BlueCross BlueShield of Oklahoma

Medicare Basics

What You Need to Know

Learn about Medicare Parts A, B, C and D, eligibility and enrollment, and how Medicare pays when you have other coverage.

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Contents

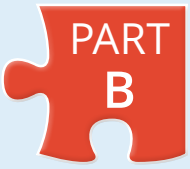
Introduction to Medicare

Medicare is the nation's largest health insurance program, covering health care services such as hospital stays, skilled nursing and physician services for tens of millions of Americans. There are four parts to Medicare, each providing different types of health care services.

Hospital Insurance

Helps pay for inpatient hospital care, skilled nursing facility care, home health care and hospice care. While most Americans are enrolled automatically in Medicare Part A, it may not cover all of your health care costs. Parts B, C and D are voluntary programs that provide additional coverage.

Medical Insurance



Helps pay for covered doctor's services and many other medical services and supplies. If you don't enroll in Part B when you are first eligible, you may have to pay a penalty later.

Medicare Advantage Plans

Offers medical coverage through a network of providers, such as an HMO or PPO, that is an alternative to Original Medicare (Parts A & B). These plans may or may not cover prescription drugs.

Prescription Drug Coverage

Helps pay for covered prescription medications. As with Part B, if you do not enroll when first eligible, you may have to pay a penalty later.

Medicare Supplement Insurance

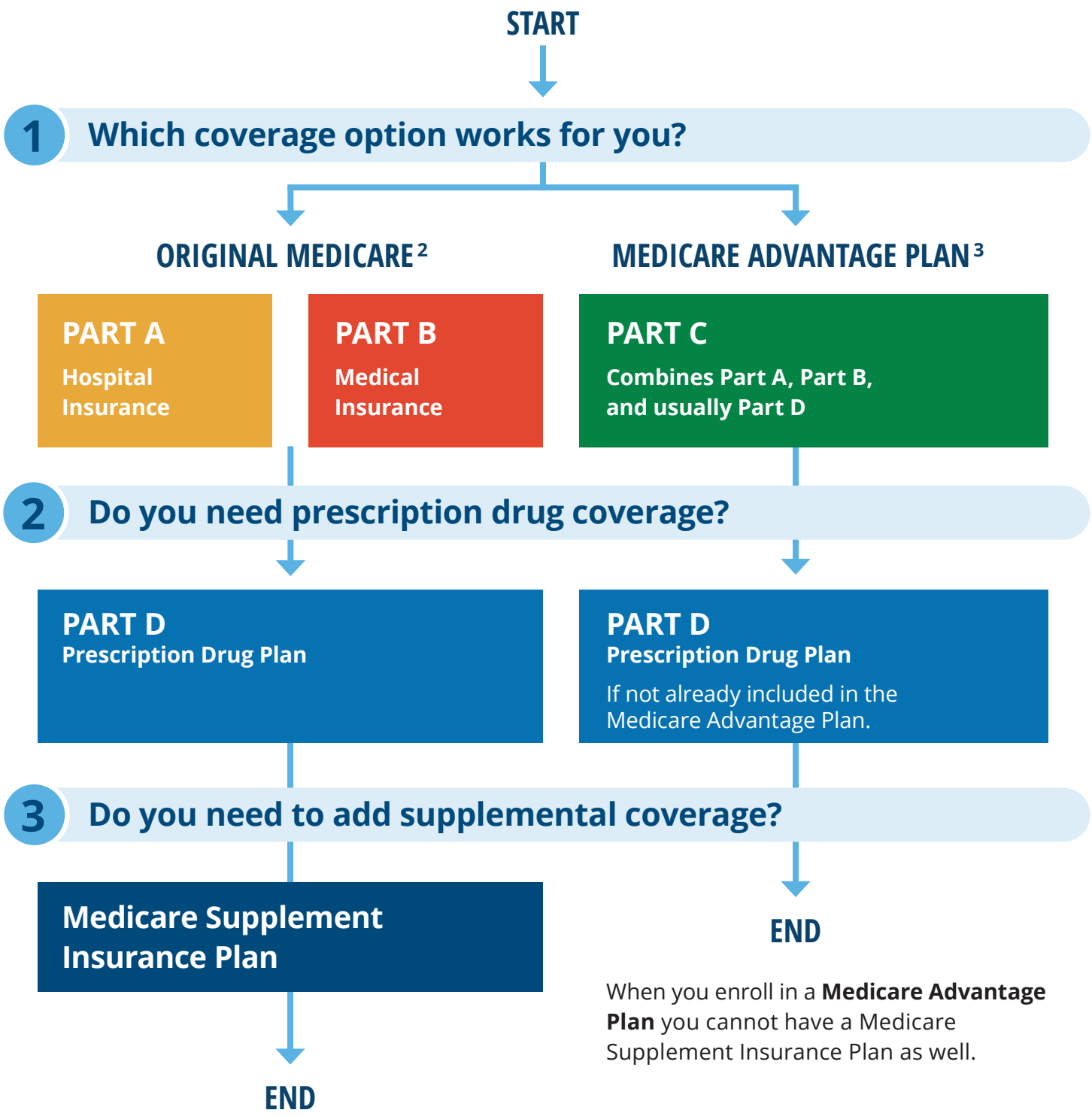
Optional coverage helps to pay for expenses beyond what is covered by Medicare. There are several Medicare Supplement insurance plans, each with different benefits and premiums, so you can choose the plan that works best for your specific needs. Medicare Supplement insurance plans are identified by the separate letters 'A' through 'N'.[1] The basic benefits of each plan are exactly alike for all insurance companies.

Not connected with or endorsed by the U.S. Government or Federal Medicare Program.

[1] Not all of these plans are offered by Blue Cross and Blue Shield of Oklahoma.

What Are Your Medicare Choices?

There are two main ways to get your Medicare coverage: Original Medicare or a Medicare Advantage Plan. Use these steps to help you decide your best coverage options.



[2] You are free to use any hospital or physician that is a Medicare contracted provider.

[3] You must use network hospitals and doctors for maximum coverage and in non-emergency medical situations.

When Are You Eligible to Enroll?

Are You Eligible to Enroll in Medicare Part A and Part B?

If you answer yes to at least one of the following questions, you may be eligible.

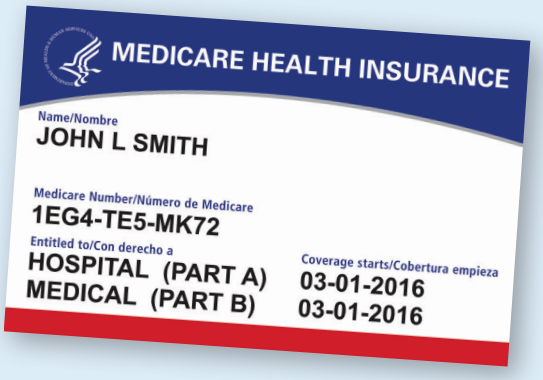
- Are you age 65 or older and have Social Security or Railroad Retirement Board benefits?
- Are you under age 65 with certain disabilities?
- Have you or your spouse worked for at least 10 years in Medicare-covered employment?

Are You Eligible to Enroll in a Medicare Prescription Drug Plan (Part D) or in a Medicare Advantage Plan (Part C)?

In addition to qualifying for Medicare Part A and Part B by answering yes to one of the above questions, you must live in a plan's service area to be eligible for that plan. Each plan has a geographic boundary.

Have You Received Your Medicare Card?

Those turning 65 and getting Social Security or Railroad Retirement Board benefits will automatically be enrolled in Medicare Part A and Part B. Part A benefits are premium free for most Americans and begin on the first day of your birthday month. However, because there is a monthly premium for Part B coverage, you have the option of turning Part B coverage down. Medicare sends out a package with Medicare cards and benefit information about 90 days before your 65th birthday.



When Are You Eligible to Enroll? *(continued)*

Initial Enrollment Period: Medicare Part A and Part B, Medicare Advantage Plans (Part C), and Medicare Prescription Drug Plans (Part D)

The Initial Enrollment Period is only for those turning 65 and reaching Medicare eligibility for the first time — not for those who are switching Medicare plans. It is a seven-month period — the three months before your birthday month, your birthday month, and the three months after your birthday month.

- If you sign up before your birthday month, and your birthday isn't on the first day of the month, your coverage begins the first day of your birthday month.
- If your birthday is on the first day of the month, coverage may start the first day of the prior month. If you sign up during your birthday month, coverage begins one month after you enroll.
- If you sign up a month after you turn 65, coverage begins two months after you enroll. And if you sign up two or three months after you turn 65, coverage begins three months after you enroll.

Open Enrollment Period: Medicare Supplement Insurance Plans (Also Known as Medigap):

You have a one-time, six-month Open Enrollment Period that starts the first month you are 65 and enrolled in Part A and Part B. This period gives you the guaranteed right to buy any Medicare Supplement Insurance Plan sold in Oklahoma, regardless of your health status. After that period, insurance companies selling Medicare Supplement Insurance Plans may refuse to sell a plan based on your health status.

General Enrollment Period: Medicare Part A and Part B

If you didn't sign up for Part A and/or Part B when you were first eligible, and you aren't eligible for a Special Enrollment Period (see below), you can sign up during the General Enrollment Period from January 1 through March 31 of each year. Your coverage will start July 1. You may have to pay an ongoing penalty for late enrollment if you didn't have creditable health insurance coverage beforehand.

Special Enrollment Period: Medicare Part A and Part B

If you're covered under a group health plan based on current employment, for an employer with 20 or more employees, you have a Special Enrollment Period in which to sign up for Part A and/or Part B. You can do this as long as you or your spouse work, and you're covered by a group health plan through the employer or union based on that work. You also have an eight-month Special Enrollment Period to sign up for Part A and/or Part B that starts the month after the employment ends or the group health plan insurance based on when your current employment ends, whichever happens first. Usually, you don't pay a late enrollment penalty if you sign up during a Special Enrollment Period. COBRA and retiree health plans aren't considered coverage based on current employment. You're not eligible for a Special Enrollment Period when that coverage ends.

When Are You Eligible to Enroll? *(continued)*

Annual Enrollment Period: Medicare Advantage Plans (Part C) and Medicare Prescription Drug Plans (Part D)

From October 15 to December 7, any qualified Medicare member can join a Medicare Advantage Plan or prescription drug plan. Or, you may switch Medicare Advantage Plans or prescription drug plans.

Special Enrollment Periods (SEP): Medicare Advantage Plans (Part C) and Medicare Prescription Drug Plans (Part D)

You may be able to join, switch or drop a plan during any time of the year due to certain special circumstances. This is known as a special enrollment period. Check with the plan to find out if you can enroll outside of the typical enrollment periods. These are some reasons you might qualify.

- You moved out of a plan's service area
- You qualify for 'extra help' with Medicare prescription drug costs
- You receive care in an institution (like a long-term care facility)
- You are eligible for Medicaid
- You lost your group employer retiree coverage

Check with your plan to determine when coverage begins, as the time may vary.

The Bottom Line

To avoid paying a higher premium, make sure you (and your spouse, if applicable) sign up for Medicare when you're first eligible, or during a Special Enrollment Period. COBRA and retiree insurance participants are not eligible for a Special Enrollment Period. You may also want to consider enrolling in a Medicare Supplement Insurance Plan and/or a prescription drug plan (Part D), or a Medicare Advantage Plan (Part C) at that same time.[4]

If you are thinking about turning down Part B, you should call the Social Security Administration at 1-800-772-1213 and ask if you can do so without any penalties.
TTY users should call 1-800-325-0778.

[4] When you enroll in a Medicare Advantage Plan you cannot have a Medicare Supplement Insurance Plan as well.

What Do You Need to Know About Medicare Part A?

Part A (Hospital Insurance) Helps Pay For:

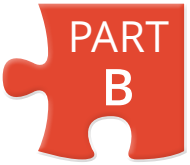
- Inpatient care in a hospital
- Care at a skilled nursing facility (SNF) after a hospital stay
- Some home health care and hospice care services

You Are Eligible at Age 65 for Part A Coverage at No Cost if Any of These Apply to You:

- You receive or are eligible to receive Social Security benefits
- You receive or are eligible to receive Railroad Retirement Board benefits
- You may be eligible for Medicare Part A based on your spouse's work history if:
  - You are currently married and your spouse is eligible for Social Security benefits (either retirement or disability). In addition, you must have been married for at least one year before applying.
  - You are divorced and your former spouse is eligible for Social Security benefits (either retirement or disability). In addition, you must have been married for at least 10 years and you must be single.
  - You are widowed and you were married for at least nine months before your spouse died. In addition, you must be single.

Even if you do not meet any of these requirements at age 65, you may be able to get Part A by paying a monthly premium. Usually you can sign up for this hospital insurance only during certain enrollment periods.

If you have any questions about Part A or your eligibility, call the Social Security Administration at 1-800-772-1213. TTY users should call 1-800-325-0778.



What Do You Need to Know About Medicare Part B?

Some Important Things to Know About Medicare Part B:

- Medicare Part B covers doctors' office visits and services, lab tests and most outpatient care.
- Most people pay a monthly premium for Part B.
- You can enroll in Part B during your Initial Enrollment Period. This is a seven-month period — the three months before your birthday month, your birthday month, and the three months after your birthday month.
- If you decline Part B during your Initial Enrollment Period and enroll during the General Enrollment Period, you may pay a penalty. The monthly premium for Part B goes up 10 percent for each 12-month period that you could have had Medicare, but didn't sign up for it. The penalty increases as Medicare premiums increase.
- If you decline Part B during your Initial Enrollment Period because of coverage due to active employment for a company with 20 or more employees, you should enroll during your Special Enrollment Period.

Be Sure to Enroll in Part B if You:

- Are retired
- Are not working
- Have COBRA or retiree health coverage
- Have a group health plan that pays second after Medicare pays

If your work status changes, call the Social Security Administration at 1-800-772-1213.
Ask how your change in work status may affect your Medicare coverage.
TTY users should call 1-800-325-0778.

What Do You Need to Know about Medicare Supplement Insurance Plans?

As the chart on page 2 shows, you have two paths from which to choose when making Medicare decisions. One path is to sign up for Medicare Part A and Part B, and then choose a Medicare Advantage Plan, which often includes a prescription drug plan.

The other path is to sign up for Medicare Part A and Part B — and supplement your Medicare benefits by adding a Medicare Supplement Insurance Plan (Medigap) and/or a prescription drug plan (Part D).

How Do Medicare Supplement Insurance Plans Work?

The federal government has designed standardized Medicare Supplement Insurance Plans. Each plan's benefits are the same no matter what company sells them. Premiums may vary.

In most states, these plans are identified by the letters A through N. Each plan is designed to help cover the costs that Original Medicare leaves you to pay. Premiums for these plans typically go up as a person ages.

If an individual enrolls in a Medicare Supplement Insurance Plan within six months of turning 65, and has enrolled in Medicare Part A and Part B, they have a guaranteed right to purchase any Medicare Supplement Insurance Plan sold in their state and cannot be turned down or charged more because of a pre-existing condition.

Do Medicare Supplement Insurance Plans Use Network Providers?

In some states, Medicare Select plans are available. These plans require members to use Medicare Select network hospitals for non-emergency care, or be on the hook for some expenses. (Emergency care is always covered at any hospital.) In some cases, members may need to use specific doctors or other providers to get full coverage. However, most Medicare Supplement Insurance Plans allow members to go to any hospital or physician that accepts Medicare.

Is Emergency Care while Traveling Outside the U.S. Covered?

An important feature of some Medicare Supplement Insurance Plans is that they provide limited emergency health care coverage for individuals traveling outside of the United States. Medicare alone does not cover emergency health care expenses incurred outside the U.S.

Are Prescription Drugs Covered?

Medicare Supplement Insurance Plans do not cover outpatient prescription drugs. To have these drugs covered you must also enroll in a prescription drug plan (Part D).

On the next page is a chart showing the various Medicare Supplement Insurance Plans and what they cover.

What Does a Medicare Supplement Insurance Plan Cover?

Medicare Supplement Insurance Plans (Medigap)

Medicare Supplement Insurance Plans are designed to help cover the deductibles, copays and coinsurance amounts that Medicare leaves you to pay.

Compare Medicare Supplement Insurance Plans Side-by-Side

The chart below shows basic information about the different benefits Medicare Supplement Insurance Plans cover.

Yes = the plan covers 100% of this benefit
No = the policy doesn't cover that benefit
% = the plan covers that percentage of this benefit
N/A = not applicable

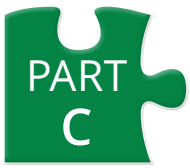
Medicare Supplement Insurance Plan Benefits	Medicare Supplement Insurance Plans									
	A	B	C[5]	D	F[5][6]	G[6]	K	L	M	N
Part A coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Part B coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes[7]
Blood (first 3 pints)	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A hospice care coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Skilled nursing facility care coinsurance	No	No	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A deductible	No	Yes	Yes	Yes	Yes	Yes	50%	75%	50%	Yes
Part B deductible	No	No	Yes	No	Yes	No	No	No	No	No
Part B excess charges	No	No	No	No	Yes	Yes	No	No	No	No
Foreign travel emergency health care (up to plan limits)	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes
Out-of-pocket limit[8]	N/A	N/A	N/A	N/A	N/A	N/A	$6,620	$3,310	N/A	N/A

[5] Plans C, F and High Deductible F are available only if you were eligible for Medicare before January 1, 2020.

[6] Plan F and G also offer a high deductible plan. If you choose this option, this means you must pay for Medicare-covered costs up to the deductible before your Medicare Supplement Insurance Plan pays anything.

[7] Plan N pays 100% of the Part B coinsurance, except for a copayment of up to $20 for some office visits and up to a $50 copayment for emergency room visits that don't result in inpatient admission.

[8] After you meet your out-of-pocket yearly limit and your yearly Part B deductible, the Medicare Supplement Insurance Plan pays 100% of covered services for the rest of the calendar year.



What Do You Need to Know About Medicare Advantage Plans?

A Medicare Advantage Plan is another plan choice you may have as part of Medicare. These plans, sometimes called 'Part C' or 'MA Plans,' are offered by private insurance companies approved by Medicare. The premiums are a flat rate, regardless of age.

If You Join a Medicare Advantage Plan, It Will Provide:

- Medicare Part A (Hospital Insurance) coverage
- Medicare Part B (Medical Insurance) coverage
- Limits on the out-of-pocket costs you pay

Most Include:

- Medicare prescription drug coverage (Part D)
- Extra coverage, such as vision, hearing, dental, and/or health and wellness programs

Depending on the Medicare Advantage Plans Offered in Your Area, You May Have These Options:

HMO – Health Maintenance Organization
In most HMOs, you can only go to doctors, specialists, or hospitals on the plan's list except in an emergency. You may also be required to get a referral from your primary care physician before visiting a specialist.

HMO-POS – HMO Point of Service Plan
This is an HMO Plan that allows you to get some services out-of-network for a higher cost.

PPO – Preferred Provider Organization
In most PPOs, you pay less if you use doctors, hospitals, and other health care providers that belong to the MA plan's network. You can use doctors, hospitals, and providers outside of the network but you may pay higher copays and coinsurance.

PFFS – Private Fee For Service
PFFS plans are similar to Original Medicare in that you can generally go to any doctor, other health care provider, or hospital as long as they agree to treat you. The Medicare Advantage Plan determines how much it will pay doctors, other health care providers, and hospitals, and how much you must pay when you get care.

SNP – Special Needs Plan
SNPs provide focused and specialized health care for specific groups of people, such as those who have both Medicare and Medicaid, who live in a nursing home, or have certain chronic medical conditions.

MSA – Medical Savings Account
This is a plan that combines a high deductible health plan with a bank account. Medicare deposits money into the account (usually less than the deductible). You can use the money to pay for your health care services during the year.

You Must Continue to Pay Your Part B Premium

If you enroll in a Medicare Advantage Plan you will need to continue paying your Medicare Part B premium, as well as any premium charged by the plan you choose. A monthly premium may apply and can vary based on the plan selected.

You Can't Have a Medicare Supplement Insurance Plan and a Medicare Advantage Plan at the Same Time.

Medicare Advantage Plans are health insurance plans approved by Medicare and offered by private companies. Medicare Advantage Plans are different from Medicare Supplement Insurance Plans. If you enroll in a Medicare Advantage Plan, you cannot purchase a Medicare Supplement Insurance Plan.

What Does a Medicare Advantage Plan Cover?

In All Types of Medicare Advantage Plans, You're Always Covered For:

- Emergency and urgent care
- Hospice care (covered by Original Medicare)

Medicare Advantage Plans Provide All of Your:

- Medicare Part A (Hospital Insurance) benefits
- Medicare Part B (Medical Insurance) benefits

They Usually Offer Extra Benefits Such As:

- Dental, hearing and/or vision
- Health, wellness, and fitness programs

Many Include:

- Prescription drug coverage
- Provider networks to help manage costs

Plans can charge different copays, coinsurance, and deductibles for these services.

Remember, if you enroll in a Medicare Advantage Plan you will need to continue paying your Medicare Part B premium, as well as any premium charged by the plan you choose.

How Much Does a Medicare Advantage Plan Cost?

There are several factors that can affect how much a Medicare Advantage Plan may cost you per year.

Here Are Some Typical Expenses:

Premiums

You may pay a monthly premium for the Medicare Advantage Plan in addition to your Medicare Part B premium.

Copays

You may pay this at the time you receive a service covered by your plan. For instance, you may have a copay of $10 for a visit to your primary care physician.

Coinsurance

The plan may require that you pay a percentage of the cost of certain covered services. For example, if your plan has a 25% coinsurance, you would pay $25 and your plan would pay $75 of a $100 service.

Look at it this way:

	$100	Charge for Service
–	**$ 75**	Paid by Plan
	$ 25	Paid by Member

Deductible

The costs you are responsible for before your plan begins to pay. Copays and coinsurances usually count toward the deductible.

Maximum Out-of-Pocket Costs

This is the most you will have to pay for covered medical services each year (this amount could vary if you have used services that are in or out of the plan network).

Each Medicare Advantage Plan is unique. You must read and compare the benefits of the plans you are considering carefully to be sure you understand what services are covered, what costs you are responsible for, and what the plan will pay.

How Do Medicare Advantage Plans and Medicare Supplement Insurance Plans Compare?

Medicare Advantage Plans are not supplement plans.

They are different from Medicare Supplement Insurance Plans.

	Medicare Advantage Plan	Medicare Supplement Insurance Plan
Part B Premium	Must be paid; is separate from the Medicare Advantage Plan premium.	Must be paid; is separate from the Medicare Supplement Insurance Plan premium.
Monthly Premium	Must be paid; is separate from the Part B premium.	Must be paid; is separate from the Part B premium.
Number of Plans	Determined by insurance carrier.	Standardized plans set by Medicare.
Benefits	Medicare Part A and Part B combined, plus services added by the Medicare Advantage Plan.	Must already have Part A and Part B; Medicare Supplement Insurance Plans help pay remaining health care costs after Medicare, such as copayments, coinsurance and deductibles. Some plans have innovative benefits in addition to the standard benefits.
Providers	Members may be required to use providers from within the plan's network.	Members can use any provider that accepts Medicare.
Hospitals	Members may be required to use hospitals from within the plan's network.	Members can use any hospital that accepts Medicare.
Prescription Drug Coverage	Prescription drug coverage may be built into the plan.	Does not include prescription drug coverage. Enrollment in a separate Part D plan is recommended.

What Do You Need to Know About Medicare Prescription Drug Plans?

Medicare Part D prescription drug plans help to pay for your prescription drugs. These plans are offered by private insurance companies approved by Medicare. Part D plans often have a monthly premium, copays and coinsurance, and a deductible. While a variety of plans are available, all Part D plans have the phases below. Benefits offered can be richer or more enhanced than what is shown below.

Annual Deductible

You pay this amount for your prescriptions before the plan begins to pay.

Initial Coverage

You pay a copay or coinsurance for each eligible prescription filled.

The plan pays the rest until total costs reach the Initial Coverage Limit. This is an amount determined by the Centers for Medicare and Medicaid Services (CMS) each year.

Coverage Gap

Once you and your plan have spent up to the Initial Coverage Limit on covered drugs (the combined amount plus your deductible), you'll be in the coverage gap. While you are in the coverage gap, you pay different copays or coinsurances for generic and brand drugs in the coverage gap, depending on your Part D plan.

After the Coverage Gap

You get out of the coverage gap when your out-of-pocket costs for covered drugs reaches an amount that is determined by CMS each year. During this phase, you will pay a small copay or coinsurance for covered drugs for the rest of the calendar year.

How Much Does a Medicare Part D Plan Cost?

There are several factors that can affect how much a Medicare Part D plan may cost you per year.

Here Are Some Typical Expenses:

Premiums

You may have one premium each for your Part B and Part D plans.

Copays

You pay this at the time you receive a covered prescription drug.

Coinsurance

The plan may require that you pay a percentage of the cost of certain covered prescription drugs. For example, if your plan has a 25% coinsurance, you would pay $25 and your plan would pay $75 of a $100 prescription drug cost.

Look at it this way:

$100 Charge for Covered Prescription Drug

– **$ 75** Paid by Plan

$ 25 Paid by Member

Deductible

You pay all costs toward a deductible before your plan begins to pay.
Plans with higher deductibles generally offer lower premium payments.

When Can You Switch or Drop a Medicare Advantage Plan or Prescription Drug Plan?

Annual Enrollment Period

October 15 – December 7

During the Annual Enrollment Period, anyone can join, switch, or drop a Medicare Advantage Plan or prescription drug plan. Your coverage will begin on January 1, as long as the plan gets your request by December 7.

Medicare Advantage Plan Open Enrollment Period

January 1 – March 31

If you would like to change your Medicare Advantage plan coverage after the AEP, you may choose to switch to Original Medicare (Part A+B) and purchase a stand-alone Part D plan (PDP). During Open Enrollment, you may also choose to switch to:

- A different Medicare Advantage Prescription Drug Plan
- A different Medicare Advantage-only plan

Special Enrollment Periods (SEP)

In most cases, you must stay enrolled for the calendar year starting the date your coverage begins. However, in certain situations you may be able to join, switch, or drop a Medicare Advantage Plan or a prescription drug plan during a special enrollment period. Contact your plan if any of these situations apply to you:

- You move out of your plan's service area.
- You have Medicaid.
- You qualify for Extra Help.
- You live in an institution (like a nursing home).

Medicare Advantage SEP Trial Rights

Special Enrollment Period (SEP) Trial Rights are available for people who have joined a Medicare Advantage Plan for the first time but decide that they want to go back to Original Medicare and a Medicare Supplement Insurance Plan. SEP Trial Rights allow them to disenroll from their Medicare Advantage Plan and join Original Medicare and they have the guaranteed right (regardless of health status) to purchase a Medicare Supplement Insurance Plan.

The SEP Trial Rights would apply in the following instances:

- A person joins a Medicare Advantage Plan when they were first eligible for Medicare Part A at age 65, and within the first year of joining, they decide they want to switch to Original Medicare and a Medicare Supplement Insurance Plan.
- A person dropped a Medicare Supplement Insurance Plan to join a Medicare Advantage Plan for the first time, they have been in the plan less than a year, and want to switch back to Original Medicare and a Medicare Supplement Insurance Plan.

What Are Your Options When You or Your Spouse Retires?

Medicare covers individuals under Part A (hospital insurance) and Part B (medical insurance). You may also want to consider enrolling in a Medicare Supplement Insurance Plan and a prescription drug plan or Medicare Advantage Plan.

Medicare, Medicare Supplement Insurance Plans, Medicare Advantage Plans and prescription drug plans do not provide family or dependent benefits.

Your Spouse May Purchase Individual Health Insurance Coverage if He or She Is under Age 65 and:

- Is losing coverage under your group health plan
- Does not have the option to enroll in group health coverage through his or her own employer or a union

  AND
- Is not yet eligible for Medicare

Bottom Line

If your spouse is under 65 and will not have group health coverage through an employer or union after you retire, he or she may purchase individual health insurance coverage through a health insurance company. Medicare does not provide family or dependent benefits.

If You Have Group Retiree Health Insurance, When Should You Enroll in Medicare?

If you retire from your current employer, you can enroll in Medicare during your **Initial Enrollment Period** (see page 4).

If you do not enroll in Medicare during your Initial Enrollment Period, you will have to wait until the next **General Enrollment Period**, which is January 1 to March 31, after your Initial Enrollment Period.

If you don't enroll in Medicare during your Initial Enrollment Period, you will pay a penalty when you enroll later. Your monthly premium will go up 10 percent for each 12-month period when you were eligible for Medicare but didn't sign up for it. The penalty increases as Medicare premiums increase.

This also applies to your spouse who is covered under your retiree insurance if he or she does not have group health coverage based on current employment. He or she should enroll in Medicare during the Initial Enrollment Period to avoid paying the higher Medicare premium for late enrollment.

Consider These Important Points

- You should keep your retiree insurance if you can afford it and if it covers the gaps in Medicare.
- If you have retiree insurance from your or your spouse's former employer, you should take both Medicare Parts A and B to have more complete coverage of doctors' services and other medical care.

Bottom Line

Retiree insurance isn't considered coverage based on current employment. Unlike active employees who work past 65, you're not eligible for a Special Enrollment Period (the eight-month period that begins the month after the employment ends or the group health plan insurance based on current employment ends, whichever happens first).

To avoid paying a higher premium, make sure you (and your spouse, if applicable) enroll in Medicare Part B when you're first eligible. Speak to your plan administrator to determine how your retiree insurance will work with Medicare. You may also want to consider enrolling in a Medicare Supplement Insurance Plan and a prescription drug plan.

If you are thinking about turning down Medicare Part B, you should call the Social Security Administration at 1-800-772-1213 and ask if you can do so without any penalties.
TTY users should call 1-800-325-0778.

If You Have COBRA, When Should You Enroll in Medicare?

The Consolidated Omnibus Budget Reconciliation Act (COBRA) provides certain former employees, retirees, spouses, former spouses and dependent children with the right to continue health coverage at group rates for a limited time. Typically, the COBRA participant pays the entire premium for coverage.

If you are a COBRA participant when you turn 65, you can enroll in Medicare during your **Initial Enrollment Period** (see page 4).

If you do not enroll in Medicare during your Initial Enrollment Period, you will have to wait until the next **General Enrollment Period**, which is January 1 to March 31, after your Initial Enrollment Period.

Avoid Penalties by Enrolling When You Are Eligible

If you don't enroll in Medicare during your Initial Enrollment Period, you will pay a penalty when you enroll later. Your monthly premium will go up 10 percent for each 12-month period when you were eligible for Medicare but didn't sign up for it. The penalty increases as Medicare premiums increase.

This also applies to your spouse who is covered under your COBRA coverage. If he or she does not have group health coverage based on current employment, he or she should enroll in Medicare during the Initial Enrollment Period to avoid paying the higher Medicare premium for late enrollment.

Bottom Line

COBRA coverage isn't considered coverage based on current employment. Unlike active employees who work past 65, you're not eligible for a Special Enrollment Period (the eight-month period that begins the month after employment ends or the group health plan insurance based on current employment ends, whichever happens first).

To avoid paying a higher premium, make sure you (and your spouse, if applicable) enroll in Medicare Part B when you're first eligible. You may also want to consider enrolling in a Medicare Supplement Insurance Plan and a prescription drug plan.

If you are thinking about turning down Medicare Part B, you should call the Social Security Administration at 1-800-772-1213 and ask if you can do so without any penalties.
TTY users should call 1-800-325-0778.

Can You Delay Enrolling in Medicare Without Penalty?

If you continue to work past the age of 65, remain covered under your employers' group health plan, and your employer has 20 or more employees, you may delay enrolling in Medicare Part B until the Special Enrollment Period.

The Special Enrollment Period Can Be:

- Anytime you or your spouse are working and you're covered by a group health plan through the employer or union based on that work, OR
- During the eight-month period that begins the month after the employment ends or the group health plan insurance based on current employment ends, whichever happens first.

What Are the Rules for My Spouse?

If your spouse is covered under your employer's group health plan, he or she may also delay enrollment in Medicare Part B until the Special Enrollment Period.

When Would I Pay a Penalty?

If you sign up for Medicare Part B after the Special Enrollment Period ends, you will pay a penalty. Your monthly premium will go up 10 percent for each 12-month period when you were eligible for Medicare but didn't sign up for it. This also applies to your spouse who was covered under your employer's group health plan. The penalty increases as Medicare Part B premiums increase.

Consider These Important Points:

- If you work for a small company (fewer than 20 employees), you will probably need to enroll in Medicare Part B in addition to Part A when you turn 65. If your employer has fewer than 20 employees, Medicare would be the primary payer. Your group health plan would be the secondary payer.
- If you do enroll in Medicare, consider purchasing a Medicare Supplement Insurance Plan to fill in the gaps that Medicare doesn't cover.
- Speak to your plan administrator to determine how your group health plan would work with Medicare and what is covered. For example, find out if your group health plan offers prescription drug coverage and if that coverage is considered just as good as what Medicare Part D could provide to you ('creditable coverage'). If your drug coverage is not as good as Medicare's, you might want to consider a prescription drug plan.

Bottom Line

To avoid paying a higher premium, make sure you (and your spouse, if applicable) sign up for Medicare Part B before the Special Enrollment Period ends. You may also want to consider enrolling in a Medicare Supplement Insurance Plan and a prescription drug plan.

If you are thinking about turning down Part B, you should call the Social Security Administration at 1-800-772-1213 and ask if you can do so without any penalties.
TTY users should call 1-800-325-0778.

If You Have Medicare and Other Coverage, Which Plan Pays First?

When you have other insurance (like employer group health coverage), coordination of benefits rules decide whether Medicare or your other insurance pays first. The insurance that pays first is called the 'primary payer.' The one that pays second is called the 'secondary payer.'

Be sure to speak to the plan administrator to determine how your retiree insurance or group health plan will work with Medicare.

Medicare Pays First If:

- You have retiree insurance from former employment
- You're 65 or older, you have group health plan coverage based on your or your spouse's current employment, and the employer has fewer than 20 employees
- You're under 65 and disabled, you have group health plan coverage based on your or a family member's current employment, and the employer has fewer than 100 employees

The Group Health Plan Pays First If:

- You're 65 or older, you have group health plan coverage based on your or your spouse's current employment, and the employer has 20 or more employees
- You're under 65 and disabled, you have group health plan coverage based on your or a family member's current employment, and the employer has 100 or more employees

If you have Medicare because of End-Stage Renal Disease, your group health plan will pay first for the first 30 months after you become eligible to enroll in Medicare. After this 30-month period, Medicare will pay first.

Bottom Line

Medicare has rules that determine which plan pays first.

BlueCross BlueShield of Oklahoma

Blue Cross and Blue Shield of Oklahoma complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. Blue Cross and Blue Shield of Oklahoma does not exclude people or treat them differently because of race, color, national origin, age, disability, or sex.

Blue Cross and Blue Shield of Oklahoma:

- Provides free aids and services to people with disabilities to communicate effectively with us, such as:
  - Qualified sign language interpreters
  - Written information in other formats (large print, audio, accessible electronic formats, other formats)
- Provides free language services to people whose primary language is not English, such as:
  - Qualified interpreters
  - Information written in other languages

If you need these services, contact Civil Rights Coordinator.

If you believe that Blue Cross and Blue Shield of Oklahoma has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance with: Civil Rights Coordinator, Office of Civil Rights Coordinator, 300 E. Randolph St., 35th floor, Chicago, Illinois 60601, 1-855-664-7270, TTY/TDD: 1-855-661-6965, Fax: 1-855-661-6960, Civilrightscoordinator@hcsc.net. You can file a grievance in person or by mail, fax, or email. If you need help filing a grievance, Civil Rights Coordinator is available to help you.

You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights, electronically through the Office for Civil Rights Complaint Portal, available at https://ocrportal.hhs.gov/ocr/portal/lobby.jsf, or by mail or phone at:

U.S. Department of Health and Human Services
200 Independence Avenue, SW
Room 509F, HHH Building
Washington, D.C. 20201

1-800-368-1019, 800-537-7697 (TDD)

Complaint forms are available at http://www.hhs.gov/ocr/office/file/index.html.

ATTENTION: If you speak English, language assistance services, free of charge, are available to you. Call 1-877-774-8592 (TTY: 711).

ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-877-774-8592 (TTY: 711).

UWAGA: Jeżeli mówisz po polsku, możesz skorzystać z bezpłatnej pomocy językowej. Zadzwoń pod numer 1-877-774-8592 (TTY: 711).

注意：如果您使用繁體中文, 您可以免費獲得語言援助服務。請致電 1-877-774-8592 (TTY: 711).

주의: 한국어를 사용하시는 경우, 언어 지원 서비스를 무료로 이용하실 수 있습니다. 1-877-774-8592 (TTY: 711) 번으로 전화해 주십시오.

PAUNAWA: Kung nagsasalita ka ng Tagalog, maaari kang gumamit ng mga serbisyo ng tulong sa wika nang walang bayad. Tumawag sa 1-877-774-8592 (TTY: 711).

ملحوظ: إذا كنت تتحدث اللغة العربية، فإن خدمات المساعدة اللغوية تتوافر لك بالمجان. اتصل رقم 1-877-774-8592 (رقم هاتف الصم والبكم: 711).

ВНИМАНИЕ: Если вы говорите на русском языке, то вам доступны бесплатные услуги перевода. Звоните 1-877-774-8592 (телетайп: 711).

સુચના: જો તમે ગુજરાતી બોલતા હો, તો નઃશુલ્ક ભાષા સહાય સેવાઓ તમારા માટે ઉપલબ્ધ છે. ફોન કરો 1-877-774-8592 (TTY: 711)

خبردار: اگر آپ اردو بولتے ہیں، تو آپ کو زبان کی مدد کی خدمات مفت میں دستیاب ہیں ۔ کال کریں 1-877-774-8592 (TTY: 711).

CHÚ Ý: Nếu bạn nói Tiếng Việt, có các dịch vụ hỗ trợ ngôn ngữ miễn phí dành cho bạn. Gọi số 1-877-774-8592 (TTY: 711).

ATTENZIONE: In caso la lingua parlata sia l'italiano, sono disponibili servizi di assistenza linguistica gratuiti. Chiamare il numero 1-877-774-8592 (TTY: 711).

ध्यान दें: यदि आप हिंदी बोलते हैं तो आपके लिए मुफ्त में भाषा सहायता सेवाएं उपलब्ध हैं। 1-877-774-8592 (TTY: 711) पर कॉल करें।

ATTENTION : Si vous parlez français, des services d'aide linguistique vous sont proposés gratuitement. Appelez le 1-877-774-8592 (ATS: 711).

ΠΡΟΣΟΧΗ: Αν μιλάτε ελληνικά, στη διάθεσή σας βρίσκονται υπηρεσίες γλωσσικής υποστήριξης, οι οποίες παρέχονται δωρεάν. Καλέστε 1-877-774-8592 (TTY: 711).

ACHTUNG: Wenn Sie Deutsch sprechen, stehen Ihnen kostenlos sprachliche Hilfsdienstleistungen zur Verfügung. Rufnummer: 1-877-774-8592 (TTY: 711).

Notes

Notes

BlueCross BlueShield of Oklahoma