

## Welcome to Medicare University



As you near the age of Medicare eligibility, find yourself already 65 years of age or older, or are under 65 with certain disabilities, it's important to learn all the facts about Medicare and how it will affect you, including an understanding of which services Medicare covers and what it excludes.

Although Medicare has been around for more than 40 years, you are just now approaching the time when you must learn and understand it. And Blue Cross and Blue Shield of Oklahoma is here to help. With a long-standing history of providing members with health care coverage and services, Blue Cross and Blue Shield is one of the most widely recognized names in the health insurance industry. **Nearly 1 in 3 Americans who have health coverage is covered by a Blue Cross and Blue Shield plan.**

We know how important your health care is to you and how many questions you must have about Medicare and which plan is right for you. With this Medicare University folder of information, we hope to ease the learning curve of Medicare and Medicare Supplement plans, and give you a jump start toward fully understanding Medicare coverage.

*Our goal is for you to get an A+ in Medicare University!*

*Do you know the facts about Medicare?*

**Already know your Medicare ABC's? Turn to page 5 to jump to the head of the class and learn about Plan65 Medicare Supplement coverage.**

# What is Medicare?

## What is Medicare?

Medicare is federally funded health insurance for people aged 65 and over or people younger than 65 who meet special criteria such as certain disabilities. From its beginnings in 1965 when President Lyndon B. Johnson signed it into law, Medicare has played an important role in the U.S. health care system, providing millions of Americans with federally funded health insurance. Medicare is administered by the Centers for Medicare and Medicaid Services (CMS), which is part of the U.S. Department of Health and Human Services. Medicare applications, however, are received by the Social Security Administration. Medicare coverage is broken into four parts:

- Part A (hospital insurance) helps cover inpatient hospital care, inpatient skilled nursing care, hospice care, home health services and certain other services.
- Part B (medical insurance) helps cover physician services, outpatient care and other medical services. Part B is optional.
- Part C provides Part A and Part B coverage and is offered by private companies. Part C is commonly referred to as a Medicare Advantage Plan. Part C is optional.
- Part D provides prescription drug coverage offered by private companies. Part D is optional.

As a CMS-approved health care provider, Blue Cross and Blue Shield of Oklahoma offers stand-alone Part D prescription drug plans and Medicare Advantage plans with prescription drug coverage.

Blue Cross and Blue Shield of Oklahoma also offers a wide selection of Medicare Supplement plans.



## Who is eligible?

Generally, Medicare is available for people who are ages 65 and older, under age 65 with certain disabilities, and any age with end stage renal disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant). The easiest way to find out if you're eligible for Medicare is to call the Social Security Administration toll-free, at 1-800-772-1213, TTY 1-800-325-0778, 24 hours a day, 7 days a week.

## When should I apply?

You should apply for Medicare about three months prior to your 65 birthday. At this time, you will be eligible for all four insurance options/parts: hospital (Part A), physician services (Part B), a Medicare Advantage Plan (Part C) and prescription drug coverage (Part D). However, enrollment in Medicare Parts B, C and D is voluntary and you can elect not to receive those coverage benefits. It is important to note that if you elect not to enroll in a Medicare Part D prescription drug plan, and you don't have other prescription drug coverage that is as good as Part D coverage, you may be assessed a Medicare imposed late enrollment penalty on your monthly premium.

**Most people get their Medicare health coverage in one of two ways. Your costs vary depending on your plan, coverage and the services you use.**

Original Medicare Plan	
Part A (Hospital)	Part B (Medical)
Medicare provides this coverage. Part B is optional. You have your choice of doctors.	
PLUS	
Medicare Supplement Plan	
You can choose to buy this private coverage (or an employer/union may offer similar coverage) to fill in the gaps created from Part A and Part B coverage. Costs vary by policy and company.	
PLUS	
Prescription Drug Coverage	
Part D	
You can choose this coverage. Private companies approved by Medicare run these plans. Plans cover different drugs. Medically necessary drugs must be covered.	

**OR**

Medicare Advantage Plans
Part C (Combines Part A, Part B, and sometimes Part D)
Private insurance companies approved by Medicare provide this coverage. Generally, you must see doctors in the plan to receive the greatest benefit. In most cases you may receive extra benefits like prescription drug coverage.

## What is Medicare part A?

Medicare Part A helps cover inpatient care in hospitals. This includes critical access hospitals and inpatient rehabilitation facilities. It also helps cover hospice care, home health care and post-hospital skilled nursing facilities (not custodial or long-term care).

## What is Medicare part B?

Medicare Part B helps cover medically-necessary services like doctors’ services, outpatient care and other medical services. Part B also covers some preventive services. These include a one-time “Welcome to Medicare” physical exam, bone mass measurements, flu and pneumonia shots, cardiovascular screenings, cancer screenings, diabetes screenings and more.

## What isn't covered by Medicare part A and part B?

While Medicare is designed to help you with your health care expenses, it does not provide you with complete coverage. It’s a fact; Medicare won’t be enough to handle all your health care needs. For example, Medicare

doesn’t cover health care you receive while traveling outside of the United States (except in limited cases), hearing aids, hearing exams not ordered by your doctor, long-term care such as a nursing home, most eyeglasses, most dental care, dentures and more. Some of these services may be covered by a Medicare Advantage Plan (Part C).

## What is Medicare prescription drug coverage?

Medicare offers prescription drug coverage (Part D) for everyone with Medicare. This coverage may help you lower your prescription drug costs and help protect you against higher costs in the future. To get access to Medicare drug coverage, you must join a plan that is offered by a private insurance company.

Anyone with Medicare Part A or B is eligible for Part D plans. Part D plans provide prescription coverage with traditional Medicare, or in combination with a Medicare Supplement plan. Part D plans are optional.

If you decide not to join a Medicare drug plan when you are first eligible, and don’t have other



## Why do I need a Medicare Supplement plan?

Medicare alone is not enough. Blue Cross and Blue Shield of Oklahoma offers some of the most popular Medigap plans that fill in Medicare’s coverage gaps and can provide you with continuous coverage.

prescription drug coverage that is as good as Part D coverage, you will likely pay a late enrollment penalty if you decide to enroll later.

## How does a Medicare Advantage plan work?

Medicare Advantage plans are health plan options that are approved by Medicare and run by private organizations. Medicare Advantage plans provide health care coverage in place of traditional Medicare and generally offer extra benefits, including Part D prescription drug coverage.

Often, plans are offered through a network of health care providers, such as an HMO or PPO, which means that you may have to pay more if you receive services from a non-contracted doctor or hospital. Generally, people enrolled in Medicare Advantage Plans don't need a Supplement plan.

## Now I know all the parts of Medicare, so what is a Medicare Supplement plan?

Medicare pays for many of your health care services and supplies, but it doesn't pay for all your health care costs. Medicare Supplement plans ("Medigap" plans), such as Blue Cross and Blue Shield of Oklahoma's Plan65, were created to cover these gaps and help pay your share of the costs of services not covered by Medicare.

When you enroll in a Medigap plan, such as Plan65, you must have Medicare Part A and Part B. You are responsible for the monthly

## Why choose BCBSOK for your Medicare Supplement plan?

### Here are just a few reasons:

1. We don't ask a lot of health questions during the application process.
2. We won't raise your rates just because you have a birthday. You can stay "65" forever!
3. We offer discounts to customers who are new to Medicare.
4. Nearly one out of every two Oklahoma Medicare beneficiaries who enroll in a Medicare Supplement plan choose BCBSOK.

Medicare Part B premium and a monthly premium to the Medigap insurance company. Blue Cross and Blue Shield offers some of the most popular Medigap plans. Each plan provides different benefits and different levels of premium. Plan65 (excluding Blue Plan65 Select) allows you to use any doctor or hospital that accepts Medicare.

**Plan65 Flexibility** – Choose basic protection for a low monthly premium, or get broader benefits and lower out-of-pocket expenses with more comprehensive plans.

Coverage options include plans that:

- Pay the Medicare Part A deductible
- Pay the Medicare Part B deductible
- Pay all or part of any remaining Medicare Part B expenses above Medicare-approved amounts.

**Discount Pricing** – You can receive a discount on your Plan65 monthly premium if you meet certain requirements. If you enroll in Plan65 within the first six months following your enrollment in Medicare Part B, are under the age of 70 and enrolling in Plan65 for the first time, you can receive four-year early enrollment discounts. For your first year of coverage you will save 20 percent on all your monthly premiums; 15 percent the second year; 10 percent the third year; and 5 percent the fourth year.

Customers over the age of 70 and who are new to Medicare receive an early enrollment discount for as long as you keep your Plan65 coverage.

**Fast, Accurate Claims** – Your claims are filed automatically by Medicare for inpatient hospital services (Medicare Part A) and physician services (Medicare Part B services and supplies). Once Medicare submits the remaining portion of your claim, Blue Cross and Blue Shield of Oklahoma will process it, and you'll be hassle-free.

**Regardless of Age** – If you're an Oklahoma resident enrolled in Medicare, you can apply for the valuable protection and superior service that only Plan65 can provide, regardless of age.

**Your Choice of Physicians** – With Plan65, you can keep your current doctor or choose any other doctor that accepts Medicare. With Blue Plan65 Select, you must choose a doctor that accepts Medicare and is in the plan network in order to receive the highest level of benefits.

**Coverage Cannot be Canceled** – Your coverage cannot be canceled because of your age or the number of claims you file. You can continue your Plan65 protection for as long as you like and your renewals are guaranteed.

<b>Monthly Rates</b> (subject to change)	<b>Plan A</b>	<b>Plan D</b>	<b>Plan F</b>	<b>Plan F*</b>	<b>Blue Plan65 Select**</b>
<b>Ages 65 - 69 (Enrolled in Medicare Part B less than 6 months)</b>	\$91.70	\$133.30	\$136.90	\$21.60	\$116.30
<b>Ages 65 - 69 (Enrolled in Medicare Part B 6 months or longer)</b>	\$114.70	\$166.60	\$171.10	\$27.10	\$145.30
<b>Ages 70+ (Enrolled in Medicare Part B less than 6 months)</b>	\$126.10	\$183.30	\$188.20	\$29.80	\$159.80
<b>Ages 70+ (Enrolled in Medicare Part B 6 months or longer)</b>	\$145.10	\$210.80	\$216.40	\$34.30	\$183.80

# Which Plan?

This chart can help you choose which plan is best for you.

	Medicare Benefit Period	After Medicare (YOUR OUT-OF-POCKET COSTS)	Plan65 Coverage					
			Plan A Pays	Plan D Pays	Plan F Pays	Plan F* Pays	Blue Plan65 Select** Pays (In-Network)	Blue Plan65 Select** Pays (Out-of-Network)
<b>Part A Hospital Care</b>	Days 1-60	\$1,100		✓	✓	✓	✓	
	Days 61-90	\$275/day	✓	✓	✓	✓	✓	✓
	Days 91-150	\$550/day	✓	✓	✓	✓	✓	✓
	Beyond Day 150	100% of all charges	✓ <sup>4</sup>	✓ <sup>4</sup>	✓ <sup>4</sup>	✓ <sup>4</sup>	✓ <sup>4</sup>	✓ <sup>4</sup>
<b>Post-Hospital Skilled Nursing Facility Care</b>	Days 1-20	\$0						
	Days 21-100	\$137.50/day		✓ <sup>5</sup>	✓ <sup>5</sup>	✓ <sup>5</sup>	✓ <sup>5</sup>	
<b>Part B Physician Services and Supplies<sup>1</sup></b>	First \$155 of Medicare-approved amounts	100% of all charges			✓ <sup>6</sup>	✓ <sup>6</sup>	✓ <sup>6</sup>	
	Remainder of Medicare-approved amounts	20% of all charges	✓ <sup>7</sup>	✓ <sup>7</sup>	✓ <sup>7</sup>	✓ <sup>7</sup>	✓ <sup>7</sup>	✓ <sup>7</sup>
	Part B excess charges above Medicare-approved amounts	100% of all charges			✓ <sup>8</sup>	✓ <sup>8</sup>	✓ <sup>8</sup>	
<b>Emergency Care in a Foreign Country<sup>2</sup></b>		100% of all charges		✓ <sup>9</sup>	✓ <sup>9</sup>	✓ <sup>9</sup>	✓ <sup>9</sup>	✓ <sup>9</sup>
<b>At-Home Recovery<sup>3</sup></b>		100% of all charges		✓ <sup>10</sup>				

Members ages 65 - 69 who enroll in Plan65 during the first six months following their enrollment in Medicare Part B are eligible for a four-year discount of 20% the first year of enrollment, 15% the second year, 10% the third year and 5% the fourth year. The premiums shown reflect the 20% discount available for the first year of enrollment. Plan F\* features a \$2,000 annual deductible. This means payment of Plan F\* Medicare supplemental benefits begins after you have paid \$2,000 in annual out-of-pocket expenses.

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\*\*Availability subject to residence in service areas.

This is not a contract. It is intended as a source of general information only. Full benefits, limitations and exclusions, if any, can be found in the Plan65 and Blue Plan65 contracts.

1. Physician services and other Medicare Part B services and supplies including home health care and durable medical equipment.

2. For services beginning during the first 60 days of each trip outside the U.S.A.
3. At-home Recovery Services not covered by Medicare. Care must be certified by a physician and must be for recovery from an illness or injury for which Medicare approved a home care treatment plan
4. 100% of eligible charges for 365 additional days
5. Up to \$137.50 a day
6. \$155 annual deductible
7. 20% of Part B remainder of Medicare-approved amounts
8. 100% of Part B excess charges
9. 80% of approved charges after first \$250 each year up to a \$50,000 lifetime maximum benefit.
10. Up to \$40 per visit for maximum of seven per week to an annual maximum benefit of \$1,600

## Where can I get more information about Medicare?

To find out more about how to apply and receive Medicare benefits, contact Medicare toll-free, at 1-800-MEDICARE (1-800-633-4227), TTY/TDD 1-877-486-2048, 24 hours a day, 7 days a week. You can also visit [www.medicare.gov](http://www.medicare.gov).

For more information on Medicare Supplement plans or any health coverage offered by Blue Cross and Blue Shield of Oklahoma, call 1-866-303-BLUE (2583) or visit your local Blue Cross and Blue Shield authorized agent.

Face your future with a name you trust.



**BlueCross BlueShield of Oklahoma**

*Experience. Wellness. Everywhere.®*



## Plan65

MEDICARE SUPPLEMENT PLANS

Stay 65 forever.

After you enroll with Blue Cross and Blue Shield of Oklahoma, your Plan65 rates won't change just because you get older. You can "stay" 65 forever.