



**BlueCross BlueShield
of Illinois**

Experience. Wellness. Everywhere.™



STEPPING INTO MEDICARE

Invaluable help from the
name you know and trust —
Blue Cross and Blue Shield
of Illinois



BlueCross BlueShield of Illinois

Experience. Wellness. Everywhere.™

**Blue Cross and Blue Shield of Illinois
offers a great array of plans that
pick up where Medicare leaves off.**



**For help with Medicare Supplement Insurance,
contact your authorized
independent Blue Cross and Blue Shield of Illinois agent.**

What is Medicare?

The Medicare program began in 1965 to provide health insurance coverage for people age 65 or older. Today, Medicare is the nation's largest health insurance program, covering more than 45 million people age 65 and over and those under age 65 with certain disabilities. Original Medicare (Parts A and B) has traditionally provided coverage for health care services such as hospital stays, skilled nursing facilities and doctor visits. Medicare helps with health care costs but does not cover all medical expenses.

Medicare currently has four parts, each providing different types of health care services.

1. Medicare Part A — Hospital Insurance

Helps pay for inpatient hospital care, skilled nursing facility care, home health care and hospice care.

2. Medicare Part B — Medical Insurance

Helps pay for doctor's services and many other medical services and supplies.

Medicare Part A and Part B are referred to as Original Medicare.

3. Medicare Part D — Prescription Drug Coverage

Helps pay for prescription medications. This government program became available in 2003 and plans are sold through private companies approved by the Centers for Medicare and Medicaid Services (CMS).

4. Medicare Part C — Medicare Advantage Plans

This program offers medical and prescription drug coverage that replaces Original Medicare (Parts A & B). Benefits are administered through an established network of providers, such as an HMO or PPO; however, not all plans are available in all areas.

Qualifying for Medicare.

Eligibility guidelines

You're eligible for Part A (Hospital Insurance) and Part B (Medical Insurance) coverage if you or your spouse paid into Social Security for at least 10 years through employment, and you are a citizen or permanent resident of the United States.

Even though the full Social Security retirement age is no longer 65, you are still eligible for Medicare at age 65.

You may qualify for Medicare benefits before age 65 if you become disabled and meet Social Security eligibility requirements. For more information on eligibility, contact Social Security at **1-800-772-1213** or visit the Web site at **www.ssa.gov**.



Enrolling in Medicare is easier than you think.

If you are nearing 65, you can enroll in Medicare during the 7-month period that is called the Initial Enrollment Period. It includes the 3 months before your 65th birthday, the month of your 65th birthday and the 3 months after the month of your 65th birthday.

Medicare Part A — Hospital

If you are getting benefits from Social Security, you automatically get Part A benefits starting the first day of the month that you turn 65. You will receive a package of information from Medicare at the beginning of your Initial Enrollment Period. The package will contain your Medicare card as well as additional information about your benefits. If you don't automatically receive an enrollment notice, call Social Security at **1-800-772-1213** and request a Medicare enrollment package. For most people, Medicare Part A is free.

Medicare Part B — Medical

There are 3 opportunities to sign up for Part B: the Initial Enrollment Period, the Special Enrollment Period and the General Enrollment Period. With Medicare Part B, you pay the Medicare Part B premium each month. See the chart on page 5 for information about each enrollment period.

Your Medicare card

Your Medicare card will have your Medicare health insurance number on it. Your Medicare number is usually a 9-digit number followed by 1 or 2 letters. When a husband and wife both have Medicare, each receives a separate card and Medicare number.

Your card will show which parts of Medicare you have: Medicare Part A — Hospital, and/or Medicare Part B — Medical. Additionally, it will give the date each part became effective.

You should keep your card in a safe place. If it is lost or stolen, you can apply for a replacement by contacting Social Security at **1-800-772-1213** or visit the Web site at www.ssa.gov.

MEDICARE HEALTH INSURANCE	
Name: _____	
Medicare Claim Number	Sex <input type="checkbox"/>
□□□-□□-□□□□ □	
Is Entitled To	Effective Date
HOSPITAL (Part A)	_____
MEDICAL (Part B)	_____

Medicare Part B Enrollment Period Table

	Initial Enrollment Period	General Enrollment Period	Special Enrollment Period
Who is eligible?	Individuals turning 65	Individuals who miss the Initial Enrollment Period	Individuals who have employer or union medical benefits or dropped prior Part B coverage to return to work
When is the enrollment period?	7 months including: <ul style="list-style-type: none"> • 3 months prior to the 65th birthday month • 65th birthday month • 3 months after the 65th birthday month 	The January 1 — March 31 time period after the individual's Initial Enrollment Period <ul style="list-style-type: none"> • Coverage effective July 1 	8 months beginning on the date employer or union coverage ends, whichever is first
What is the late enrollment penalty?	10% for each year the individual is late in enrolling for as long as the individual has Part B <ul style="list-style-type: none"> • Penalty increases as Medicare premiums increase 	10% for each year the individual is late in enrolling for as long as the individual has Part B <ul style="list-style-type: none"> • Penalty increases as Medicare premiums increase 	Must enroll within 8-month window

Why would I decline Medicare Part B?

If you or your spouse are still working and are enrolled in a group health plan, you may decide to delay enrolling in Part B until you retire. This is because you may have "Creditable Coverage;" check with your employer benefits administrator to see if this applies to you. Then you may be eligible for the "Special Enrollment Period" once you retire.

What Medicare covers.

SERVICE	WHAT MEDICARE PAYS	WHAT YOU PAY
MEDICARE PART A (Hospital)		
HOSPITAL¹		
First 60 days of an admission	All covered charges but a \$1,100 deductible each benefit period	\$1,100
61st to 90th day	All covered charges but \$275 a day	\$275 a day
91st to 150th day	All covered charges but \$550 a day	\$550 a day
Beyond 150 days	\$0	100% of expenses
SKILLED NURSING FACILITY CARE		
First 20 days	100% of approved costs	\$0
21st to 100th day	All covered charges but \$137.50 a day	\$137.50 a day
Beyond 100 days	\$0	100% of expenses
MEDICARE PART B (Medical and Doctor Charges)		
\$155 annual deductible	\$0	\$155
Medical services	80% of Medicare-approved charges after the \$155 calendar year deductible is met	\$155 deductible, then the 20% of Medicare-approved charges NOT paid by Medicare
Excess charges ²	\$0	100% of excess charges
OTHER HEALTH EXPENSES		
Emergency Care in a Foreign Country (Medically Necessary)	\$0	100% of expenses

This can leave you with over \$53,300 in uncovered Part A expenses.

¹Hospital does not include a nursing home, convalescent home, extended care facility or psychiatric hospital.

²By law, no physician may charge more than 115% of Medicare-approved amounts.

What is Medicare Supplement Insurance?

And why you need it!

Although Medicare is a very good program, it was never designed to pay all of your health care bills. Most people will want to supplement Original Medicare Plan with secondary insurance. These secondary health insurance policies are called Medicare Supplement Insurance Plans (or Medigap), and are sold through private insurance companies to help pay some of the expenses that Original Medicare does not.

Medicare Supplement Insurance policies are identified by the letters A — L. Each policy has a distinct set of benefits. However, each policy must offer at least “basic” benefits established by the federal government. All insurance companies that sell Medicare Supplement Insurance Policies must follow federal and state laws. Yet while all companies must follow guidelines, you want a name you know and trust — for reliability, service, affordable premiums and more.

Private insurance companies that sell Medicare Supplement Insurance Plans can sell 12 standard plans and two high-deductible plans. These 12 plans are standardized to help you easily compare plans across companies. For example, Plan F has the same benefits regardless of which company offers it. Not all companies may choose to offer all 12 Medicare Supplement Insurance Plans.

Each policy covers one person, so you and your spouse must each purchase your own policy. You must also continue to pay the Medicare Part B premiums in addition to your Medicare Supplement Policy premium. The policies are automatically renewed each year as long as you pay your premium on time and follow policy rules.

Buying a Medicare Supplement Insurance Policy.

What are the available Medicare Supplement Insurance Plans?

There are 12 standard plans, plus two high-deductible plans available for Medicare Supplement Coverage; Blue Cross Blue Shield of Illinois offers eight of these plans, plus the one high-deductible plan. The chart on the next page shows the benefits included in each plan.

How do I choose a Medicare Supplement Insurance Policy? Which plan is right for me?

Take a look at the chart on page 6 to see where Medicare benefits stop and your responsibility for payment begins, then review the Medicare Supplement Insurance Plans offered by Blue Cross and Blue Shield of Illinois to see what our insurance plans cover when Medicare doesn't. Without supplement coverage, you could pay more than \$53,300 in uncovered medical costs this year! So we invite you to compare benefits and costs — coupled with our outstanding customer service — and then select the plan that is right for you!



	A	B	C	D	E	F F*	G	H	I	J J*	K**	L**
Basic Benefits	X	X	X	X	X	X	X	X	X	X	X	X
Skilled Nursing Co-insurance			X	X	X	X	X	X	X	X	X (50%)	X (75%)
Part A Deductible		X	X	X	X	X	X	X	X	X	X (50%)	X (75%)
Part B Deductible			X			X				X		
Part B Excess						X (100%)	X (80%)		X (100%)	X (100%)		
Foreign Travel Emergency			X	X	X	X	X	X	X	X		
At-Home Recovery				X			X		X	X		
Preventive Care					X					X		
Annual Out-of-Pocket Limit											\$4,620***	\$2,310***

Blue Cross and Blue Shield of Illinois does not offer those plans shaded in gray above.

Basic Benefits: Included in all plans. Plans K and L include benefits at different levels of cost sharing.

Hospitalization: Part A co-insurance plus coverage for 365 additional days after Medicare benefits end.

Medical Expenses: Part B co-insurance (generally 20% of Medicare-approved expenses), or in the case of hospital outpatient department services under a prospective payment system, applicable copayments.

Blood: First three pints of blood each year.

How do I apply?

As soon as you get your Medicare card, you are ready to apply for Medicare Supplement Insurance. Find out about our plans by contacting your authorized independent Blue Cross and Blue Shield of Illinois agent.

Plans F and J also have an option called a high deductible Plan F and a high deductible Plan J.* These high deductible plans pay the same benefits as Plans F and J after one has paid a calendar-year \$2,000 deductible. Benefits from high deductible Plans F and J will not begin until out-of-pocket expenses are \$2,000. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. These expenses include the Medicare deductibles for Part A and Part B, but do not include the plans' separate foreign travel emergency deductible.

**Plans K and L provide for different cost-sharing for items and services from Plans A-J. Once you reach the annual limit, the plan pays 100% of the Medicare copayments, co-insurance and deductibles for the rest of the calendar year. The out-of-pocket annual limit does NOT include charges from your provider that exceed Medicare-approved amounts, called "excess charges." You will be responsible for paying excess charges.

***The out-of-pocket annual limit will increase each year for inflation.

What is Medicare Part D Insurance?

And why you need it!

As mentioned earlier, as good as original Medicare is, it doesn't cover everything — including most prescription medications. With drug costs continuing to rise, Medicare Part D helps Medicare beneficiaries pay for their prescription medications.

Medicare Part D is offered through private insurance companies, like Blue Cross and Blue Shield of Illinois, that have contracted with the federal government. The government, specifically the Centers for Medicare & Medicaid Services (CMS), must approve the benefits, premiums, pharmacy contracts, and drug listing (also called a Formulary) before a company can offer Medicare Part D.

Medicare Part D Coverage

The government designed the Part D program so every company offers the same four coverage levels: Deductible, Initial Coverage Limit (ICL), Coverage Gap, and Catastrophic Coverage.

Below is a comparison of the Medicare-designed plan.

Coverage Level	You Pay
Deductible	\$310*
Initial Coverage Limit	25% of drug costs (up to \$2,830* in drug costs)
Coverage Gap	100% of all drug costs after \$2,830* is met and out-of-pocket costs reach \$4,550*
Catastrophic Coverage	5% of all costs above \$4,550*

*These figures are set by the government and change on January 1 of each year.

One of the differences between the plans offering Medicare Part D is in the coinsurance and/or fixed copayments offered within these four levels. For example, some plans may offer no deductible in the deductible phase or a fixed copayment per prescription rather than coinsurance in the initial coverage limit phase.

Premiums, pharmacy network and the prescription drugs offered (i.e., generics, brand) are also how plans differentiate themselves from one another.

Please review the Blue Cross and Blue Shield of Illinois Blue MedicareRx (PDP)SM plan choices at www.bcbsil.com/65plus or call 1-877-551-2844, 8 a.m. – 8 p.m., 7 days a week, Central time. For TTY/TTD users, call 1-888-285-2252.

The benefit information provided herein is a brief summary, but not a comprehensive description of available benefits. Additional information about benefits is available to assist you in making a decision about your coverage. This is an advertisement, for more information contact the plan.



Creditable Coverage and Late Enrollment Penalty (LEP)

If you have prescription drug coverage that is equal to or as good as the Medicare-designed plan, you may not need to enroll in a Medicare Part D plan. This is referred to as Creditable Coverage. Contact your current carrier or Benefits Administrator to determine if your coverage is creditable.

If your coverage is not creditable or you don't have prescription drug coverage, and you don't enroll in a Medicare Part D plan when you are first eligible (see Enrollment Periods), you may have a late enrollment penalty added to your premium when you do choose to enroll.

Medicare Part D Eligibility

In order to be eligible for Medicare Part D, you must:

- be entitled to Medicare Part A or enrolled in Medicare Part B;
- reside in your Part D carrier's service area; and
- enroll during an available enrollment period (see next section).

Enrollment Periods

Eligible Medicare beneficiaries may only enroll in Medicare Part D during specific periods of time. These are called enrollment periods and there are three types.

Initial Enrollment Period (IEP) — This period is used when you turn 65 or first become eligible for Medicare. If you do not enroll during this enrollment period when you are first eligible, you may incur a late enrollment penalty. *You can enroll up to 3 months prior to the month of your 65th birthday, the month of your birthday, and up to 3 months after the month of your 65th birthday.*

Annual Enrollment Period (AEP) — November 15 through December 31 of each year. During this time you can enroll for the first time or switch to a different Medicare Part D plan.

Special Enrollment Period (SEP) — There are some select circumstances that will allow you to enroll outside of the initial and annual enrollment periods. These circumstances include, but are not limited to, moving outside of the plan's service area and becoming eligible for both Medicare and Medicaid.

Extra Help

If you have low income or limited assets, you may be able to get extra financial help with your Medicare Part D plan premiums and costs. For more information, contact Social Security, your local Medicaid Office or 1-800-MEDICARE (1-800-633-4227), 24 hours a day, 7 days a week. For the hearing or speech impaired, please call: 1-877-486-2048.

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What you need to know...

About Medicare Supplement Insurance:

Here's a handy checklist from Blue Cross and Blue Shield of Illinois.

As you turn 65, or if you are already 65 and on Medicare, and if you are considering Medicare Supplement Insurance, here are some important next steps.

SPECIAL NOTE: Please check with your employer to see if you are eligible for health insurance coverage before purchasing a Medicare Supplement Insurance Plan.

Step 1: ✓ Be sure you are signed up for Medicare Parts A and B and are an Illinois resident.

TIP: Sign up for Medicare with the Social Security Administration at **1-800-772-1213** or **www.ssa.gov**.

Step 2: ✓ Compare the standard Medicare Supplement Insurance Plans at Blue Cross and Blue Shield of Illinois by contacting your authorized independent Blue Cross and Blue Shield of Illinois agent. Remember that all companies offer “standard” plan benefits. For instance, Plan F benefits are the same from one company to the next. But not all companies offer the same level of service or financial stability.

Step 3: ✓ Select the plan that best fits your needs and budget. The Blue Cross and Blue Shield of Illinois most popular Medicare Supplement Insurance Plans are Plans C, D and F. All plans cover most of what Medicare doesn't pay, and some plans have additional benefits:

PLAN C — Pays Medicare Part B Annual Deductible

PLAN D — Pays At-Home Recovery

PLAN F — Pays Medicare Part B Annual Deductible and Excess charges if your doctor doesn't accept Medicare assignment

Step 4: ✓ Enroll in a plan — it's simple! Contact your authorized independent Blue Cross and Blue Shield of Illinois agent.



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