



Medicare (Part 2)

This is a continuation of my article last month, which covered Medicare Parts A and B. To continue to help educate current and future retirees about Medicare, the following information is provided.

Part C (Medicare Advantage Plans)—This part of Medicare includes health maintenance organizations (HMOs), preferred provider organization (PPO) plans, private fee-for-services plans, special needs plans and medical savings accounts. Formerly called Medicare + Choice, this coverage basically includes Medicare Part A and Part B. Most include Part D for an extra cost. For NALC members who receive Part A and purchase Part B, there appears to be no advantage to purchasing this plan.

Part D (Outpatient Prescription Drug Plan)—The premium for this voluntary drug coverage varies, depending on the plan and coverage you choose. Cost information for the Medicare prescription drug plans in your area is available at medicare.gov. Like Medicare Part B, there is a penalty for those who do not choose this plan at eligibility. The current penalty is 1 percent of the national base premium amount for each month eligible that you did not select Part D and did not have creditable drug coverage in effect. The national base premium amount can change each year. Creditable coverage means that your current drug plan is as good as or better than Medicare Part D coverage. The good news is that the NALC's drug coverage does qualify as creditable, so later selection of the Part D Medicare coverage would not incur any penalty.

For the vast majority of our members, Part D does not provide any savings and, in fact, may be an unnecessary financial expenditure with the premium and co-pays that exist. One exception would be for those who are identified as below the poverty level who may be eligible to receive this coverage free or at a greatly reduced rate.

I had received several phone calls regarding last month's article seeking advice in making the determination toward selection of Part B. My response is always that each person has to weigh the cost versus return on that cost. However, if a person is in declining health and has medical

attention needs, then Part B becomes a good choice at some time.

With the understanding that a 10 percent penalty for each full year exists between eligibility and selection, then the decision needs to be based upon when you will need this extra coverage. If you have the conditions at age 65, then the time is then. If you are in relatively good health and, from all appearances and genetic history, you will remain that way for some time, then you might weigh your decision based on the understanding that you will have to pay a penalty for later selection. Unless you have a crystal ball, you cannot tell the future, but most of our futures involve additional medical care, and with the NALC Health Benefit Plan and Medicare Part B, you no longer have out-of-pocket expenses for covered medical care. You will have the best coverage available in the federal sector.

With the retirement of William H. Young, I want to wish him health and happiness as he undertakes a new period in his life. May all of your golf shots be as planned and each horserace as handicapped. Additionally, I would suggest that you perform any "honey do's" as your wife schedules them. May your retirement be long and enjoyable—you have earned it.

To our newly installed national president, Fredric V. Rolando, I offer congratulations on your new position. May your achievements rival your predecessors'. In the history of the NALC, it seems that we have always been blessed with new leaders who took office at just the right time in our history. Now is your time, Fred. Make us proud; we've got your back.

Congratulations also to new Executive Vice President Gary Mullins and new Vice President George Mignosi on their promotions. ☒

NALC Retirement Department

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