

## Getting Medicare While Traveling or Living Overseas

Many retirees look forward to traveling in their retirement, and more and more are actually retiring abroad. But what happens to their Medicare coverage 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.

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). Medicare may pay for inpatient hospital, doctor or ambulance services care outside the United States if an individual lives in the United States but a foreign hospital is closer than the nearest U.S. hospital that can treat the medical condition, or if a medical emergency occurs while traveling through Canada without unreasonable delay by the most direct route between Alaska and another state, and the Canadian hospital is closer than the nearest U.S. hospital that can treat the emergency. Medicare Part B may cover medically necessary care on board a ship that is not more than six hours away from a U.S. port and within territorial waters adjoining the land areas of the United States. Medicare will cover emergency dialysis received at a hospital while the beneficiary is traveling outside the United States. For details, see: <http://tinyurl.com/elr-Medicare-abroad>.

Some Medicare Advantage (private Medicare) plans may provide coverage benefits for health care needs when enrollees travel outside the United States. (Clients should check their plans 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 buy either short-term travel insurance or a Medigap policy that covers foreign emergencies. Medigap plans C through G and M and N offer travel emergency coverage, but the benefit applies only during the first 60 days of any trip. (Plans E, H, I, and J also provided travel coverage but these plans no longer for sale, although those who bought one of the plans before June 1, 2010 may keep it.) This Medigap benefit covers 80 percent of emergency care administered outside the country. A \$250 deductible

and \$50,000 lifetime maximum apply. For more, see <http://tinyurl.com/elr-Medigap-abroad>

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 Web site (see <http://tinyurl.com/elr-insurance-abroad>).

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 be expensive, 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. A recent article in the New York Times discusses coverage options for expatriates: <http://tinyurl.com/elr-nytimes-abroad>

Whatever option retirees choose while abroad, if they return to the United States they will still be covered by Medicare Part A, which 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 generally 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 living abroad.