

Attorney Timothy P. Crawford, CPA, CELA*, CAP**
wanted to share this information with you.

GETTING MEDICARE WHILE TRAVELING OR LIVING OVERSEAS

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Many retirees look forward to traveling in their retirement, and more and more are actually retiring overseas, in part as a way to stretch savings. But what happens to retirees' federal benefits while they are out of the country? The short answer is that although Social Security benefits are available to retirees in other countries, Medicare generally is not. In this installment we look at Medicare.

Traditional Medicare does not provide coverage for hospital or medical costs outside the United States (although Medicare does cover residents of Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa, and the Northern Mariana Islands). In rare cases, Medicare may pay for inpatient hospital services in Canada or Mexico.

Some Medicare Advantage (private Medicare) plans may provide coverage benefits for health care needs when enrollees travel outside the United States. (Check with your plan before traveling.) But those retiring overseas -- or travelers enrolled in the traditional Medicare program or whose Medicare Advantage plan does not cover foreign travel -- will need to purchase health insurance from another source.

Medicare beneficiaries who are traveling and who have no other coverage must either buy short-term travel insurance or a Medigap policy that covers foreign emergencies. Medigap plans C through J offer travel emergency coverage, but the benefit applies only during the first 60 days of any trip. This Medigap benefit covers 80 percent of emergency care administered outside the country. A \$250 deductible and \$50,000 lifetime maximum apply. In addition, many travel agents and private companies offer insurance plans that will cover health care expenses incurred overseas, including evacuations. The State Department's Bureau of Consular Affairs provides information on medical insurance while overseas, including a list of companies that offer travel medical insurance, at its website.

Retirees who are moving to a foreign country cannot use Medicare to pay for health care while they are living overseas. The options for retirees are to buy private coverage, to pay into a government-sponsored system in their new country of residence, or to go without coverage. If the retiree is moving to a country with a strong national plan, he or she may

be able to pay into the plan and receive coverage similar to that accorded residents of the country. If national insurance isn't an option, many companies offer "expatriate" health insurance plans. Choosing the right plan depends on where the retiree is moving. For example, if a retiree is traveling somewhere remote or with poor local health care, evacuation coverage may be important. Another country may offer excellent health care, but each doctor visit may cost a lot of money, so a plan that covers outpatient doctor visits may be necessary there. No matter where the retiree is moving, another consideration is whether the plan covers pre-existing conditions.

Whatever option retirees choose while abroad, if they return to the United States they will still be covered by Medicare Part A. Medicare Part A covers institutional care in hospitals and skilled nursing facilities, as well as certain care given by home health agencies and care provided in hospices. There are no premiums for this part of the Medicare program and anyone who is 65 or older and is eligible for Social Security automatically qualifies.

Medicare Part B, which covers outpatient services, charges a monthly premium. Unless retirees continue to pay the premiums while they are overseas, they will not automatically be covered by Medicare Part B when they return to the United States. Retirees who drop Part B and then move back to the United States will have to pay an enrollment penalty. Premiums increase by 10 percent for each year that an individual is not enrolled in Part B. Therefore, retirees who think they may return to the United States may find it worthwhile to continue paying Part B premiums while they live abroad.

**“Those Who Plan Ahead Win.
Those Who Don’t Plan Ahead Lose.”**

This article is not intended as legal advice. It is basic information. I would recommend that you call Attorney Timothy P. Crawford for a free conference to discuss your situation in more detail. Attorney Timothy P. Crawford can be reached toll-free at 1-888-634-6675. When you call in, please mention the fact that you have read this article.

*Attorney Timothy P. Crawford is a Board Certified Elder Law Attorney(CELA). He has been Board Certified by the National Elder Law Foundation which has been approved as the Sole Certifying Organization for Elder Law Attorneys by the American Bar Association.

**Timothy P. Crawford was invited to join the Council of Advanced Practitioners of the National Academy of Elder Law Attorneys (NAELA) in August of 2005. The Council of Advanced Practitioners (CAP) is a small group of premier elder law attorneys, all of whom have been members of NAELA for at least 10 years, are certified as elder law attorneys by the National Elder Law Foundation, and are AV rated the top in the nation by Martindale Hubbell. A Service that provides an independent rating of the quality of attorneys.

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