

Lower Coverage Plan

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Should You Change to a Lower Cost FEHB Plan When You Sign Up For Medicare (Part 3)

Posted By [Dennis Damp](#) On January 16, 2014 @ 7:15 am In [BENEFITS / INSURANCE, ESTATE PLANNING, FINANCE / TIP, RETIREMENT CONCERNS, SOCIAL SECURITY / MEDICARE](#) | [Comments Disabled](#)

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My last article titled [What to Consider Before Enrolling in Medicare B, part 2](#) ^[2] of this 3 part series, helped you understand Part B and how it impacts your FEHB benefits and costs. This final article of the series discusses whether a lower cost plan would provide you acceptable coverage at a lower overall cost.

Because most of your deductible, copayments, and coinsurance is waived when you sign up for Medicare under many health plans, it makes sense to look for a lower cost FEHB plan if you will be paying Part B premiums. A married couple over 65 would pay \$209.80 minimum monthly, \$104.90 per person in 2013 for one national plan. If you can find a suitable plan that includes your health care providers at a lower cost it makes sense to switch however you have to evaluate plans carefully to ensure you will be receiving the services you need.

Many if not most retirees subscribe to Blue Cross and Blue Shield (BC/BS) because they are international and you can find preferred providers in most locations. They offer a Standard and Basic Plan. The lower cost Basic Plan acts more like an HMO without an annual deductible and your out-of-pocket expenses are minimal. The downside is that prior to enrolling in Medicare you must use their Preferred Providers, except for emergency care, and they don't have a mail service pharmacy option. You can obtain a 90 day supply of prescription drugs if you pay additional copayments.

Tammy Flanagan, Senior Benefits Director for the [National Institute of Transition Planning](#) ^[3], Inc stated that "once Medicare is the primary payer, you can use any provider as long as they accept Medicare. In other words, using preferred providers of your FEHBP plan will be irrelevant since plans like BC/BS will waive the coinsurance regardless of whether or not the provider is in the BC/BS network or not. It is still going to provide 100% coverage if Medicare pays first."

My wife and I had the Basic Blue Cross and Shield Plan for about 10 years until 2011 when we switched to the GEHA Standard Plan. My wife's Doctors are employed by UPMC and they were threatening to discontinue participating as preferred providers for Blue Cross and Blue Shield. The advantage of the GEHA plan is their low cost, \$236.91 monthly for the Standard Family Plan, and it covers out-of-network providers similar to the higher cost Standard Blue Cross and Blue Shield coverage. There are benefit differences and you have to read each plan's brochure carefully to determine what plan is right for you.

When we were with Blue Cross and Blue Shield we didn't have a problem finding preferred providers since so many doctors accept Blue Cross and Blue Shield nationally and the Basic Plan covers medical emergencies through any provider.

This Open Season we changed back to Blue Cross and Blue Shield's Basic Family Plan for \$309.30 monthly. After two years with GEHA we found that our out-of-pocket expenses were higher than we anticipated. GEHA charges an annual per person \$350 deductible and other coinsurance and copayments that we didn't have under Blue Cross and Blue Shield Basic. After enrolling in Medicare Part A and B most FEHB plans waive these costs. One of the primary considerations for changing back to BC/BS was that the GEHA Plan only pays \$250 for hearing aids where Blue Cross and Blue Shield covers up to \$2,500 for hearing aids every three years. The issue we had about UPMC doctors still isn't resolved however they will remain preferred providers through 2014. If they do decide to leave the network in 2015 we won't have a problem because Medicare will be our primary health care provider. If one of us wasn't enrolled in Medicare we could either change doctors, transfer back to GEHA or consider the Standard Blue Cross and Blue Shield option next Open Season.

I probably would have stayed with GEHA because they would have waived all of the deductible, coinsurance, and copayments under Medicare when I turn 65 next year. The hearing aid issue was a major factor for me and the fact that we use very few prescription drugs and the ones we do use are inexpensive so either plan's prescription coverage was adequate for us.

It does make sense to look for lower costs since Medicare will be your primary health care provider and FEHB plans in most cases waive the deductible, coinsurance, and copayments. With the cost of everything these days going through the roof why pay more than necessary.

Before changing evaluate your current costs, call other FEHB providers for clarifications after reviewing their brochures, and make the decision based on the facts and your family's needs. All of the plan brochures cover Medicare and the effect it has on subscribers in Section 9. Read that section carefully for all plans of interest and then look at the benefits they provide to determine what plan is best for you and your family regardless of cost.