

Medicare for Overseas Americans

During their careers most American citizens contribute to and earn the right to receive Medicare benefits in the United States. Medicare is not available to them, however, if they retire and seek medical services outside the USA. Eligible military retirees and their dependents do benefit from a medical reimbursement plan called Tricare Standard, if they retire outside the USA.

AARO, ACA, ALLAMO and FAWCO, which represent the interests of civilian Americans abroad, respectfully request that the absolute prohibition be relaxed for them by the adoption of a medical reimbursement plan for their constituents. This could take the form of a Medicare Research and Demonstration Waiver, a plan similar to Tricare Standard and/or a Health Savings Account useful in foreign countries.

In support of their proposal, the proponents cite the experience gathered in Mexico under Tricare Standard, which has allowed military retirees to receive 75% reimbursement of covered health care charges incurred in Mexican hospitals or doctors' care through the Wisconsin Physicians Service, since no US military hospitals or network providers exist there. Because health care in Mexico is less expensive than in the USA, Tricare pays less for this coverage than it would have in the USA (if the patients return there for treatment); this possibility also encourages enrollees to take preventive health measures.

Although the rationale for denying Medicare to Americans retiring abroad is the difficulty (1) of determining reimbursement rates for foreign medical services and (2) ensuring compliance with Medicare standards by foreign medical facilities and personnel, Tricare offers proof that this first obstacle can be and has been overcome for an overseas military population. Although fear of escalating costs is another reason for denial, experience shows that this is unjustified; indeed a contrary conclusion is almost certain to emerge from an extension of Tricare to civilians abroad.

The US Government should honor its commitment to civilian Americans who retire abroad by delivering Medicare or graduated similar benefits to eligible candidates. If an extension of Tricare is not favored, a Medicare Research and Demonstration Waiver project could be developed by the Center for Medicare Services, authorizing the collection of relevant data about medical costs and services in a foreign country.

Another possible solution is the design of high-deductible medical insurance abroad and use of Health Saving Accounts by civilian Americans for medical services in a foreign country. Eligible civilian Americans, who have contributed to Medicare and wish to retire abroad, deserve to receive some form of health care protection in return for the payments they and their employers have made over the years.

We solicit the consideration of the US Congress and Government for this proposal, which ensures fairness and equity to civilian Americans.



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