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 79-year 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(s) 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+ at Medicare University!

Do you know what you need to know about Medicare?

Already know your Medicare ABC’s and ready to jump the the head of your class and learn about Plan65 Medicare supplement coverage? Turn to page 5.
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 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, such as an HMO or PPO.

- **Part D** is the newest coverage option and provides prescription drug coverage.

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 optional 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 65th 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 creditable prescription drug coverage, but change your mind later, you may be assessed a Medicare imposed late enrollment penalty that will be applied to 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.

<table>
<thead>
<tr>
<th>Original Medicare Plan</th>
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</thead>
<tbody>
<tr>
<td>Part A (Hospital)</td>
</tr>
<tr>
<td>Part B (Medical)</td>
</tr>
<tr>
<td>Medicare provides this coverage.</td>
</tr>
<tr>
<td>Part B is optional. You have your choice of doctors.</td>
</tr>
<tr>
<td><strong>PLUS</strong></td>
</tr>
<tr>
<td>Medicare Supplement Plan</td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td>Costs vary by policy and company.</td>
</tr>
<tr>
<td><strong>PLUS</strong></td>
</tr>
<tr>
<td>Prescription Drug Coverage</td>
</tr>
<tr>
<td>Part D</td>
</tr>
<tr>
<td>You can choose this coverage. Private companies approved by Medicare run these plans. Plans cover different drugs. Medically necessary drugs must be covered.</td>
</tr>
<tr>
<td><strong>OR</strong></td>
</tr>
<tr>
<td>Medicare Advantage Plans</td>
</tr>
<tr>
<td>Part C (Combines Part A and Part B)</td>
</tr>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>

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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 pneumococcal 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 cosmetic surgery, 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 creditable prescription drug 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 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.

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. Where Medicare stops, Blue Cross and Blue Shield of Oklahoma’s Plan65 coverage begins. With Plan65 you decide what your coverage needs are and what fits in your budget, then choose the plan that’s best for you!

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.

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.
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.

Blue Cross and Blue Shield of Oklahoma has made Medicare supplement coverage more affordable than ever with a new, four-year, early enrollment discount starting at 20 percent during your first year of coverage.

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.

<table>
<thead>
<tr>
<th>Monthly Rates</th>
<th>Plan A</th>
<th>Plan D</th>
<th>Plan F</th>
<th>Plan F*</th>
<th>Blue Plan65 Select**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ages 65 - 69 (Enrolled in Medicare Part B less than 6 months)</td>
<td>$83.40</td>
<td>$117.80</td>
<td>$129.40</td>
<td>$17.70</td>
<td>$109.90</td>
</tr>
<tr>
<td>Ages 65 - 69 (Enrolled in Medicare Part B 6 months or longer)</td>
<td>$104.20</td>
<td>$147.30</td>
<td>$161.70</td>
<td>$22.10</td>
<td>$137.30</td>
</tr>
<tr>
<td>Ages 70+ (Enrolled in Medicare Part B less than 6 months)</td>
<td>$114.70</td>
<td>$162.00</td>
<td>$177.90</td>
<td>$24.30</td>
<td>$151.10</td>
</tr>
<tr>
<td>Ages 70+ (Enrolled in Medicare Part B 6 months or longer)</td>
<td>$131.80</td>
<td>$186.30</td>
<td>$204.60</td>
<td>$27.90</td>
<td>$173.70</td>
</tr>
</tbody>
</table>
This chart can help you choose which plan is best for you.

<table>
<thead>
<tr>
<th>Medicare Benefit Period</th>
<th>After Medicare (YOUR OUT-OF-POCKET COSTS)</th>
<th>Plan A Pays</th>
<th>Plan D Pays</th>
<th>Plan F Pays</th>
<th>Plan F* Pays</th>
<th>Blue Plan65 Select** Pays (In-Network)</th>
<th>Blue Plan65 Select** Pays (Out-of-Network)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Part A</strong> Hospital Care</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Days 1-60</td>
<td>$1,068</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td></td>
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<tr>
<td>Days 61-90</td>
<td>$267/day</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td></td>
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<tr>
<td>Days 91-150</td>
<td>$534/day</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td></td>
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<tr>
<td>Beyond Day 150</td>
<td>100% of all charges</td>
<td>✔ 4</td>
<td>✔ 4</td>
<td>✔ 4</td>
<td>✔ 4</td>
<td>✔ 4</td>
<td>✔ 4</td>
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<tr>
<td><strong>Post-Hospital Skilled Nursing Facility Care</strong> Days 1-20</td>
<td>$0</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Days 21-100</td>
<td>$133.50/day</td>
<td>✔ 5</td>
<td>✔ 5</td>
<td>✔ 5</td>
<td>✔ 5</td>
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<tr>
<td><strong>Part B</strong> Physician Services and Supplies¹</td>
<td></td>
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<tr>
<td>First $135 of Medicare-approved amounts</td>
<td>100% of all charges</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Remainder of Medicare-approved amounts</td>
<td>20% of all charges</td>
<td>✔ 7</td>
<td>✔ 7</td>
<td>✔ 7</td>
<td>✔ 7</td>
<td>✔ 7</td>
<td>✔ 7</td>
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<tr>
<td>Part B excess charges above Medicare-approved amounts</td>
<td>100% of all charges</td>
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<tr>
<td><strong>Emergency Care in a Foreign Country²</strong></td>
<td></td>
<td>✔ 9</td>
<td>✔ 9</td>
<td>✔ 9</td>
<td>✔ 9</td>
<td>✔ 9</td>
<td>✔ 9</td>
</tr>
<tr>
<td><strong>At-Home Recovery³</strong></td>
<td></td>
<td>✔ 10</td>
<td></td>
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</tbody>
</table>

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. 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. **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 $133.50 a day
6. $135 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 the Social Security Administration toll-free, at 1-800-772-1213 TTY 1-800-325-0778, 24 hours a day, 7 days a week.

For more information on Medicare supplement insurance plans or any health coverage offered by Blue Cross and Blue Shield of Oklahoma, call or visit your local Blue Cross authorized agent.

Commit to Wellness
Wellness is the state of being healthy in body and mind, especially as the result of deliberate effort. It is the actively sought goal of good physical and mental health, maintained by proper diet, exercise and habits.

Face your future with a name you trust.

Blue Cross Blue Shield of Oklahoma

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.
How much have you learned?

1. What is Medicare?

2. Who is eligible?

3. When should I apply?

4. What is Medicare Part A?

5. What is Medicare Part B?

6. What is Medicare Part D?

7. How does a Medicare Advantage plan work?

8. What is a Medicare Supplement Plan?

9. Why do I need a Medicare Supplement Plan?

Ready to choose the plan that’s right for you?

Call or visit your local Blue Cross authorized agent.
BENEFICIARY — the name for a person who has health care insurance through the Medicare or Medicaid program.

COINSURANCE — the amount you may be required to pay for services after you pay any plan deductibles.

COORDINATION OF BENEFITS – process for determining the respective responsibilities of two or more health plans that have financial responsibility for a medical claim. [also called cross-over]

COPAYMENT — In some Medicare health and prescription drug plans, the amount you pay for each medical service, like a doctor’s visit, or prescription. A copayment is usually a set amount you pay. For example, this could be $20 or $30 for a doctor’s visit or prescription.

COST SHARING – the amount you pay for health care and/or prescriptions. This amount can include copayments, coinsurance, and/or deductibles.

CREDITABLE COVERAGE — health coverage you have had in the past that might give you certain rights when you apply for new coverage.

DEDUCTIBLE — the amount you must pay for health care or prescriptions before insurance begins to pay.

FORMULARY — a list of drugs covered by a plan. [also called a drug list]

HEALTH MAINTENANCE ORGANIZATION (HMO) — A type of Medicare Advantage Plan that is available in some areas of the country. Plans cover all Medicare Part A and Part B health care. Some HMOs may cover extra benefits. You must always use providers in the HMO network except in an emergency.

INPATIENT CARE – health care you receive when admitted to a hospital or skilled nursing facility.

MEDICAID — a joint Federal and State program that helps with medical costs for some people with low incomes and limited resources. Medicaid programs vary from state to state, but most health care costs are covered if you qualify for both Medicare and Medicaid.

MEDICARE ADVANTAGE PLAN – a plan offered by a private company that contracts with Medicare to provide you with all your Medicare Part A and Part B benefits. Medicare Advantage Plans are HMOs, PPOs or Private fee-for-service plans. If you are enrolled in a Medicare Advantage Plan, Medicare services are covered through the plans, and are not paid for under Original Medicare.

MEDICARE ADVANTAGE PRESCRIPTION DRUG (MAPD) PLAN – a Medicare advantage plan that offers Medicare Prescription Drug coverage and Part A and Part B benefits in one plan.

MEDICARE COVERAGE — made up of two parts: hospital insurance (Part A) and medical insurance (Part B).

MEDICARE PRESCRIPTION DRUG PLAN – a stand-alone drug plan, offered by insurers and other private companies to beneficiaries that receive Medicare Part A and/or B benefits through the Original Medicare Plan.

MEDIGAP OPEN ENROLLMENT PERIOD — A one-time-only six month period when you can buy any Medigap policy you want that is sold in your state. It starts in the first month that you are covered under Medicare Part B and you are age 65 or older or under age 65 and qualified for Medicare due to disability. During this period, you can’t be denied coverage or charged more due to past or present health problems.

ORIGINAL MEDICARE PLAN – The Original Medicare Plan has two parts: Part A (hospital insurance) and Part B (Medicare insurance). A fee-for-service health plan that lets you go to any doctor, hospital, or other health care supplier who accepts Medicare and is accepting new Medicare patients. You must pay the deductible. Medicare pays its share of the Medicare-approved amount, and you pay your share (coinsurance). In some cases you may be charged more than the Medicare-approved amount.

OUTPATIENT HOSPITAL CARE — medical or surgical care furnished by a hospital to you if you have not been admitted as an inpatient. If a doctor orders that you must be placed under observation, it may be considered outpatient care, even if you stay under observation that night.

PREFERRED PROVIDER ORGANIZATION (PPO) — a type of Medicare Advantage Plan is which you use doctors, hospitals and providers that belong to the PPO network. You can use doctors, hospitals and providers outside of the PPO network for an additional cost.

PREMIUM – the periodic payment to Medicare, an insurance company or a health care plan for health care or prescription drug coverage.

PRIMARY CARE PHYSICIAN — a doctor who is trained to give you basic care. Your primary care doctor is the doctor you see first for most health problems. He or she makes sure that you get the care that you need to keep you healthy. He or she may talk with your other doctors and health care providers about your care and refer you to them. Most HMO plans require you to see your primary care physician before you can see any other health care provider.

REFERRAL — a written order from your primary care doctor for you to see a specialist or get certain services. Many HMOs require you to get a referral before you receive care from anyone except your primary care doctor. If you don’t receive a referral first, the plan may not pay for your care.

SKILLED NURSING FACILITY — a nursing facility with the staff and equipment to give skilled nursing care and/or skilled rehabilitation services and other related health services.

TIERS — To have lower costs, many plans place drugs into different “tiers,” which cost different amounts. Each plan can form their tiers in different ways. Here is an example of how a plan might form its tiers:

Tier 1 — General drugs, which cost you the least amount.

Tier 2 — Preferred brand-name drugs, which cost you more than Tier 1 drugs.

Tier 3 — Non-preferred brand-name drugs, which cost you more than Tier 1 and Tier 2.
Face your future with a name you trust.

BlueCross BlueShield of Oklahoma