



# ★ THE TRICARE-MEDICARE PREMIUM PROBLEM ★

## THE PROBLEM

Many of our military's most seriously injured retirees lose access to low cost TRICARE plans because of their injuries. These individuals should have the choice to remain on these low cost plans.



Many of the most severely wounded warriors qualify both for Medicare and for TRICARE. They earn TRICARE upon medical retirement, and they qualify early for Medicare (before age 65) if they cannot work for a sustained period of time.



Although these wounded warriors earned low cost TRICARE benefits through their service, they lose the choice to remain on these low cost plans and are required by law to purchase Medicare Part B. If they decline Part B, they lose all access to TRICARE health benefits.



What is the financial impact? Medicare Part B premiums total \$1,608 annually, whereas low cost TRICARE plans are only \$283 per year. At these rates, over the course of ten years, an injured retiree unable to work is required to pay over \$13,000 more in premiums alone than a typical retiree – a significant sum for someone on a fixed income.



If a wounded warrior declines Part B, losing access to TRICARE, and later wants to reverse this decision, they are subject to a late enrollment penalty of 10% – per year until they reach age 65 – on top of already higher Medicare Part B premiums.



The government has designed an extremely confusing system of health insurance coverage for Medicare-eligible retirees, many of whom are attempting to navigate the system while living with post-traumatic stress disorder (PTSD) and traumatic brain injuries (TBI) incurred during service to our country. We owe these veterans a fair system with clear choices.

## THE SOLUTION

The **Fair Access to Insurance for Retired Heroes Act** ( FAIR Heroes Act, S. 2117) empowers medically retired individuals who are unable to work due to their disabilities to choose the healthcare coverage that best fits their needs.

### WHO IS ELIGIBLE?



- Individuals who have been medically retired from the military and qualify for Medicare Part B after receiving SSDI for 2 years
- Individuals who have returned to work and are no longer entitled to SSDI



### WHAT IS THE IMPACT?

- Choice between Medicare and TRICARE after 2 years of receiving SSDI
- Another opportunity to switch health coverage

### FAIR HEROES SECTION 2 ELIGIBILITY ADJUSTMENTS:

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#### TRICARE PROVISIONS

- Creates pathway to traditional TRICARE eligibility for Medicare-eligible veterans who have received SSDI
- Allows for a switch from Medicare to TRICARE outside of the initial switch, special enrollment period, or returning to work to prevent “serial switching” or “churning”
- Creates special enrollment period for TRICARE after bill becomes law

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#### MEDICARE PROVISIONS

- Waives Medicare late enrollment penalty for veterans who maintained TRICARE
- Eliminates late enrollment penalty for eligible veterans who are currently subject to the penalty
- Creates special enrollment period for Medicare

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#### NOTIFICATION AND INFORMATION TO BENEFICIARIES

- Requires DoD to coordinate with HHS to notify eligible veterans and provide training regarding effects of not enrolling in Medicare (including information comparing premiums, copayments, deductibles, provider network, future enrollment opportunities, and penalties)
- Requires training to be provided before veteran switches coverage

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