ECOS MEDICARE SOLUTIONS

Veterans, TRICARE & VA Benefits Guide

How Military Benefits Work With Medicare —
What Every Veteran Needs to Know

Book 1 of 4 · The Retire With Confidence Series

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Chapter 15: Veterans, TRICARE, and VA Benefits — How They Work With Medicare

This chapter is personal. I spent 22 years in the United States Air Force, starting as a Heavy Construction Equipment Operator and finishing as a Cyber Warfare Officer and University Professor. I know the military healthcare system from the inside. I've used it. I've navigated it. And now I help fellow veterans make the most of it alongside Medicare.

If you're a veteran, you're in a unique position. You may have access to VA healthcare, TRICARE, military retirement benefits, a Thrift Savings Plan, and Social Security—all at the same time. The question is how to coordinate these benefits with Medicare so you get the best coverage, the lowest costs, and the maximum financial protection.

Let's break it down.

VA Healthcare and Medicare: Two Separate Systems

The VA healthcare system and Medicare are completely independent programs. They don't talk to each other. They don't coordinate benefits automatically. And critically, VA healthcare does NOT count as creditable coverage for Medicare Part B purposes.

Let me repeat that because it's the most common mistake veterans make: VA coverage is not creditable coverage for Medicare. If you rely solely on VA healthcare and don't enroll in Medicare Part B at age 65, you will face a permanent Part B late enrollment penalty when you eventually do enroll.

⚠ CRITICAL FOR ALL VETERANS

> *Enroll in Medicare Part A at age 65. It's free (assuming 40+ quarters of work), and there's no reason not to. Enroll in Medicare Part B at age 65 unless you have creditable employer coverage from a current employer with 20+ employees. VA coverage alone does NOT protect you from the Part B penalty. If you delay Part B without creditable employer coverage, you will pay a 10% penalty for every year you were late—for the rest of your life.*

TRICARE and Medicare: The Three Paths

TRICARE is the healthcare program for active-duty service members, retirees, and their dependents. There are three main TRICARE programs that interact with Medicare:

TRICARE for Life (TFL)

TRICARE for Life is the gold standard for military retirees with 20+ years of service (or medical retirement). TFL acts as a wraparound supplement to Medicare—essentially functioning like a Medigap plan, but at no additional premium cost.

How it works: Medicare pays first, and TRICARE for Life picks up most or all of the remaining costs. For Medicare-covered services, your out-of-pocket cost is typically zero. TFL also covers many services Medicare doesn’t, including prescription drugs through the TRICARE pharmacy benefit, overseas coverage, and certain dental and vision benefits.

⚠ TRICARE FOR LIFE REQUIRES PART B

> *To remain eligible for TRICARE for Life, you MUST have both Medicare Part A and Part B. If you drop Part B or fail to enroll, TRICARE for Life coverage is suspended. This is non-negotiable. The cost of Part B ($202.90/month in 2026) is the “premium” for keeping TFL active—and it’s one of the best deals in healthcare.*

TRICARE Prime

TRICARE Prime is an HMO-style managed care option available to military retirees under 65. At age 65 (when Medicare eligibility begins), most retirees transition from TRICARE Prime to TRICARE for Life. If you’re approaching 65 on TRICARE Prime, the transition to TFL should be seamless as long as you’re enrolled in both Medicare Part A and Part B.

TRICARE Select

TRICARE Select is a PPO-style option with annual enrollment fees, deductibles, and cost-shares. Like TRICARE Prime, at age 65 you transition to TRICARE for Life once enrolled in Medicare Parts A and B. TRICARE Select can act as secondary coverage for Medicare-covered services.

TRICARE for Life vs. Medigap vs. Medicare Advantage

Monthly Premium (beyond Part B)	$0	$150–$300	$0–$200+
Part A Deductible Covered	Yes	Yes	Varies
Part B Coinsurance Covered	Yes	Yes (after $283 deductible)	Copays/coinsurance apply
Part B Excess Charges	Yes	Yes	N/A (network-based)
Prescription Drugs	TRICARE pharmacy (low cost)	No (need separate Part D)	Usually included
Dental Coverage	Limited through TRICARE Dental	No	Often included (basic)
Provider Network	Any Medicare provider +	Any Medicare	In-network only

	military facilities	provider	
Overseas Coverage	Yes (worldwide)	Limited (80% for emergencies)	Limited to service area
Prior Authorization	Rarely	No	Common
Out-of-Pocket Maximum	Catastrophic cap applies	None needed (comprehensive)	$8,850 in-network (2026)
Best For	Military retirees (20+ years)	Non-military Medicare enrollees	Cost-conscious enrollees wanting extras

If you’re a military retiree eligible for TRICARE for Life, you have what is arguably the best healthcare coverage available to any American. Your only cost is the Part B premium. There is almost never a reason for a TFL-eligible retiree to purchase a Medigap plan or enroll in a Medicare Advantage plan—TFL is superior to both in almost every way.

VA Healthcare for Non-Retirees

Not all veterans are TRICARE-eligible. TRICARE is for military retirees (20+ years or medical retirement) and their dependents. Veterans who served but didn’t retire from the military may be eligible for VA healthcare based on service-connected disability, income, or other factors.

VA healthcare is excellent, but it has limitations: you must use VA facilities (unless authorized for community care), wait times can be long for non-urgent care, and not all services are available at every VA facility. Many veterans benefit from having both VA healthcare AND Medicare—using the VA for specialty services, mental health, and service-connected conditions, and Medicare for everything else.

VA Disability Compensation and Income Planning

VA disability compensation is tax-free. It is not included in your Adjusted Gross Income, your MAGI, or your provisional income for Social Security taxation. This makes VA disability one of the most tax-efficient income sources in retirement.

However, VA disability compensation can affect other benefits. For military retirees, there are two programs that allow you to receive both military retirement pay and VA disability simultaneously: Concurrent Retirement and Disability Pay (CRDP) for those with 50%+ VA disability, and Combat-Related Special Compensation (CRSC) for combat-related disabilities. Without these programs, VA disability would offset your military retirement dollar-for-dollar.

VA Disability Compensation	No	No	None	None
VA Pension (non-	Depends	Depends	Possible	Possible

disability)	Depends	Depends	Possible	Possible
Military Retirement Pay	Yes	Yes	Yes	Yes
CRDP (concurrent pay)	Retirement portion: Yes; VA portion: No	Partial	Partial	Partial
CRSC (combat-related)	No	No	None	None

VA Long-Term Care Benefits

The VA offers several long-term care programs for eligible veterans, including: Community Living Centers (VA nursing homes) for veterans with 70%+ service-connected disability or who meet clinical need. Aid and Attendance benefit (a pension supplement for veterans who need help with ADLs)—up to $2,431/month for a single veteran in 2026 or $2,874/month for a veteran with a dependent spouse. Housebound benefit for veterans confined to their home. Home-Based Primary Care and Homemaker/Home Health Aide services.

These VA benefits can complement private long-term care insurance and Medicare coverage. However, VA LTC programs have eligibility requirements, wait lists, and geographic limitations. They should be part of your long-term care plan, not your entire plan.

REAL-WORLD EXAMPLE: The Retired Colonel Who Almost Lost TFL

> *Colonel (Ret.) James, age 65, had relied on TRICARE Prime his entire post-military career. When he turned 65, he assumed TRICARE would "just keep going." He didn't enroll in Medicare Part B. Six months later, he discovered that TRICARE for Life had suspended his coverage because he lacked Part B. He enrolled during the General Enrollment Period, but coverage didn't start until July 1—leaving him with a 6-month gap and a permanent 5% Part B penalty. His annual extra cost: $111/year for life. A single phone call at age 64 would have prevented this.*

FREQUENTLY ASKED QUESTIONS

Q: I have a 100% VA disability rating. Do I still need Medicare?

> *A: Even with 100% VA disability, Medicare Part A is free and provides coverage outside the VA system. Part B is strongly recommended to maintain TRICARE for Life eligibility (if applicable) and to give you the flexibility to see any Medicare provider. Many veterans with high disability ratings still benefit from having Medicare as a backup system.*

Q: Does my military service count toward Social Security?

A: Yes. Active-duty military service is covered by Social Security. You paid FICA taxes during service, and those years count toward your 35-year earnings calculation. Special credits may apply for earlier service periods. Check your Social Security Statement to verify all military years are correctly credited.

Q: Can I use the VA and Medicare at the same time?

A: You can be enrolled in both, but for any single service, only one program pays. You can't bill both Medicare and the VA for the same treatment. However, you can use the VA for some services (like service-connected care or prescriptions) and Medicare for others (like seeing a civilian specialist). Many veterans use both systems strategically.

Q: My spouse was never in the military. Are they covered by TRICARE?

A: If you're a military retiree, your spouse is eligible for TRICARE (and TRICARE for Life after 65 with Medicare Parts A and B). If you're a veteran but not a military retiree, your spouse is generally not eligible for TRICARE but may qualify for CHAMPVA if you have a permanent and total service-connected disability.

Q: What is CHAMPVA?

A: CHAMPVA (Civilian Health and Medical Program of the Department of Veterans Affairs) provides healthcare coverage for the spouse and dependents of a veteran with a permanent and total service-connected disability, or for the surviving spouse and dependents of a veteran who died from a service-connected condition. At 65, CHAMPVA becomes secondary to Medicare.

CHAPTER 34 CHECKLIST

☐ *I understand that VA coverage is NOT creditable coverage for Medicare Part B*

☐ *I've enrolled in (or plan to enroll in) Medicare Part A at age 65*

☐ *If TRICARE-eligible, I've confirmed enrollment in Part B to maintain TRICARE for Life*

☐ *I know my VA disability rating and which VA benefits I'm eligible for*

☐ *I've verified my military years are correctly reflected on my Social Security Statement*

☐ *I've explored VA long-term care benefits (Aid and Attendance, Community Living Centers)*

☐ *I've evaluated how VA disability compensation fits into my IRMAA-free income* *strategy*

☐ *I've updated all beneficiary designations on my TSP, SGLI/VGLI, and other policies*

READY TO TAKE THE NEXT STEP?

Fellow veteran: I served 22 years so I could help people like you navigate the transition from military to civilian retirement. TRICARE, VA benefits, TSP, Social Security, Medicare—I've lived all of it. Let me put my experience to work for you. Call a brother-in-arms. I've got your six.

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Ready for Your Free Medicare Consultation?

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