

Retiree Corner

The Importance of Medicare for Overseas Retirees

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Military Retiree Assistance Office

A retiree or spouse nearing the age of 65 will receive a letter from the Center for Medicare/Medicaid Services (CMS). The letter invites the recipient to sign up for Medicare Part B and possibly also Medicare Part D, the prescription drug plan. Neither of these is available outside the United States. However, failing to sign up for Medicare Part B will mean that the retiree or spouse will not be eligible for TRICARE for Life, the TRICARE coverage that starts at age 65 for most retirees. TRICARE Standard coverage ends on the 1st day of your 65th birth month. Also, there is no 'family plan' in Medicare. Each person signs up individually and pays individually.

A person who does not sign up for Medicare Part B at age 65 or later will not be reimbursed by TRICARE. Failing to sign up for Medicare Part B in the seven-month window starting three months before and ending three months after (3+1+3) the 65th birth month means that a late-enrollment penalty of 10% will be applied for each year thereafter that the retiree does not enroll. (The only exception is if the retiree is covered by an employer's health plan that provides essentially the same coverage as provided by Medicare.) Late enrollment signup occurs between January and March of each year and **coverage begins on July 1**. For a late enrollment, TRICARE for Life will not cover any costs of civilian care prior to the effective date of coverage.

One final tip: If you're thinking about saving money by relying on military medical care, keep in mind that most of the health problems of aging cannot be treated in military hospitals. Expecting treatment in a military hospital on a regular basis when only space-available care is offered is not the best approach to staying healthy.