



## eNewsletter

**FEHB and Tricare - A Possible "Ace in the Hole" for Some Federal Retirees**  
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[December 2013] If you will soon be retiring from Federal service and are also retired military, you have a potential health insurance option that may be too good to pass up - the ability to expand your military health insurance, also known as Tricare, to include a Federal Employees Health Benefits plan and only pay for it if and when you need it - and then put the FEHB plan into "hibernation" and not pay for it when you don't need it! Most retired Federal employees cannot do this!

### Tricare Coverage

While retired military personnel are generally eligible for Tricare coverage, some may move to geographic locations that are not close to a Tricare Prime network. Essentially, Tricare Prime Networks, available to military retirees and active duty members, function as Health Maintenance Organizations (HMOs) with local providers under contract to Military Treatment Facilities (MTFs) to provide required services to active and retired military beneficiaries. While coverage within Tricare Prime MTFs is comprehensive, its geographic reach or footprint is limited - generally to an area within a 40 to 50-mile radius of the facility. Coverage for retirees within a specific MTF may also be slower if they are in an area with a large active duty military population as MTFs rightfully provide services to active duty beneficiaries first. Finally, all MTF beneficiaries, whether on active duty or retired, **MUST** seek care within their assigned MTF or they could face high deductibles and increased cost-sharing for even "routine" out-of-network care that is not pre-authorized - up to \$300 deductibles per event and 50 percent coinsurance!

### Tricare and FEHB Coverage

For military retirees who have also retired from Federal Civilian service, there is a possible solution for Tricare MTF limitations. If eligible, military/civilian retirees with access to an FEHB fee-for-service plan such as Blue Cross Blue Shield or Aetna could expand their covered medical care network beyond an MTF's geographic boundaries to other providers covered by the FEHB plan. This could mitigate if not eliminate provider restrictions as well as excessive out of pocket expenses often associated with non-network care. And here is the good news for military/civilian service retirees - to be eligible for FEHB after civil service retirement you do not need 5 years of coverage under FEHB immediately preceding your retirement date. As long as you have been covered under Tricare for this same period, OPM will consider these years as qualifying for continuing FEHB coverage in retirement provided you are also covered under an active FEHB enrollment when you retire from Federal civilian service.

To have an active FEHB plan when you retire, you would most likely have to sign up for some kind of FEHB coverage during the Open Season prior to your retirement/separation. (Note that if you are planning to retire on December 31st, you will need to have signed up for the FEHB plan in the Open Season during the prior year. FEHB employee enrollments do not become active until the first full pay period in January. If you retire on December 31st and sign up during the immediate prior Open Season, your plan would not be active when you retire and you would not have the coverage as a retiree.)

Once you qualify for the FEHB coverage, there is even better news - OPM allows you, your spouse and other dependents to suspend their FEHB enrollment when it's not needed, i.e. when Tricare alone is sufficient coverage. This allows Tricare beneficiaries to avoid the added expense of paying FEHB premiums, while only using Tricare, without endangering their ability to return to the FEHB Program in the future.

### Suspending FEHB Coverage

So, where Tricare coverage is available and fulfills your medical needs, you can suspend your FEHB coverage by calling OPM's Retirement Information Office at 1-888-767-6738. They will send you a form to complete together with instructions regarding other necessary documentation they will need to suspend your FEHB coverage. But remember, *you can only suspend your FEHB coverage once you are retired from Federal civilian service. You cannot suspend FEHB coverage while you are a Federal employee.*

Suspended coverage generally becomes effective at the end of the month in which OPM receives the documentation. Should you decide you need FEHB coverage once again, you can later re-enroll in the FEHB Program for any reason during a future Open Season choosing any coverage you like and begin paying the premiums for that coverage when your re-enrollment period starts (which is on January 1 following the Open Season for retired civil servants). Note that if you are eligible for FEHB in retirement and you are involuntarily dis-enrolled from Tricare as a result of non-payment of required Tricare premiums, you are eligible to immediately re-enroll in the FEHB Program. Under these circumstances, your request to re-enroll can be received anytime beginning 31 days before and ending 60 days after your Tricare coverage ends. Otherwise, you must wait until an FEHB Open Season to also enroll in an FEHB plan.

### Keeping Your Spouse and Family Members Covered for Re-enrollment in FEHB

It is important to understand that when you suspend coverage under FEHB, the coverage of all of your family members is suspended as well. For your surviving spouse and other eligible family members to be eligible for FEHB re-enrollment should you predecease them, you must be enrolled in Self and Family FEHB

coverage when you suspend it and you generally must also elect a survivor annuity for your spouse when you retire. Under these conditions, a surviving spouse can re-enroll in the FEHB Program and cover other eligible family members (typically children up to their 26th birthdays) under the same conditions that were available to you as an eligible retired Federal employee.

**Additional Information**

For more information on suspending/enrolling in FEHB as a Federal annuitant, see the following links:

<https://www.opm.gov/faqs/topic/insure/index.aspx?cid=900d6517-45d7-4395-b1eb-cf79fb9c3916>

<http://www.tricare.mil/Publications.aspx>

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