

## **Medicare for Overseas Americans**

Although many Americans who live overseas have contributed to Medicare during their careers through pay-roll deductions, they generally are not able to benefit from Medicare if they retire outside the USA. An exception to this rule has been made for military veterans and their families, who retire abroad and do not have a military medical facility within a reasonable distance of their domicile. The Tricare Standard plan offers reimbursement for reasonable scheduled medical expenses incurred by military retirees upon submission of proper proof, amounting to 75% of expenses incurred.

Associations representing Americans overseas have lobbied in past years for some relaxation of the strict rule prohibiting the coverage of medical expenses to Americans in retirement outside the USA. Its efforts have been unrewarded, due to the prevailing rationale in Congress, which holds that (1) reimbursement rates for medical services abroad are undetermined and undeterminable and likely to be very costly, and (2) compliance with Medicare standards by foreign medical facilities and personnel cannot be ensured. These objections illustrate the intricate, thorough codification of medical acts and practice which governs the thinking of the Center for Medicare Services (CMS) and which could not be implemented in foreign countries without much time and difficulty. In practice, medical costs in the U.S.A. almost invariably higher than elsewhere; since covered persons can receive treatment by traveling back to the U.S.A., the prohibition against foreign coverage not only inconveniences Americans, but it costs the treasury more money as well.

Experience has been gained in Mexico, however, showing that a less ambitious program, the military's Tricare Standard coverage, can operate there and ensure both reasonable coverage for retirees living there and delivery of medical and hospitalization services at a cost saving compared to scheduled Medicare costs in the USA. The experimental program there was administered by the Wisconsin Physicians Service. It was not only effective; it has encouraged the adoption of medical standards recognized as meeting Medicare criteria, in Mexico.

Another issue concerns the financial penalty applied to Americans who enroll in Medicare after their initial year of entitlement. Overseas Americans associations contend that an American, covered by medical insurance through employment, directly or indirectly, should be able to sign up for Medicare when he returns to the USA without penalty, even if he does so at 68 or 70. Since the American has not been able to draw on the program, penalizing him for late enrollment is unreasonable and punitive.

The United States should honor its commitment to civilian Americans who have contributed to Medicare and retire outside the USA by delivering Medicare or some reasonable alternative medical protection to eligible persons. If an extension of Tricare Standard to civilians is not favored, a Medical Research and Demonstration project could be developed by the CMS for a country or regional market. This would provide for the collection of data about relevant medical costs and services in the market and be a step in the direction of designing a program applicable abroad. Another possibility is the design of high-deductible insurance abroad coupled with Health Savings Accounts useful to civilian Americans on retirement abroad. The methods of entitling Americans abroad to benefit from medical coverage exist. We respectfully request Congress and the Government to help us find an appropriate solution for the medical needs of American civilians abroad.