



Retiree health scenario examples

Does it matter which health plan you choose when you retire?

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**Does it matter
which health plan
you choose when
you retire?**

Let's take a look at 3 Federal retirees*: John, Linda and Mary. Each chose a different FEHB plan in retirement.



Meet John

John has an average FEHB plan and **decided not to enroll** in Original Medicare (Parts A and B) after retirement.

Linda also has an average FEHB plan, but unlike John, **elected to enroll** in Original Medicare (Parts A and B).

Meet Linda



Meet Mary

Mary also has Original Medicare **and chose the Aetna Medicare Advantage** plan** available for Federal retirees.

We'll review how each retiree fared when using their health benefits in a variety of scenarios. And see how their choices affected their annual out-of-pocket expenses.

The first example is a year with minor health concerns. It includes a primary care visit, an emergency room visit, and a Tier 2 monthly prescription drug.

The second example, is a year with major health concerns. It includes a primary care visit, an inpatient hospital stay, and Tier 2 monthly prescription and one Tier 3 prescription drug.

Both examples, will help show the importance of enrolling in Original Medicare (Parts A and B). It will show the true value and savings when combining Medicare with the right FEHB plan specifically designed for Federal retirees.

*These are fictitious examples using actual FEHB rates and benefits.

**Aetna MedicareSM Plan PPO with Extended Service Area (ESA). Aetna Medicare Advantage is available to Federal retirees who have, or agree to have, Medicare Parts A and B at the time of enrollment. You must be enrolled in FEHB, Medicare Parts A and B and pay your Part B premium.

Example 1:

Minor medical cost scenario

A PCP visit, an ER visit, and a Tier 2 monthly prescription drug



Mary

Original Medicare and chose Aetna Medicare Advantage

Mary enrolled in Original Medicare and selected the Medicare Advantage plan through FEHB.

Her cost share for **medical services is \$0**, so her annual **out-of-pocket costs** is for medication only and about **\$120**.



Linda

Average FEHB plan with Original Medicare

Since Linda enrolled in Original Medicare, her FEHB plan waives her cost share. This leaves her with an annual **out-of-pocket cost** of about **\$900** for her medication.



John

Average FEHB plan without Original Medicare

John decided not to enroll in Medicare, so the copays and deductibles on John's plan are not waived. This means his out-of-pocket costs for these services, plus his **medication**, could be about **\$1,150** for the year.

Scenario highlights:



The Aetna Medicare Advantage plan has a much lower annual premium than some FEHB plans.



The Aetna Medicare Advantage plan offers up to a \$1,200 reduction annually for Medicare Part B premiums.



The Aetna Medicare Advantage plan has lower out-of-pocket (OOP) medical costs due to \$0 copays for office visits and coinsurance, along with low prescription copays.



The overall annual savings could be up to \$3,375 in this claim scenario.

Minor medical cost scenario



BENEFIT COVERAGE	Medical cost estimates*	Mary's cost	Linda's cost	John's cost
Primary care physician copay	\$150	\$0	\$0	Up to \$30
Emergency room	\$1,500	\$0	\$0	Up to 20% or more
Inpatient hospital stay	\$10,000	\$0	\$0	Up to \$1,000
RETAIL PHARMACY				
Tier 1 drug	\$25	\$2	Up to \$10	Up to \$10
Tier 2 drug	\$250	\$10	Up to 30% or more	Up to 30% or more
Tier 3 drug	\$350	\$40	Up to 50% or more	Up to 50% or more
2023 Annual premium (self only)	\$1,500	\$2,895**	\$2,895**	
(+) Medicare Part B premium (annual)	\$1,979	\$1,979	\$0	
(-) Medicare Part B premium reduction	-\$1,200	\$0	\$0	
(+) Member medical out-of-pocket costs	\$120	\$900	\$1,150	
Total annual member out-of-pocket costs	\$2,399	\$5,774	\$4,045	
Potential savings by choosing Aetna Medicare Advantage:		\$3,375	\$1,647	

* Prices shown are examples. Actual costs will vary.

** 2023 National average premium of FEHB plans.

Example 2:

Major medical cost scenario

PCP visit, inpatient hospital stay, and Tier 2 monthly prescription and one Tier 3 prescription drug



Mary

Original Medicare and chose Aetna Medicare Advantage

Since, she elected to enroll in Original Medicare and then the Aetna Medicare Advantage plan available for Federal retirees, her cost share for **medical services** are **\$0**, and leaves her with about only **\$160** annually in **out-of-pocket** costs for medication.



Linda

Average FEHB plan with Original Medicare

While Linda's elected to enroll in Original Medicare (Parts A and B), her cost share for medical services is waived, leaving her with about **\$990** in **out-of-pocket** costs, for medication.



John

Average FEHB plan without Original Medicare

Because, John elected not to enroll in Medicare, his copays and deductibles are not waived, leaving his annual **out-of-pocket** costs for these services and medications at about **\$1,365**.

Scenario highlights:



The Aetna Medicare Advantage plan has a much lower annual premium than some FEHB plans.



The Aetna Medicare Advantage plan offers up to a \$1,200 reduction annually for Medicare Part B premiums.



The Aetna Medicare Advantage plan has lower OOP medical costs due to \$0 copays for office visits and hospitalization. It also has low prescription copays.



The overall annual savings could be up to \$3,510 in this claim scenario.

Major medical cost scenario



BENEFIT COVERAGE	Medical cost estimates*	Mary's cost	Linda's cost	John's cost
Primary care physician copay	\$150	\$0	\$0	Up to \$30
Emergency room	\$1,500	\$0	\$0	Up to 20% or more
Inpatient hospital stay	\$10,000	\$0	\$0	Up to \$1,000
RETAIL PHARMACY				
Tier 1 drug	\$25	\$2	Up to \$10	Up to \$10
Tier 2 drug	\$250	\$10	Up to 30% or more	Up to 30% or more
Tier 3 drug	\$350	\$40	Up to 50% or more	Up to 50% or more
2023 Annual premium (self only)	\$1,500	\$2,895**	\$2,895**	
(+) Medicare Part B premium (annual)	\$1,979	\$1,979	\$0	
(-) Medicare Part B premium reduction	-\$1,200	\$0	\$0	
(+) Member medical out-of-pocket costs	\$160	\$1,075	\$1,450	
Total annual member out-of-pocket costs	\$2,439	\$5,949	\$4,345	
Potential savings by choosing Aetna Medicare Advantage:		\$3,510	\$1,907	

* Prices shown are examples. Actual costs will vary.

** 2023 National average premium of FEHB plans.



The right plan makes a difference.

As you can see from these two examples, the FEHB plan you choose in retirement can make a difference in what you spend and how much you can save.

While Original Medicare is an additional expense, it can help you save, especially with a reduction in your Part B premiums.

The FEHB plan you choose can truly help lower your total out-of-pocket costs.

Health scenarios summary



John chose not to enroll in Original Medicare, and in both examples, he has the highest out-of-pocket medical costs with just an FEHB plan. These costs could continue to rise as he ages. Enrolling in Original Medicare when first eligible, will result in no penalties and can help lower out-of-pocket costs.



Linda kept the same FEHB plan into retirement but elected to enroll in Original Medicare. But her FEHB plan has a higher premium and does not reduce her Part B premium, so Linda has the highest member out-of-pocket cost of all three retirees in both examples.



Mary has Original Medicare, chose to switch her plan in retirement and enrolled in the Aetna Medicare Advantage plan. Since it's designed specifically for Federal retirees Mary saved more than John or Linda. **In both examples, Mary's plan has the lowest FEHB premiums, the lowest out-of-pocket medical costs and the lowest total annual out-of-pocket costs overall. Her plan also reduces the Medicare Part B premium by \$1,200.**

These examples help show that when you do your research and enroll in the right plan in retirement, it can make a big difference. And that's important as you age and have health concerns.

Choosing a plan designed for Federal retirees can help save you money and provide the value you deserve in retirement. For more details about our Aetna plans for retirees visit AetnaFeds.com/RetireePlans

To see how much you can save OOP by switching to the Aetna Medicare Advantage plan, visit our **Retiree Savings Calculator**.



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This is a brief description of the features of this Aetna plan. Before making a final decision, please read the Plan's Federal brochure(s). All benefits are subject to the definitions, limitations and exclusions set forth in the Federal brochure. Aetna's Drug Guide is subject to change. External websites links are provided for your information and convenience only and does not imply or mean that Aetna endorses the content of such linked websites or third-party services. Aetna has no control over the content or materials contained therein. Aetna therefore makes no warranties or representations, express or implied, about such linked websites, the third parties they are owned and operated by, and the information and/or the suitability or quality of the products contained on them. Information is believed to be accurate as of the production date; however, it is subject to change. For more information about Aetna plans, refer to AetnaFeds.com