Understanding your Medicare options.

Medicare Made Clear™

Get Answers Series

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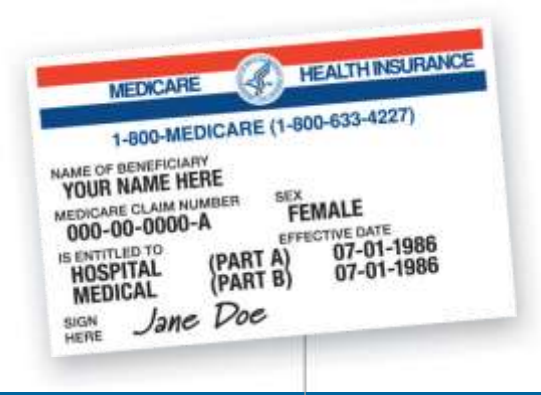
eligibility for Original Medicare (Parts A and B).



You're eligible to join Original Medicare (Parts a and B) if:

- You're 65 years old, or you're under 65 and qualify on the basis of disability or other special situation

AND

- You're a U.S. citizen or a legal resident who has lived in the U.S. for at least five consecutive years

- Even if you're already collecting Social Security, you must wait until you're 65
- You must be 65 — your spouse's age doesn't count
- Even if you're not collecting Social Security yet, you're eligible at age 65

Understanding Medicare.

Medicare Choices

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Medicare Choices

Step 1

Enroll in Original Medicare when you become eligible.

Original MediCare

PART A + PART B

Covers hospital stays

Covers doctor and outpatient visits

Government-provided

Step 2

If you need more coverage, you have choices.

Option 1

Keep Original Medicare and add:

MediCare SuPPleMent inSuranCe

MED SUPP

Covers some or all of the costs not covered by Parts A & B

Offered by private companies

and/or

MediCare Part d

PART D

Covers prescription drugs

Offered by private companies

or

Option 2

MediCare advantage (Part C)

PART C — Combines Parts A & B

Additional benefits

PART D — Most plans cover prescription drugs

Offered by private companies

Understanding Medicare.

Original Medicare (Parts A and B)

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What Original Medicare (Parts A and B) covers.

Part a

Hospital costs and skilled nursing services after a hospital stay, plus some other skilled care:

- Inpatient hospital care
- Inpatient mental health care
- Home health care
- Hospice care
- Some blood for transfusions during inpatient care

Part B

doctor's office visits and other medical services that do not require a hospital stay:

- Physician services
- Outpatient hospital services (minor surgeries)
- Ambulance
- Outpatient mental health
- Laboratory services
- Durable medical equipment (wheelchairs, oxygen, etc.)*
- Outpatient physical, occupational and speech-language therapy
- Some preventive care

*Services and supplies must be medically necessary.

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Original Medicare (Parts A and B). What to keep in mind.

Part a

Costs:

- Most people don't pay a monthly premium
- You only pay your deductible for each stay — the first $1,260 in 2015 — for a hospital stay of less than 60 days
- 60 – 90 $315 per day, over 90 more $

enrollment:

- Enrollment is easy. You can't be turned down because of your medical history or pre-existing condition

Coverage:

- Long hospitalizations can be expensive. Stays of more than 60 days require a daily copayment
- Multiple stays may mean multiple deductibles
- You can go to any qualified hospital in the U.S. that accepts new Medicare patients. Hospital care outside the U.S. isn't usually covered

Part B

Costs:

- There is no maximum out-of-pocket
- For coinsurance, in general, you pay 20% of the Medicare-approved cost
- If you wait to join until after your initial enrollment period, you may have to pay a higher premium

enrollment:

- Enrollment is easy. Your medical history or pre-existing condition doesn't matter

Coverage:

- Part B works the same way throughout the U.S. You can get care wherever you are. Generally, care outside the U.S. is not covered
- You can receive care from any participating physician who accepts new Medicare patients
- Preventive care is limited

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Original Medicare (Parts A and B). What it doesn't cover.

- Medicare Part A deductibles and coinsurance premiums
- Medicare Part B deductibles and coinsurance premiums
- Medicare Part B excess charges (amount billed over what Medicare agrees to pay)
- Medicare Part D prescription drug coverage

Does not cover Dental, Dentures, Cosmetic Surgery, Acupuncture, Hearing Aids and Exams, Long Term Care!

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Medicare supplement insurance plans eligibility. You're eligible if you:

- Are enrolled in Medicare Parts A and B at the time your Medicare supplement insurance coverage will begin
- Are a resident of the state in which you are applying for coverage
- Are age 65 or older (or under age 65 with certain disabilities in some states)

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Medicare supplement insurance plans.

Private health insurance designed to supplement Original Medicare (Parts A and B). Also known as Medigap plans.

- Plans are for people on Medicare Parts A and B who want help paying for some of the health care costs not paid by Medicare, like coinsurance, copayments and deductibles
- Plans are named with letters of the alphabet (A, B, C, D, F, G, K, L, M and N), and benefit levels vary by plan
- Typically, the more comprehensive the coverage, the higher the monthly premium for the Medicare supplement plan
- Medicare supplement plans are regulated according to federal and state laws and are required to offer the same coverage

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Medicare supplement (Medigap)

insurance plans. What to keep in mind.

Costs:

- Depending on the Medicare supplement plan, some or all of your out-of-pocket costs for care under Original Medicare (Parts A and B) are covered
- **Premium prices with different insurance companies can vary sharply for the same coverage. In some plans, premiums rise as your age increases but the coverage is the same regardless of company.**

Enrollment:

- You are guaranteed the right to buy a Medigap plan during your open enrollment period
- In some states, if you apply after your open enrollment period, you can be denied coverage based on your health as these are fully insured products.

Coverage:

- No network restrictions and no referrals required as long as provider accepts Medicare
- Coverage may go with you when you move or travel anywhere in the U.S.
- With some plans, you have foreign travel coverage for emergency services
- Coverage is guaranteed to continue as long as you pay your premium on time

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Medicare advantage (Part C) eligibility.
You're eligible if you:

- Are enrolled in Medicare Parts A and B
- Live in the plan service area
- Do not have end-stage renal disease (ESRD)

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Medicare advantage (Part C).

A single plan offered by private insurance companies that combines coverage for Original Medicare (Parts A and B) and sometimes prescription drug coverage (Part D).

all the benefits of Part a, except hospice care
- Hospital stays • Skilled nursing • Home health

all the benefits of Part B
- Doctor's visits • Outpatient care • Screenings and shots • Lab tests

Prescription drug coverage
- Included in many Medicare Advantage plans, but not all

additional benefits
- May be bundled with the plan

tip: Additional benefits may include eye care, hearing, wellness services and nurse phoneline.

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Medicare advantage (Part C). What to keep in mind.

Costs:

- Plan premiums and terms can change from year to year

enrollment:

- Your eligibility for enrollment is not affected by your health or financial status (special rules for end-stage renal disease ESRD)

Coverage:

- Convenience of a single plan
- Many plans may include prescription drug coverage (Part D)
- In most plans, you receive your coverage in a service area — unless it's an emergency
- For some plans, you're required to see doctors and hospitals that are included in the plan's network
- Many plans may offer additional benefits not covered by Medicare (e.g., dental, vision, hearing and preventive care)

Five types of Part C plans.

Coordinated Care Plans – local to your area

- **Health Maintenance Organization (HMO)** Plans – usually referrals for specialists

  Out of Pocket costs usually lower, in network only driven by County usually
- **Preferred Provider Organization (PPO**) Plans no referrals for specialist

  Higher Out of Pocket costs with in and out of network coverage,

  have a larger network area including other states many times
- **Special Needs Plans (SNP**) – Medicare, Medicaid and Chronic illness

Other Plans

- **Private Fee-For-Service (PFFS) Plans**
- **Medical Savings Account (MSA) Plans**

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Types of Part C plans: Special needs (SNP)

Coordinated care plans:

- Are designed for people with special and often complex health care needs
  - Residents of nursing homes
  - People eligible for both Medicare and Medicaid or Medicare Disability
  - People with certain chronic diseases such as diabetes or heart disease
- Focus on helping members receive well-coordinated care
  - Holistic, proactive approach
  - Specialized care team
  - Enhanced education and communication

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Types of Part C plans: Private Fee-For-Service.

- Offered by private insurance companies
- Many plans may offer prescription drug coverage
- Many plans may offer additional benefits beyond Original Medicare (Parts A and B)
- No restrictions on which doctors or hospitals you can use

Keep in mind:

Doctors and hospitals must accept the payment terms and conditions of the private insurance company.

- Payment comes from the Private Fee-For-Service plan, not Medicare
- Important to make sure your doctor or hospital will accept payment from a specific plan each time before receiving services

Prescription drug plans (Part D).

Plans offered through private insurance companies that help with the cost of prescription drugs.

- Helps with prescription drug costs
- Works differently from Medicare Part A and Part B. You can only get Medicare Part D through a private insurance company
- Must continue to pay Part B premium

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Medicare Part D (prescription drug).
What to keep in mind.

Costs:

- Helps with the cost of your prescription drugs
- Total costs of a plan can vary significantly from plan to plan
- Catastrophic coverage protects you from very high drug costs
- Plan benefits — including premium, deductible and copayments — can change each year

enrollment:

- You must enroll in a Part D plan. Coverage is not automatic
- If you do not sign up for a Part D plan when you become eligible, you may have to pay a late-enrollment penalty unless you qualify for an exception

Coverage:

- Each plan has a list of drugs that it covers
- Make sure your drugs are covered before you enroll in a plan
- The list of drugs can potentially change each year

What about the coverage gap? 2015

Most people don't enter the coverage gap, but if you do this is what you need to know.

Initial Coverage Stage During this stage you pay a flat fee (copay) or a percentage of a drug's total cost (coinsurance) for each prescription you fill. The plan pays the rest until both you and the insurance have paid $3250 in TOTAL drug costs.

Coverage Gap Stage (Donut Hole)

During this stage you pay 65% of the price for generic drugs, 45% of the price (plus the dispensing fee) for brand name drugs (2015). In the coverage gap you pay only a percentage of the drug cost. However, 100% of the drug cost is applied toward your out-of-pocket costs. Once your total out-of-pocket costs reach $4,750 during this GAP period, you move to catastrophic coverage.

Catastrophic Coverage Stage During this stage you pay only a small copay ($2) or coinsurance amount for each filled prescription. The plan pays the rest until the end of the calendar year

QUESTIONS? THANK YOU!