

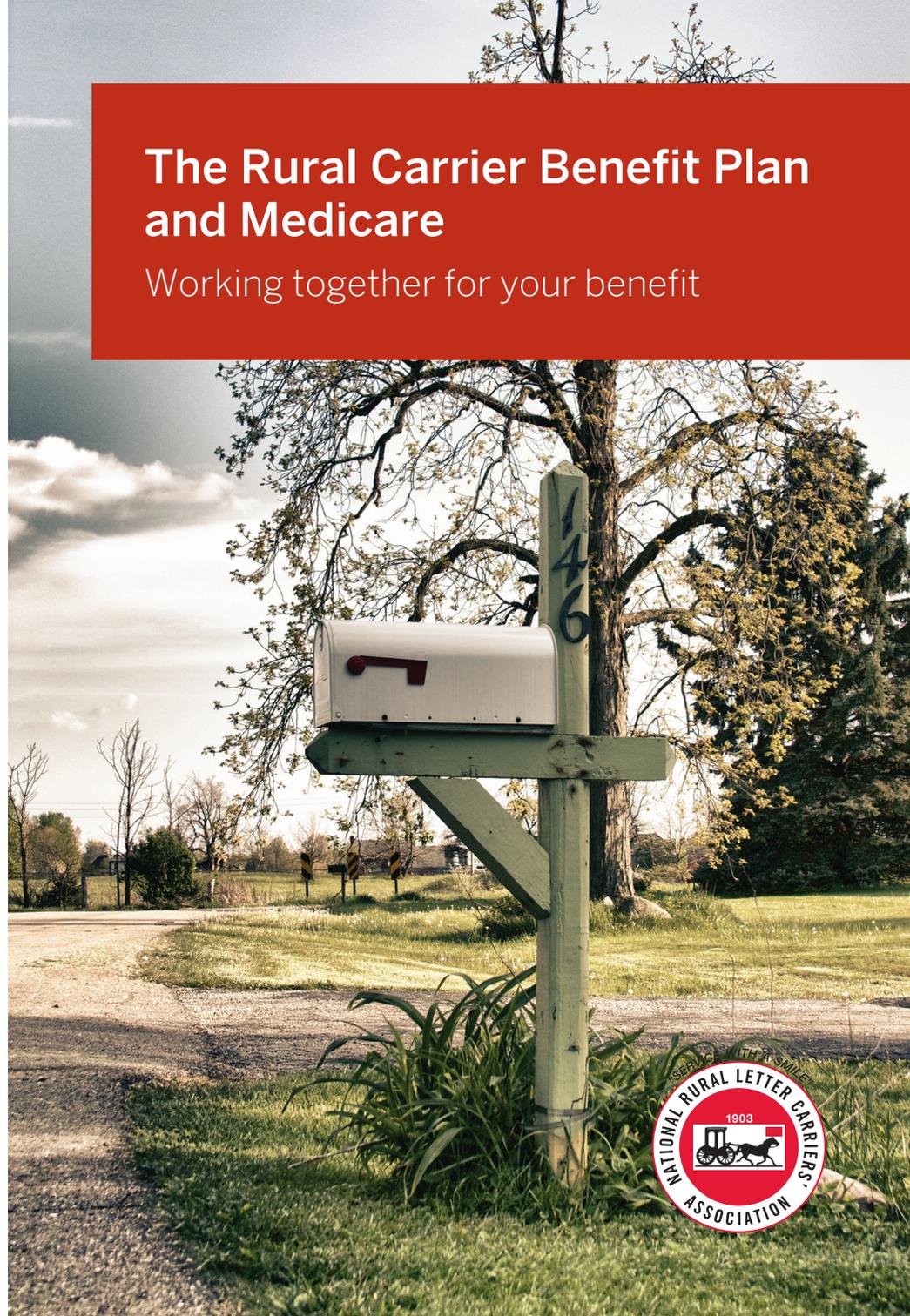
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The Rural Carrier Benefit Plan and Medicare

Working together for your benefit



SOON YOU WILL CELEBRATE YOUR 65TH BIRTHDAY ...



... or more creatively stated, “your 15th anniversary of your 50th birthday.” Unlike turning 50, turning 65 brings with it a special entitlement — Medicare. The Rural Carrier Benefit Plan (RCBP) will be right there with you for this milestone, too.

Turning 65 is a very special time of life. Your maturity is recognized and rewarded. Just for reaching this milestone, you get special discounts at retailers on designated days, discounted fares when taking certain transportation, special clubs of which you can become a member, Medicare benefits and so much more. These are just a few things to remind you that turning 65 can be great. Embrace this stage of life and enjoy all that it offers. Remember, this is another beginning and another milestone.

We hope this brochure offers you a bit of comfort by assuring you that the RCBP will be there to help you manage your new Medicare benefits. Maybe you are feeling overwhelmed and don't know what to do. Don't worry. This is where we can help.

As you read through this guide, you will become more knowledgeable about Medicare and how these new benefits work with your RCBP coverage. You will also learn any steps you may need to take to ensure these plans can work together seamlessly for your greatest benefit.

INSIDE YOU WILL FIND OUT MORE ABOUT

How Medicare Works	4
Medicare Facts.....	5
The RCBP With Medicare.....	6
Summary of Benefits.....	9
Out-of-Pocket Payment Example.....	11
Coordinating Benefits With Medicare	13
Prescription Drug Benefits.....	13
Frequently Asked Questions and Answers	14
The RCBP and Medicare Resources	18

HOW MEDICARE WORKS

Medicare is a health insurance program for people age 65 and older, as well as some people with disabilities (under 65 years old) and people with end-stage renal disease (kidney failure).

When you have Medicare, your doctor or hospital will send a claim to Medicare for services provided, and Medicare will pay benefits to the doctor or hospital. Then, you pay the balance if you don't have other coverage.

We recommend that you keep your RCBP coverage to minimize your out-of-pocket expenses for health care.

Medicare has four parts:

Part A is hospital insurance. Most people do not have to pay a separate premium for Part A. If you or your spouse worked for at least 10 years in federal, postal or other Medicare-covered employment, you should qualify for Part A without having to pay a premium. If not, you are able to buy it.

Part B is medical insurance, covering such expenses as doctor office visits, surgeon charges and outpatient hospital care. Most people pay a monthly premium for Part B. Generally, Part B premiums are withheld from your monthly Social Security check.

Part C, commonly called Medicare Advantage (MA) plans, are health plan options (like an HMO or PPO) approved by Medicare and offered by private insurance companies. Medicare pays a fixed amount for your care every month to the companies offering Medicare Advantage plans. Medicare Advantage plans provide your Medicare health coverage and usually Medicare drug coverage. They are not supplemental insurance. The RCBP is not an MA-type plan, which means that we coordinate our benefits with your Medicare benefits, not replace them. If you have the RCBP, you don't need Part C.

Part D is prescription drug coverage. Like Part B, Medicare Part D is optional and you pay a monthly premium if you decide to enroll. If you have the RCBP, you do not need Part D.

MEDICARE FACTS

Late enrollment

If you are retired and do not sign up for Medicare Part A and/or Part B (for which you pay monthly premiums) when you are first eligible, you will be able to sign up between January 1 and March 31 each year. Your coverage will begin July 1. You will have to pay a higher premium that includes a penalty for late enrollment. However, your monthly premium increases 10% for each 12-month period you were eligible for but did not enroll in Medicare Part B.

Premium penalties

Part A

If you have to pay for Part A and don't sign up for it when you're first eligible, you will have to pay a penalty equal to 10% of the Part A premium, unless you're eligible for a Special Enrollment Period. The 10% premium penalty applies no matter how long you delay Part A enrollment. You will have to pay the premium penalty for twice the number of years you could have had Part A, but didn't sign up.

Part B

If you wait to get Part B until after you're first eligible, you will pay a penalty to get it later. For each 12-month period you delay enrollment in Part B, your monthly premium for Part B may go up 10%, unless you qualify for a Special Enrollment Period. In most cases, you will have to pay that penalty every month for as long as you have Part B. If you're enrolled in Part B because you're disabled and you're paying a premium penalty, you no longer have to pay this penalty once you turn age 65.

Part D

If you do not enroll in Medicare Part D when you are first eligible and decide later to enroll, you will not have to pay a penalty for late enrollment as long as you keep your FEHB coverage.

THE RCBP WITH MEDICARE

When you have the RCBP and Medicare, both plans will provide benefits for your medical expenses. Which plan pays first (called “primary”) and which pays second (“secondary”) depends on your employment status. If you retire from active employment, Medicare will be your primary coverage and the RCBP will be secondary. If you remain actively employed, the RCBP will be your primary coverage and Medicare will be secondary.

The RCBP complements Medicare*

Medicare provides good coverage for most services, but it has gaps. The RCBP is designed with special features that help fill those gaps by providing coverage for Medicare’s deductibles and coinsurance, and by providing prescription drug benefits.

When you are retired and have **Medicare Parts A and B** as your primary coverage, the RCBP generally pays 100% of the difference between what Medicare pays and the Medicare-allowed amounts for covered medical services. This includes paying Medicare’s deductibles and coinsurance, and waiving most RCBP deductibles, copayments and coinsurance that you would normally pay if you did not have Medicare. Furthermore, any noncovered expenses under Medicare can be reimbursed by the RCBP if they are covered under your RCBP benefits.

Under **Medicare Part C**, if you enroll in a Medicare Advantage plan, the following options are available to you:

- **This plan and another plan’s Medicare Advantage plan:** You may enroll in another plan’s Medicare Advantage plan and also remain enrolled in the RCBP. We will still provide benefits when your Medicare Advantage plan is primary, even out of the Medicare Advantage plan’s network and/or service area, but we will not waive any of our copayments, coinsurance or deductibles.

*When Medicare Part A and Part B is your primary coverage, the RCBP will waive applicable deductibles, copayments and coinsurance for most medical and surgical services. All other RCBP exclusions and benefit limitations apply. The RCBP does not pay 100% if the member uses a doctor under a private contract that provides for direct billing and no Medicare coverage.



- **Suspended FEHB coverage to enroll in a Medicare Advantage plan:** If you are an annuitant or former spouse, you can suspend your RCBP coverage to enroll in a Medicare Advantage plan, eliminating your RCBP premium (OPM does not contribute to your Medicare Advantage plan premium). For information on suspending your RCBP enrollment, contact your retirement office (the U.S. Office of Personnel Management). If you later want to re-enroll in the FEHB Program, generally you may do so only at the next Open Season, unless you involuntarily lose coverage or move out of the Medicare Advantage plan's service area.

If you choose to enroll in **Medicare Part D** and we are the primary payer, we process the claim first. When you have Medicare Part D and we are the secondary payer, we will review claims for your prescription drug costs that are not covered by Medicare Part D and consider them for payment under the RCBP.

A physician may ask you to sign a private contract agreeing that you can be billed directly for services ordinarily covered by Original Medicare. If you sign an agreement, Medicare will not pay any portion of the charges, and we will not increase our payment. We will still limit our payment to the amount we would have paid after Original Medicare's payment. You may be responsible for paying the difference between the billed amount and the amount we paid.

Medicare always makes the final determination as to whether they are the primary payer. The chart on page 12 illustrates whether Medicare or this plan should be the primary payer for you according to your employment status and other factors determined by Medicare. It is critical that you tell us if you or a covered family member has Medicare coverage so we can administer these requirements correctly. **(Having coverage under more than two health plans may change the order of benefits determined on the chart.)**

SUMMARY OF BENEFITS WITH MEDICARE PART B

Medical Coverage	When you have Medicare Part B primary	When you don't have Medicare Part B primary
Calendar Year Deductible	You Pay Nothing. The RCBP waives your medical deductible and most copayments and coinsurance, and pays the Medicare Part B deductible and coinsurance	You Pay In-Network: \$350 per person deductible Out-of-Network: \$800 per person deductible
Annual Physical Exam	Nothing	In-Network: Nothing (no deductible) Out-of-Network: 30% of the plan allowance and any difference between our allowance and the billed amount after the calendar year deductible
Preventive Screenings (Includes cholesterol screenings, mammograms, Pap tests, urinalysis, bone density screenings, colon cancer screenings and more)	Nothing	In-Network: Nothing (no deductible) Out-of-Network: 30% of the plan allowance and any difference between our allowance and the billed amount after the calendar year deductible
Doctor Office Visits	Nothing	In-Network: \$20 primary care physician copayment and \$35 specialist copayment (no deductible) Out-of-Network: 30% of the plan allowance and any difference between our allowance and the billed amount after the calendar year deductible
Convenient Care Clinic (e.g., clinics in drugstores)	Nothing	In-Network: \$10 copayment per visit (no deductible) Out-of-Network: 30% of the plan allowance and any difference between our allowance and the billed amount after the calendar year deductible CVS/MinuteClinic®: Nothing
Lab, X-ray and Diagnostic Tests	Nothing	In-Network: 15% of plan allowance after the calendar year deductible Out-of-Network: 30% of the plan allowance and any difference between our allowance and the billed amount after the calendar year deductible
Chiropractic Care	Nothing	In-Network: \$20 copayment per visit (no deductible) Out-of-Network: 30% of the plan allowance and any difference between our allowance and the billed amount after the calendar year deductible

Medical Coverage	When you have Medicare Part B primary	When you don't have Medicare Part B primary
Outpatient Surgical Facility	Nothing	In-Network: 15% of plan allowance after the calendar year deductible Out-of-Network: 30% of the plan allowance and any difference between our allowance and the billed amount after the calendar year deductible
Surgery and Anesthesia	Nothing	In-Network: 15% of plan allowance (no deductible) Out-of-Network: 30% of the plan allowance and any difference between our allowance and the billed amount after the calendar year deductible
Outpatient Medical Emergency Treatment Outside Physician's Office	Nothing	In-Network: \$200 copayment of plan allowance (no deductible) Out-of-Network: 15% of the plan allowance and any difference between our allowance and the billed amount (no deductible)

In-Network Prescription Drug Coverage

Retail Network Pharmacy and Electronic Claims — Up to a 30-day supply — (\$200 deductible waived when Medicare Part B is the primary payer)

Network Retail/Non-Network Retail	30% of cost	30% after deductible
Network Retail/Non-Network Retail	30% of cost	30% after deductible

Mail-Order Pharmacy — Up to a 90-day supply — No deductible

Tier	30% of cost	30% after deductible
Tier I	\$10 generic	\$10 generic
Tier II	\$40 brand name on primary drug list	\$50 brand name on primary drug list
Tier III	\$70 brand name not on primary drug list	\$80 brand name not on primary drug list
Tier IV	\$80 specialty for a 30-day supply and \$125 for a 90-day supply	\$80 specialty for a 30-day supply and \$125 for a 90-day supply

Important Notes

This chart assumes that Medicare is the primary payer and that covered services are provided by doctors and facilities that participate with Medicare. The RCBP does not pay 100% when services are provided by a doctor under a private contract that provides for direct billing and no Medicare coverage.

This is a summary of the Rural Carrier Benefit Plan. Before making a final decision, please read the official plan brochure (RI 72-005). All benefits are subject to the definitions, limitations and exclusions set forth in the official plan brochure. This is also a summary of Medicare features. For more information on Medicare, visit www.medicare.gov or call **800-MEDICARE**.

OUT-OF-POCKET PAYMENT EXAMPLE

Medicare Part B primary

The following examples illustrate how much you have to pay out-of-pocket for an outpatient heart catheterization from an in-network physician, out-of-network physician and when Medicare Part B is the primary payer. The table uses an example of a service for which the surgeon charges \$4,000 for the surgery (our allowance is \$3,500) and \$1,000 for the anesthesia (our allowance is \$750). The table shows the amount you pay if you have met your calendar year deductible, if applicable.

Example 1: Surgeon			
	In-network surgeon	Out-of-network surgeon	Medicare Part B primary
Surgeon's charge	\$4,000	\$4,000	\$4,000
Our allowance	We set it at: \$3,500	We set it at: \$3,500	\$2,500 (Medicare's allowance)
We pay	85% of our allowance: \$2,975	70% of our allowance: \$2,450	\$500 (Medicare's 20% coinsurance due by member)
You owe: Coinsurance	15% of our allowance: \$525	30% of our allowance: \$1,050	\$0
Member liable for difference between our allowance and billed amount	No: \$0	Yes: \$500	No: \$0
TOTAL YOU PAY	\$525 (15% coinsurance)	\$1,550 (30% coinsurance + \$500 coinsurance + \$500 above allowance)	Nothing

Example 2: Anesthesiologist			
	In-network anesthesiologist	Out-of-network anesthesiologist	Medicare Part B primary
Anesthesiologist's charge	\$1,000	\$1,000	\$1,000
Our allowance	We set it at: \$750	We set it at: \$750	\$500 (Medicare's allowance)
We pay	85% of our allowance: \$637.50	70% of our allowance: \$525	\$100 (Medicare's 20% coinsurance due by member)
You owe: Coinsurance	15% of our allowance: \$112.50	30% of our allowance: \$225	\$0
Member liable for difference between our allowance and billed amount	No: \$0	Yes: \$250	No: \$0
TOTAL YOU PAY	\$112.50 (15% coinsurance)	\$475 (30% coinsurance + \$250 above allowance)	Nothing

PRIMARY PAYER CHART

A. When you — or your covered spouse — are age 65 or over and have Medicare and you ...	Medicare	This Plan
1. Have FEHB coverage on your own as an active employee		✓
2. Have FEHB coverage on your own as an annuitant or through your spouse who is an annuitant	✓	
3. Have FEHB through your spouse who is an active employee		✓
4. Are a re-employed annuitant with the federal government and your position is excluded from the FEHB (your employing office will know if this is the case) and you are not covered under FEHB through your spouse under #3 above	✓	
5. Are a re-employed annuitant with the federal government and your position is not excluded from the FEHB (your employing office will know if this is the case) and ...		
• You have FEHB coverage on your own or through your spouse who is also an active employee		✓
• You have FEHB coverage through your spouse who is an annuitant	✓	
6. Are a federal judge who retired under title 28, U.S.C., or a tax court judge who retired under Section 7447 of title 26, U.S.C. (or if your covered spouse is this type of judge) and you are not covered under FEHB through your spouse under #3 above	✓	
7. Are enrolled in Part B only, regardless of your employment status	✓ for Part B services	✓ for other services
8. Are a federal employee receiving workers' compensation disability benefits for six months or more	✓ *	
B. When you or a covered family member ...		
1. Have Medicare solely based on end-stage renal disease (ESRD) and ...		
• It is within the first 30 months of eligibility for or entitlement to Medicare due to ESRD (30-month coordination period)		✓
• It is beyond the 30-month coordination period and you or a family member are still entitled to Medicare due to ESRD	✓	
2. Become eligible for Medicare due to ESRD while already a Medicare beneficiary and ...		
• This plan was the primary payer before eligibility due to ESRD (for 30-month coordination period)		✓
• Medicare was the primary payer before eligibility due to ESRD	✓	
3. Have Temporary Continuation of Coverage (TCC) and ...		
• Medicare based on age and disability	✓	
• Medicare based on ESRD (for the 30-month coordination period)		✓
• Medicare based on ESRD (after the 30-month coordination period)	✓	
C. When either you or a covered family member are eligible for Medicare solely due to disability and you ...		
1. Have FEHB coverage on your own as an active employee or through a family member who is an active employee		✓
2. Have FEHB coverage on your own as an annuitant or through a family member who is an annuitant	✓	
D. When you are covered under the FEHB Spouse Equity provision as a former spouse		
	✓	

*Workers' compensation is primary for claims related to your condition under workers' compensation.

THE RCBP COORDINATES YOUR MEDICAL BENEFITS

Coordinating your benefits with Medicare has never been easier. For your convenience, when Medicare is your primary coverage, we can automatically retrieve your paid claims from Medicare and process any remaining balances for covered expenses under your RCBP benefits. Just call Customer Service at **800-638-8432** to let us know your Medicare elections and employment status, and we'll sign you up for our free automatic claim processing. Thereafter, just present your RCBP and Medicare ID cards at your doctor visits and leave the rest to us.

PRESCRIPTION DRUG BENEFITS

OPM has determined that the Rural Carrier Benefit Plan's prescription drug coverage is, on average, expected to pay out as much as the standard Medicare prescription drug coverage will pay for all plan participants and is considered creditable coverage. **Thus you do not need to enroll in Medicare Part D and pay extra for prescription drug benefit coverage.**

However, if you choose to enroll in Medicare Part D, you can keep your RCBP coverage and the Rural Carrier Benefit Plan will coordinate benefits with Medicare.

Our prescription drug benefits can save you time and money because:

- The RCBP covers your generic prescription medications and medications filled at our mail-order pharmacy for a predictable copayment
- We use a primary drug list (drug guide), which gives you the opportunity to lower your out-of-pocket expense when Tier I or Tier II drugs are prescribed
- You can use our mail-order pharmacy program to get up to a 90-day supply of your prescription maintenance medications filled at a savings without ever having to leave home

FREQUENTLY ASKED QUESTIONS AND ANSWERS

Once I am eligible for Medicare, do I need to change from the RCBP to another health plan (e.g., Blue Cross or a Medicare Advantage plan) to receive my Medicare benefits?

No. When you become eligible for Medicare, you do have the option to change your FEHB health plan if you wish. However, this is not necessary because the RCBP will coordinate your benefits with your Medicare coverage. There is no need to disrupt your coverage by changing plans. You should contact us at **800-638-8432** to learn how your RCBP benefits will coordinate with Medicare. Just know that we will make having Medicare easy for you.

If I am not yet retiring, but I am eligible for Medicare, do I still need my FEHB coverage, which is provided by the RCBP?

Because Medicare benefits are limited, we recommend keeping your RCBP benefits to fill gaps in coverage. The RCBP is a good plan to have — it offers a nationwide network and the benefits are more complete than some Medicare supplements.

You should know that government regulations generally require the FEHB plan members to be enrolled for at least five continuous years prior to retirement in order to carry health benefits into retirement. If you cancel your FEHB enrollment after you retire, you may not be able to re-enroll later. You should consult your personnel office before making a decision to drop your FEHB coverage for Medicare.

Am I automatically enrolled in Medicare when I turn 65 or do I need to sign up?

If you are already getting Social Security retirement or disability benefits, you will be contacted a few months before you become eligible for Medicare and given the information you need. You will be enrolled in Medicare Parts A and B automatically. However, because you must pay a premium for Part B coverage, you have the option of turning it down.



You must apply for Medicare if you are continuing to work and do not yet receive Social Security benefits. Three months before the month you turn 65, you should apply for Medicare through your local Social Security office, or by calling **800-772-1213**. If you are retiring around the time of your 65th birthday, you can also apply for Medicare and Social Security at the same time. You may be able to apply online (if you meet certain criteria) at www.ssa.gov.

Do I need to notify the RCBP when I enroll in Medicare?

Yes. To help ensure your claims are accurately processed, you should call us at **800-638-8432** upon enrolling in Medicare. You should also notify us if you do not plan to enroll in Medicare, or if you will not retire upon turning age 65.

Is my RCBP coverage affected if I do not plan to enroll in Medicare?

Yes, if you are over 65 and retired. Under Federal Employee Health Benefits law, we must base our benefit payments on Medicare-approved amounts for those benefits you would be entitled to if you had Medicare Parts A and B. Any health care provider who accepts Medicare assignment must also follow the Medicare rules. They cannot bill you for more than they could if you had Medicare. However, if your provider does not participate with Medicare, you can be billed up to 115% of the Medicare-approved amount. In this instance, you will have to pay your RCBP deductibles, copayments or coinsurance, and the balance of the Medicare-approved amount. The same rules apply to the spouse of an annuitant who is age 65 or older.

If I enroll in Medicare, will it change my spouse's coverage?

No, your spouse's coverage will remain the same until he or she is Medicare eligible.

When I have Medicare, do I need to use participating network providers to get the greatest benefit level?

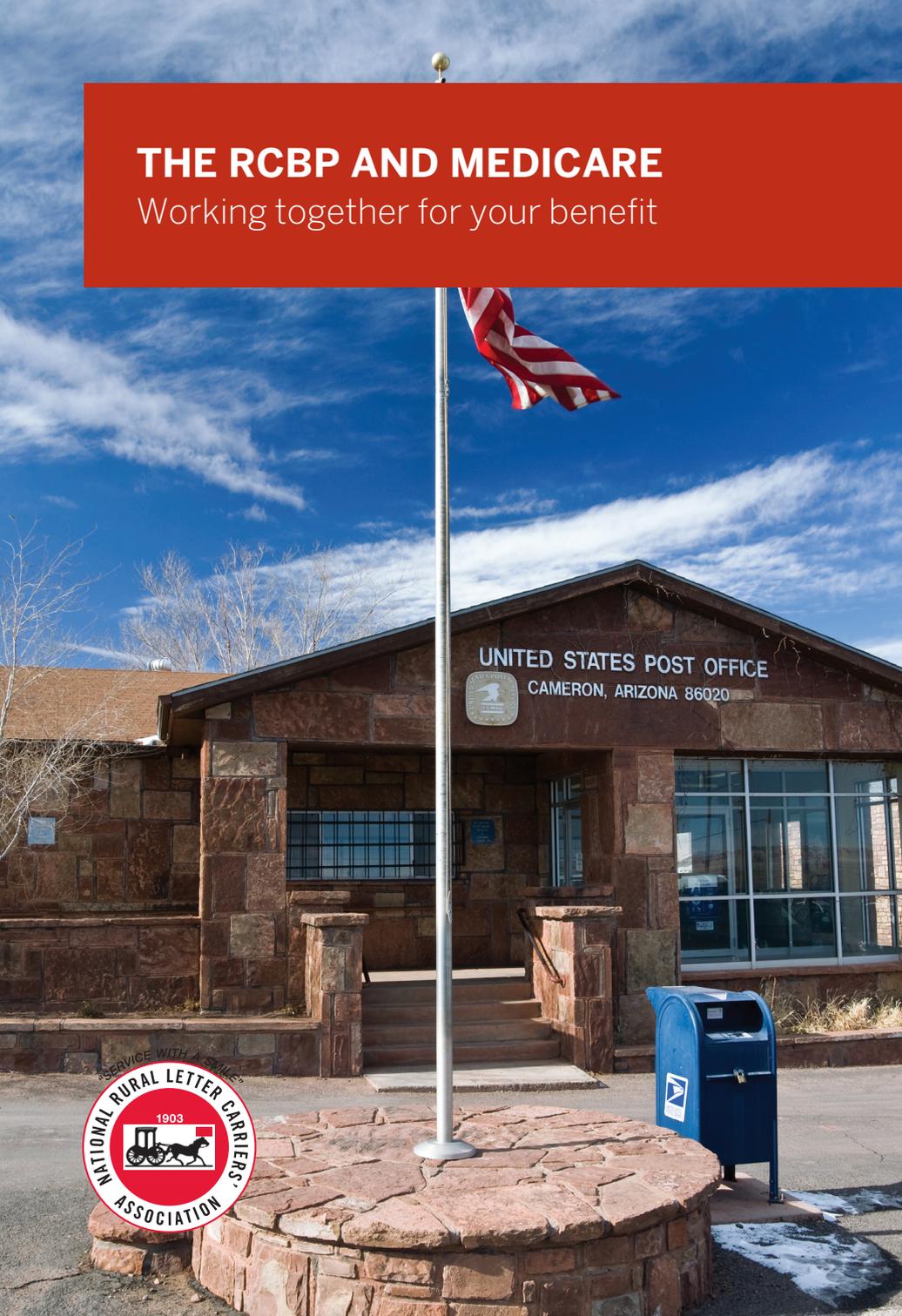
When you have Medicare Parts A and B as your primary coverage, you will get the most from your benefits when you use doctors who accept Medicare assignment. Your Medicare benefits can be used with any provider accepting Medicare, even if the doctor is not in our network. The RCBP will still pay your deductible or coinsurance for covered expenses after Medicare has paid its benefits. If Medicare is your secondary coverage, or you do not have Part B insurance, it is always a good idea to use network doctors and hospitals to ensure that you receive the highest benefit level. For more information, please refer to the official plan brochure (RI 72-005).

Do I need to file my own claims to make sure I get benefits from both Medicare and the RCBP?

When you are retired and have Medicare Parts A and B as your primary coverage, all you need to do is show both your Medicare and RCBP ID cards to your doctors and other providers at the time of service to ensure your claims are filed appropriately. The RCBP has automatic claims coordination with Medicare. Just call **800-638-8432** to let us know you are enrolled and we'll take it from there. Your claims will come directly to us for processing after Medicare pays its share. However, if you are still working and have the RCBP as your primary coverage, you will have to submit claims to Medicare for reimbursement of covered expenses after we have processed your claim(s).

THE RCBP AND MEDICARE

Working together for your benefit



Find out more about the RCBP

If you have any questions about your RCBP benefits and coordinating these with Medicare, call us at **800-638-8432**, or visit our website at www.RCBPhealth.com.

You will also find more information about coordinating your Medicare and RCBP benefits in the official plan brochure (RI 72-005). To obtain a copy of the brochure, download it from our website, or visit the U.S. Office of Personnel Management website at www.opm.gov/insure.

Find out more about Medicare

If you are unsure about your Medicare eligibility, how to enroll in Medicare, or what it covers, call **800-MEDICARE** (800-633-4227), or visit www.medicare.gov. You can also request a copy of the *Medicare & You* brochure when you call, or download it from Medicare's website.

To contact Social Security, you can call **800-772-1213** or visit www.ssa.gov.

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This is a summary of the features of the Rural Carrier Benefit Plan. Before making a final decision, please read the official plan brochure (RI 72-005). All benefits are subject to the definitions, limitations and exclusions set forth in the official plan brochure.

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