



Medicare and Traveling — Do You Need Extra Insurance?

By Leigh Bivings, Ph.D., CFP®

Should Medicare beneficiaries purchase extra travel insurance? Yes. That's my conclusion after looking at the fine print of what Medicare offers and what's excluded.

The first thing to know is that Original Medicare (Part A and B coverage) does not cover medical emergencies while traveling abroad. If this is the case, then the best one can do is hope that they are well enough to fly back home quickly to obtain covered care.

In reality, however, most retirees who can afford to travel abroad don't scrimp on their health insurance and so typically have supplemental insurance (Medigap and drug prescription insurance) or they are enrolled in a Medicare Advantage plan. But one still has to read the policies carefully because not all Medigap plans offer foreign travel emergency protection. Moreover, with some policies, coverage is limited to reimbursement of only 80% of the costs incurred during the first 60 days of each trip, after a \$250 deductible, and come with a lifetime maximum of \$50,000. This may sound sufficient but even 20% of an emergency surgery abroad can add up quickly. Moreover,

medevac coverage is not considered a medically necessary cost and so is not covered at all, even when the plan offers the foreign emergency medical coverage. It's also important to know that even if you have Medicare Part D drug insurance and comprehensive Medigap travel emergency coverage, you would not be covered for any outpatient medications purchased outside the United States.

It gets even trickier if the Medicare beneficiary has opted to get their Medicare benefits – Parts A, B and typically D – through an Advantage plan. Most of these plans do not provide any coverage for foreign travel, and some will not even cover any routine care outside of one's main service area (the area you have to live in to enroll in the plan) unless an in-network provider is available. The only thing that all Advantage plans are required to cover is emergency care anywhere in the U.S. Moreover, with most Advantage plans, if you travel outside of your plan's service area for more than six months, you may be disenrolled from the Advantage plan and switched to Original Medicare (Parts A and B) unless you obtain a type of plan specifically designed for snowbirds.



Due to all of the above foreign travel limitations associated with Medicare, I think it is wise for all Medicare beneficiaries to purchase private travel medical insurance prior to a trip abroad, even those that already have some coverage. Many travel policies are explicitly designed to fill the gaps in Medicare travel coverage and they offer some good additional benefits such as direct payment to doctors and hospitals, medevac coverage, repatriation of mortal remains, and 24-hour concierge-level assistance. Best of all, the plans are not expensive averaging around \$5 per travel day or \$120 -\$220 per year for multiple trips.

Bottom Line:

Nobody wants to have a medical emergency during a trip, but careful planning prior to traveling abroad can save you a lot of headaches down the road...and a lot of money. The extra peace of mind is worth it.

Artemis Financial Advisors
115 Newbury Street
Suite 302
Boston, MA 02116

617-542-2420

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