



CALIFORNIA HEALTH ADVOCATES

## Medicare and Veterans Administration Medical Benefits Package

Some people who are eligible for Medicare may have other health coverage, such as the Veterans Administration (VA) Medical Benefits Package. This fact sheet addresses such people and reviews what the VA Medical Benefits Package is, who qualifies for these benefits and how to apply. It also explains your options of using both VA and Medicare benefits or just one or the other.

### Medicare

Medicare is the federal health insurance program for people 65 years and older, younger people who have a long term disability, or people with kidney failure, also known as end stage renal disease (ESRD). Medicare covers inpatient services under Part A (including hospital, skilled nursing facility, home health and hospice care), outpatient medical services under Part B (such as doctor visits, preventive care, durable medical equipment) and outpatient prescription drugs under Part D. Medicare Parts A and B are referred to as Original Medicare, which is fee-for-service.

Alternatively, Medicare beneficiaries can choose to receive their Medicare benefits through a private insurance plan approved by Medicare under Medicare Part C. Medicare contracts with private insurance companies to offer Medicare Advantage plans, such as Medicare HMO (health maintenance organizations), PPO (preferred provider organizations), private fee for service (PFFS) plans, Medicare Savings Accounts (MSA) and Special Needs Plans (SNP). See our fact sheets on Medicare Advantage for more information at [cahealthadvocates.org](http://cahealthadvocates.org).

### Enrolling in Medicare

If you are a veteran 65 years or older and eligible for Social Security retirement benefits, you are automatically enrolled in Medicare Parts A and B, or Original Medicare. If you are a veteran

younger than 65 years old and eligible for Social Security disability benefits, you are enrolled in Medicare Parts A and B when you qualify for Social Security disability benefits. If a veteran is not automatically enrolled but is eligible for Medicare, he or she may enroll in Medicare Parts A and B through the Social Security Administration, 1-800-772-1213 or [ssa.gov](http://ssa.gov). Please refer to our fact sheet “Medicare Enrollment Periods” for when a veteran may enroll in Medicare.

Enrolling in Medicare Part B and Part D is optional, and there are costs for having Part B or Part D benefits. Under Original Medicare, Part B has a monthly premium, annual deductible, and cost sharing for most services. To receive Part D benefits, you must enroll in a Medicare prescription drug plan sponsored by a private insurance company. The costs of a Medicare Part D plan vary depending on which plan you choose, such as a monthly premium, deductible, and copayment or coinsurance for each prescription filled. See our fact sheet “Medicare Part D: An Overview” for more information.

Since enrolling in Medicare Part B or Part D is optional, this fact sheet reviews the pros and cons of enrolling in either Part B or Part D or both. **Note:** Most people eligible for Medicare when they turn 65 years old, who have worked 40 or more quarters (approx. 10 years) in the US, enroll in Medicare Part A and do not have to pay a premium for Part A. Therefore, choosing whether to enroll in Part A is often not a question since most people receive it premium-free. If, however, a veteran has not worked at least 40 quarters, he or she may still be eligible for Medicare, but would have to pay the Part A premium. See our fact sheet “Original Medicare: An Overview” for more information.

## VA Medical Benefits Package

To receive VA health care benefits, a veteran must enroll in the VA health care system. Any veteran—a person who is a former member of the US Armed Forces (Army, Navy, Air Force, Marine Corps, and Coast Guard), served on active duty and was discharged under conditions other than dishonorable—may apply for the VA Health Benefits Package. The VA determines if an applicant is eligible based on a number of variables, including length of service, VA adjudicated disabilities (commonly referred to as service-connected disabilities), income level, and available VA resources. If the VA determines that an applicant is eligible, it will assign the veteran to 1 of 8 priority groups. Veterans in Group 1 get the highest priority and veterans in Group 8 get the lowest priority.

### How to apply

If you are a veteran and would like to apply for VA Health Benefits, complete VA Form 10-10EZ, which can be obtained from any VA health care facility, regional benefits office, online at [www.va.gov/1010EZ.htm](http://www.va.gov/1010EZ.htm) or by calling 1-877-222-VETS (8387).

The VA does not require veterans to have other health coverage. The VA however does encourage veterans to have other coverage, especially if they are eligible for programs such as Medicare or Medicaid. This is because VA health benefits are established by federal law and regulations and funded through appropriations, thus funding for VA benefits is unpredictable. Funds can change yearly depending upon how much funding Congress approves for VA benefits in a given year.

Also, enrolling in other health coverage does not interfere with receiving VA health benefits. This means that if you are enrolled in the VA Medical Benefits Package, you are not limited to using the VA health system as your exclusive health care provider. If you have other health insurance, you don't need to solely depend on the VA health care system; you have the flexibility of using other services.

## VA costs and benefits

Enrolled veterans do not pay a monthly premium to receive VA health care benefits. However, a veteran may have to pay copayments to treat conditions that are not service-connected disabilities or if his or her income does not meet the means test. VA offers comprehensive medical care including any necessary medical outpatient and inpatient services such as preventive services (immunizations, screening tests, health education and training classes), primary medical care including outpatient surgery, diagnosis and treatment, mental health and substance abuse treatment, home health care, respite and hospice care, emergency care in VA facilities and non-VA facilities for enrolled veterans who have no other means of paying a private facility emergency bill, drugs and pharmaceuticals.

## Medicare and VA Medical Benefits Package

Veterans who are eligible for both Medicare and VA health care benefits ask what are the pros and cons of enrolling in either or both programs. There are 3 options if you are eligible for both programs:

1. Enroll in both the VA Health Benefits Package and Medicare
2. Enroll in VA Health Benefits Package only
3. Enroll in Medicare only

### Option 1: Enroll in both the VA Health Benefits Package and Medicare

Veterans who are enrolled in both the VA Health Benefits Package and Medicare may take advantage of benefits in either program. The programs are independent and do not coordinate. To receive benefits from the VA Health Benefits Package, enrolled veterans must go to VA facilities. An enrolled veteran cannot use his or her Medicare card at a VA facility because the VA cannot bill Medicare.

To use Original fee-for-service Medicare, veterans must go to doctors and facilities that accept Medicare assignment, meaning they

accept Medicare's approved amount for any given service as payment in full. (**Note:** for information on Medicare assignment, see our fact sheet "Medicare Assignment and Costs at [cahealthadvocates.org](http://cahealthadvocates.org).) Veterans are responsible for paying all Medicare premiums, deductibles and co-insurance. The VA does not pay for these Medicare costs.

In addition, if a veteran has other private health insurance, the VA is required by law to bill private health insurance carriers for services provided to treat non-service connected conditions.

## A note on Medicare Part D

If veterans are also enrolled in a Medicare Part D plan, they may use either VA pharmacies and mail order service, or their Part D plan's network local retail pharmacies and mail order service, depending on who writes the prescription. Prescriptions written by VA providers may be filled at either VA or non-VA pharmacies or mail order services. At a VA pharmacy, most veterans are charged a copayment of \$8 for a brand-name or generic drug for each 30-day or less supply. If a veteran has a Medicare Part D plan, the plan's copayment may be more or less for the same prescription. For example, if the prescription was for a generic drug, the plan's copayment may be less than \$8, thus the veteran may save some money by filling the prescription at the Medicare Part D plan's pharmacy. Prescriptions written by non-VA providers cannot be filled at VA pharmacies or mail order services. Thus a veteran must fill prescriptions written by non-VA providers at his or her Medicare Part D plan's pharmacies and mail order services.

## Veterans without a Medicare Part D plan

Veterans who do not enroll in a Medicare Part D plan must fill their prescriptions only at VA pharmacies. If they decide later to enroll in a Medicare Part D plan, they may enroll only during the Annual Election Period, November 15 to December 31 every year, and the plan would be effective the following January 1. They would not have to pay the late enrollment penalty because the VA prescription drug coverage is

creditable. For more information about the late enrollment penalty and creditable coverage, see our fact sheet "Medicare Part D: An Overview" at [cahealthadvocates.org](http://cahealthadvocates.org).

## Veterans without Medicare Part B

Veterans who do not enroll in Medicare Part B must go to VA facilities for all outpatient medical services such as doctor visits preventive care, and durable medical equipment. If they decide to enroll in Medicare Part B plan later, they would have to pay the late enrollment penalty, which is 10% of the current Part B premium for every 12-month period. They may enroll only during the General Enrollment Period, January 1 to March 31 every year, and their Part B would become effective the following July 1.

## Veterans without Medicare Part B or a Medicare Part D plan

Veterans who enroll in Medicare Part A only are limited to using VA facilities except for Medicare Part A benefits. In such cases, they would have to pay the Part A deductible and co-insurance if they received Part A-covered services outside of VA facilities.

As mentioned above, veterans who later decide to enroll in Medicare Part B may enroll only during the General Enrollment Period and would have to pay the late enrollment penalty. If they decide to enroll in a Medicare Part D plan later, they may enroll only during the Annual Election Period but will not be charged a late enrollment penalty, as mentioned above.

## Option 2: Enroll in VA Health Benefits Package only

Veterans enrolled in the VA Health Benefits Package only are limited to using VA facilities for all their health care. Since they are not enrolled in Medicare, they don't need to pay any Medicare premiums, deductibles or co-insurance. If they have private health insurance, the VA is required by law to bill private health insurance carriers for services provided to treat non-service connected conditions.

## Option 3: Enroll in Medicare only

Like other Medicare beneficiaries, veterans who are enrolled in Medicare only and not in the VA health care system may receive their health services from providers who accept Medicare assignment, or pay the difference between what Medicare pays and what a provider, who does not accept assignment, charges. (**Note:** For information about assignment, please see our fact sheet “Medicare Assignment and Cost” at [cahealthadvocates.org](http://cahealthadvocates.org).) They cannot receive services from VA facilities. Such veterans are responsible for Medicare premiums, deductibles and co-insurance.

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This fact sheet contains general information and should not be relied upon to make individual decisions. If you would like to discuss your specific situation, call the Health Insurance Counseling and Advocacy Program (HICAP). HICAP provides free and objective information and counseling on Medicare and can help you understand your specific rights and health care options. You can call 1-800-434-0222 to make an appointment at the HICAP office nearest you, or go online at [cahealthadvocates.org](http://cahealthadvocates.org) to find the HICAP office in your area.