# Concerns Raised on Compelling Retirees to Enroll in Medicare

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As both the House and Senate have begun hearings into another possible attempt to shore up the Postal Service’s finances, concerns have been raised about a new attempt to compel postal retirees to enroll in Medicare.

That provision has been in numerous proposals regarding USPS for years, none of which have come close to final approval despite financial troubles largely caused by the shift from standard mail to electronic messaging, offset only partly by growth in package delivery.

Currently, postal and other federal retirees who continue FEHB coverage in retirement—as the large majority do—have the option of enrolling in Medicare when they reach eligibility for that program, typically at age 65. Each program provides some coverage that the other doesn’t, but while the two coordinate coverage with Medicare acting as the first payer and FEHB as a supplement, there is no reduction in the premiums of either for having both.

The requirement to enroll in Medicare would in essence shift some of the cost of postal retiree health care from the FEHB program to that program—for those who have both, Medicare is the first payer—although at the cost to retirees currently with only FEHB coverage of requiring that they pay Part B premiums, currently $135 a month. One measure proposed in the prior Congress would have softened the impact by subsidizing the added cost to retirees, although that would have been phased out over four years.

In a submission to the House Oversight and Reform Committee, the NARFE organization said that requiring postal retirees to enroll in Medicare “changes the bargain regarding health benefits for postal retirees after they retired, setting a dangerous precedent for all federal retirees and it imposes a deeply paternalistic government requirement by removing choice for postal retirees with regard to their health insurance coverage, at significant additional cost.”

It said that if such a requirement is imposed, it should apply only to future retirees, not current ones, and that even they should be given an opportunity to opt out.