical benefits, but the prescription drug benefits will not be as good as in the FEHB program because the plans have a "coverage gap" where you are responsible for all or most drug costs until you reach a catastrophic limit. Assuming you join a plan with no extra premium, you would pay only the Part B premium, at a cost in 2019 of about \$1,625 (for those who do not pay a higher income-tested premium)."