



Benefits Administration Letter

Number: 05-408

Date: November 30, 2005

**Subject: 2005 Federal Employees Health Benefits (FEHB) Program Open Season:
FEHB and Medicare Part D**

We have received several inquiries about FEHB and Medicare Part D. Please be aware that all FEHB health plan brochures include a Medicare Part D Disclosure Notice. This notice states that all FEHB plans have prescription drug coverage that is comparable to Medicare Part D prescription drug coverage. We have included a copy of a Medicare Part D Disclosure Notice below.

Medicare Part D Disclosure Notice

OPM has determined that the prescription drug coverage offered by plans participating in the FEHBP is, on average, comparable to Medicare Part D prescription drug coverage, thus you do not need to enroll in Medicare Part D and pay extra for prescription drug benefits. If you decide to enroll in Medicare Part D later, you will not have to pay a penalty for late enrollment as long as you keep your FEHB coverage.

However, if you choose to enroll in Medicare Part D, you can keep your FEHB coverage and your FEHB plan will coordinate benefits with Medicare.

Remember: If you are an annuitant and you terminate your FEHB coverage, you may not re-enroll in the FEHB Program.

Please be advised

If you lose or drop your FEHB coverage, you will have to pay a higher Part D premium if you go without equivalent prescription drug coverage for a period of 63 days or longer. If you enroll in Medicare Part D at a later date, your premium will increase 1 percent per month for each month you did not have equivalent prescription drug coverage. For example, if you go 19 months without Medicare Part D prescription drug coverage, your premium will always be at least 19 percent higher than what most other people pay. You may also have to wait until the next open enrollment period to enroll in Medicare Part D.

Medicare's Low Income Benefits

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information regarding this program is available through the Social Security Administration (SSA) online at www.socialsecurity.gov, or call the SSA at 1-800-772-1213 (TTY 1-800-325-0778).

You can get more information about Medicare prescription drug plans and the coverage offered in your area from these places:

- Visit www.medicare.gov for personalized help,
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

Sincerely,

Robert F. Danbeck
Associate Director
for Human Resources Products and Services