



MAKE THE MOST OF

# MEDICARE

An easy guide to getting more from your benefits



## Make the most of Medicare

When you become eligible for Medicare, you want to choose a health plan that's a good fit for you, in both coverage and cost. But Medicare can be confusing, which makes it hard to compare options and make a sound decision.

If you're already enrolled in Medicare, staying in the same plan year after year might be costing you more than you realize. Because your health needs and budget change over time, it makes sense to revisit your Medicare plan benefits and costs each year.

This booklet will help you better understand Medicare, assess your own health care needs and choose the best plan for you.

## How Medicare works

Medicare is a federal health insurance program for eligible adults 65 and older and those younger than 65 with a medical disability who qualify. Medicare has four parts — Part A, Part B, Part D and Part C. There's also Medicare supplement insurance, also known as gap insurance or Medigap. It helps cover the gaps in your Medicare coverage as well as your share of the costs for Medicare services.



Each part helps pay for different health care costs. Part C is unique because it combines the coverage of the other parts of Medicare. The icons will help you understand how Medicare works.

There are two ways to receive your Medicare coverage: Original Medicare (Part A and Part B) or a Medicare Advantage plan (Part C).

## Original Medicare = Part A and Part B

Original Medicare is coverage managed by the federal government. When you choose Original Medicare, you get the coverage included in Medicare Part A and Part B.

**Medicare Part A** acts as hospital insurance. Part A helps pay for inpatient care in hospitals, hospice care, home health care and care provided in a skilled nursing facility if you meet certain requirements. If you or your spouse paid Medicare taxes when you were working, the federal government may pay your premium (monthly fee) for Part A coverage. If not, you can still purchase Part A.

**Medicare Part B** provides medical insurance. Part B helps cover doctor visits, procedures that don't require an overnight hospital stay and some preventive care services, such as flu shots. Most people pay a monthly premium for Part B, which is based on their income. The monthly premium for Part B is typically taken out of your Social Security check.

Original Medicare **doesn't** cover most prescription drugs or custodial care, such as nursing home stays.

With Original Medicare, there are additional costs you may have beyond any required Medicare Part A and Part B premiums:

- A deductible, which is a set amount you pay every year before Medicare coverage begins
- The entire cost of services not covered by Medicare
- Coinsurance, which is a portion of the cost of Medicare-approved services (usually 20%)
- A Part D drug plan premium, if you choose to add drug benefits
- A Medicare supplement plan premium, if you elect to buy supplement insurance



## Prescription drug coverage = Part D

**Medicare Part D** helps cover your cost for prescription drugs if you have Original Medicare.

Part D plans are managed by private Medicare-approved insurers. You must enroll in a private plan to receive Part D services. Part D covered drugs generally:

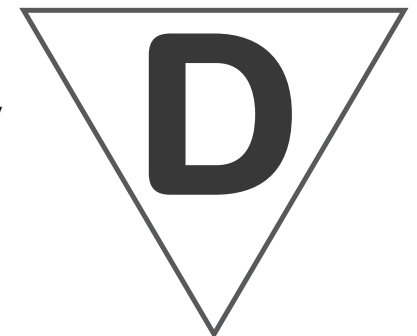
- Vary from plan to plan
- Include commonly used brand-name and generic drugs
- Don't include over-the-counter medicines

**A Part D drug plan can be added to your Medicare benefits as a stand-alone plan if you've chosen Original Medicare or are planning to choose it.** A cost-effective way to buy Part D drug benefits is through a Medicare Advantage plan with hospital and medical coverage, known as Medicare Part C, described in the next section.

**Most Medicare drug plans have a coverage gap.** After you and the plan spend a certain amount on prescriptions, coverage is limited. At that point, you're responsible for paying a larger share of future prescription costs for the calendar year, until you reach a predetermined amount. If you exceed the coverage gap for your Medicare drug plan, you'll be able to purchase brand-name and generic drugs at a discounted price.

**Higher-income Medicare recipients pay a monthly income-related premium for Part D benefits.** In addition to the Part D federal government premium cost, you may have a monthly premium charged by the Part D private insurer. Other costs may include an annual deductible and coinsurance or copayments.

If you have limited financial resources, you may qualify for Extra Help to put toward Part D plan costs. Certain organizations, such as the Social Security Administration, offer financial assistance.



## Part C Medicare Advantage = Medicare parts A, B and often D

**Medicare Part C**, or Medicare Advantage, integrates Medicare Part A and Part B coverage with additional medical benefits not included in Original Medicare. Many Medicare Advantage plans also include Part D drug benefits. Medicare Advantage plans are available through private health insurers and may include:

- Routine eye and dental care
- Hearing aids and eyewear
- Wellness programs
- Discount programs for services and products, such as acupuncture and vitamins

**When you enroll in a Medicare Advantage plan, you still receive all the entitlements and privileges of Original Medicare.** You're simply choosing to assign the administration of your Medicare benefits to a private insurer and will receive your benefits through the Medicare Advantage plan you join. The federal Centers for Medicare & Medicaid Services, or CMS, oversees the private health insurers to manage benefits for you and applies your Original Medicare benefits to your Medicare Advantage plan. To be eligible for a Medicare Advantage plan, you must:

- Reside in the U.S.
- Live in the plan service area
- Be entitled to Medicare Part A
- Have enrolled in Medicare Part B
- Continue to pay your Part B premium

## Supplementing Original Medicare

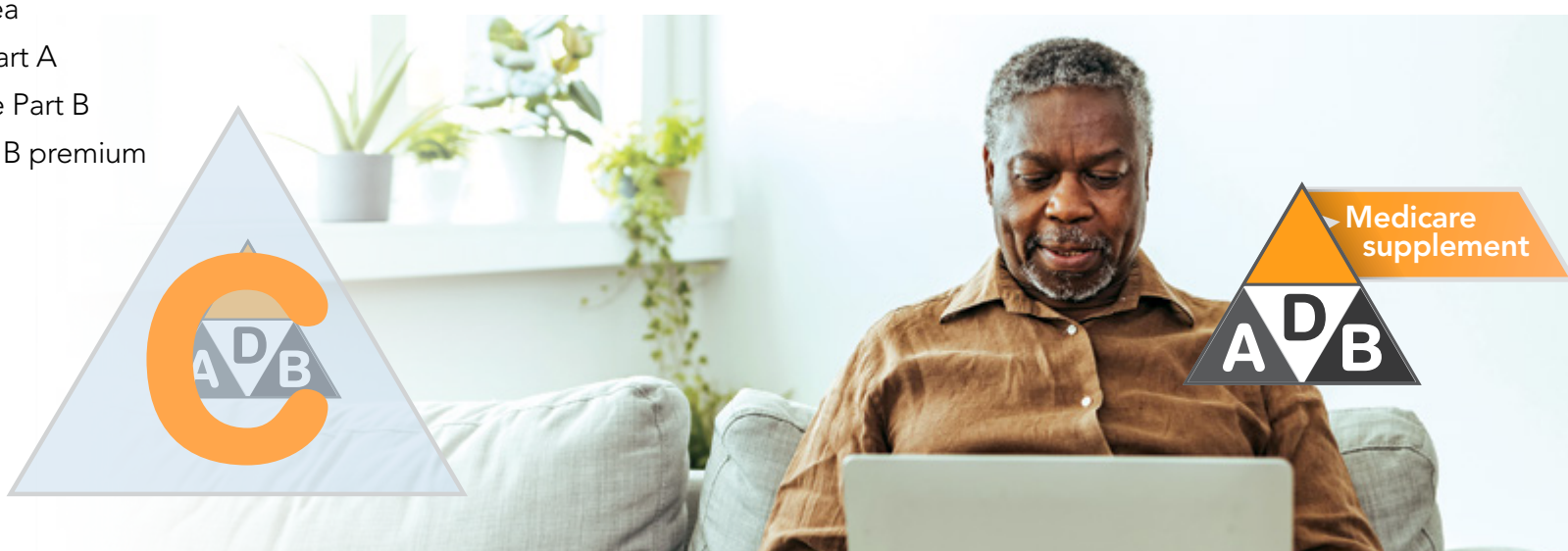
**Original Medicare** helps pay for certain medical costs, but you may find it doesn't cover all the services you need. If you choose Original Medicare, you can extend your coverage by adding a stand-alone Medicare Part D drug plan. You may also want to get coverage that fills the gaps in Original Medicare. One way to do this is to add a Medicare supplement insurance policy from a private insurer.

**Medicare supplement** plans help bridge the gap between what Original Medicare covers and the total cost of medical services. They cover all or a portion of Medicare deductibles and coinsurances and are accepted nationwide. And as long as you pay your premium, a Medicare supplement policy is guaranteed renewable.

Monthly premiums are generally affected by variables, such as where you live, if you use tobacco and your age, height, weight and gender. Since costs vary, it's important to compare Medicare supplement policies.

Under certain circumstances, you're guaranteed the right to buy a Medicare supplement policy. In these situations, insurance companies can't place conditions on a Medicare supplement policy, such as exclusions for preexisting conditions, or charge more because of past or present health problems.

Medicare supplement only covers one person. If you and your spouse both want Medicare supplement coverage, each of you will need to buy separate policies.

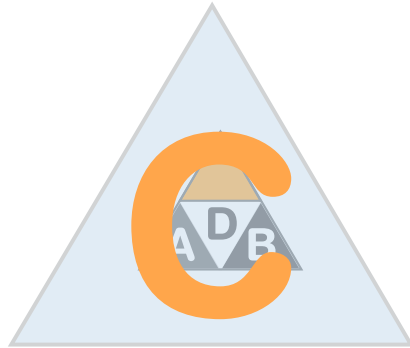


## Choose a Medicare plan that fits your needs

You can choose a Medicare Advantage plan (Part C) that bundles benefits of the different parts together in a single plan.

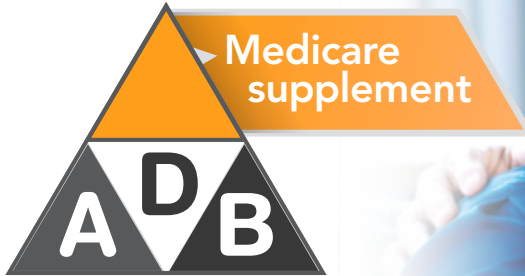
Medicare Advantage plans include:

- Part A — Hospital
- Part B — Medical
- Part D — Prescription drugs (most plans)
- Some benefits that are similar to what you'd get in a Medicare supplement plan
- Often, additional benefits, such as dental, vision, hearing and fitness



Or you can pair a supplement plan and a prescription drug plan with Original Medicare.

- Part A — Hospital
- Part B — Medical
- Part D — Prescription drugs
- Medicare supplement



## Types of Medicare Advantage plans\*

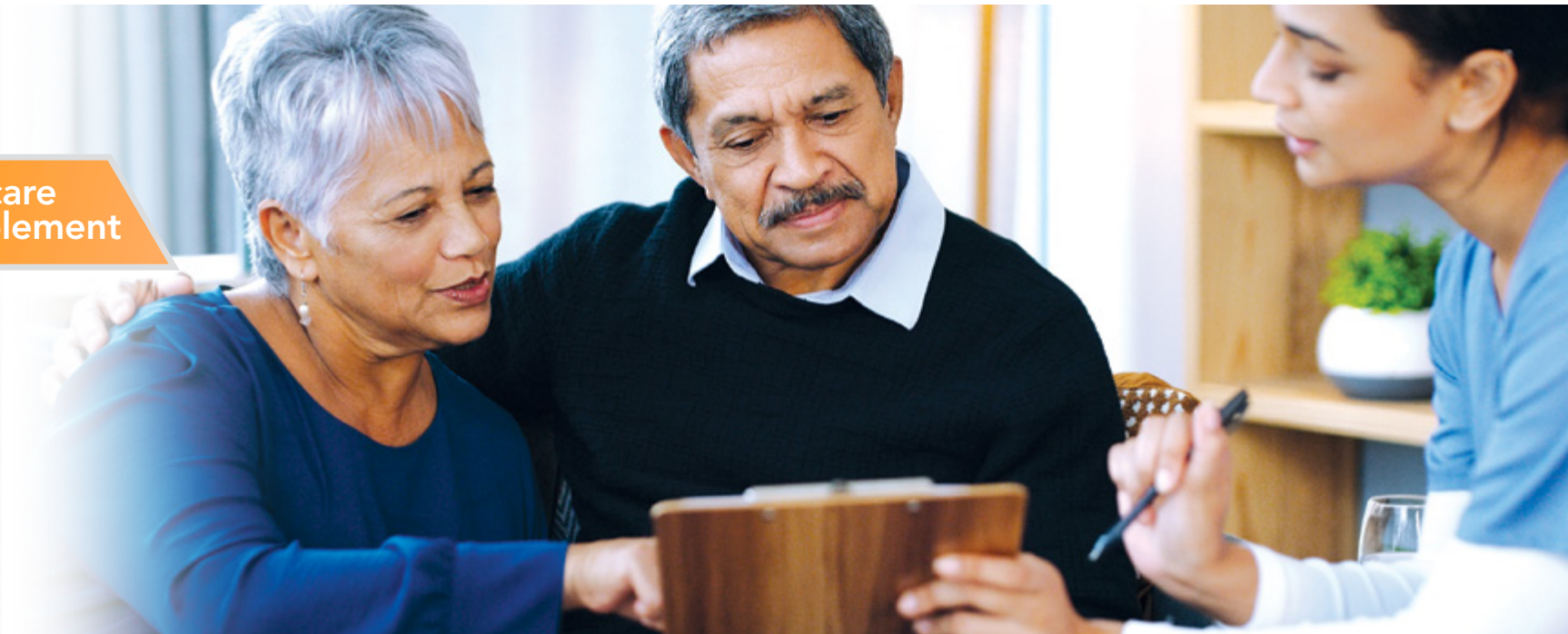
**Health maintenance organization, or HMO** — An HMO requires you to choose a primary care provider, or PCP, to manage your medical needs. When you need a specialist or other provider, your PCP coordinates care with them and provides referrals as appropriate. Care provided, arranged or authorized by the HMO and your PCP within the HMO network is included in your benefits.

**Point of service, or POS** — A POS is an HMO that lets you get some out-of-network services at in-network costs.

**Preferred provider organization, or PPO** — A PPO allows you to visit any health provider you'd like. You often pay more to see doctors outside the PPO network. Referrals aren't usually necessary to see specialists.

**Special needs plan, or SNP** — SNPs are for people with a chronic illness, older adults with limited income and seniors living in a nursing home. You must meet certain qualifications to be eligible.

\*Plan availability varies by location.



## Medicare coverage explained: Q & A

As you prepare to enroll in a Medicare Advantage plan, it's important to understand how it works. Here are answers to some frequently asked questions:

### Q. When can I enroll in a Medicare Advantage plan?

A. Anyone who is eligible for Medicare can enroll in a Medicare Advantage plan. You can join during the annual election period (Oct. 15 through Dec. 7) or during the seven-month window around your 65th birthday, called your initial enrollment period. There are also other special enrollment periods for certain situations.

### Q. When can I enroll in a Medicare supplement (or Medigap) plan?

A. You can enroll in a Medicare supplement plan at any time during the year. However, there are certain times or circumstances where an insurance company can't use medical underwriting to decide whether to accept your application. These include:

- When you apply during your Medigap open enrollment period, which begins the first month that you're 65 or older and enrolled in Medicare Part B
- Other special circumstances, such as the loss of Medicare Advantage or other Medicare supplemental coverage

During these times, an insurance company can't do any of the following because of your health status:

- Refuse to sell you a Medicare supplement policy it offers (except that in some circumstances an insurance company may be able to limit the choice of policies available)
- Charge you more for a Medicare supplement policy than they charge someone with no health problems
- Make you wait for coverage to start (except in some instances with preexisting conditions)

### Q: What do I need to know if I want to buy a Medicare supplement policy?

A: To buy a Medicare supplement policy, you should know that:

- You must have Medicare Part A (hospital insurance) and Medicare Part B (medical insurance).
- You pay the private insurance company a premium for your Medicare supplement policy in addition to the monthly Part B premium you pay to Medicare.
- Any standardized Medicare supplement policy is guaranteed renewable even if you have health problems. This means the insurance company can't cancel your Medicare supplement policy as long as you stay enrolled and pay the premium.
- Different insurance companies may charge different premiums for the same exact policy. As you shop for a policy, be sure you're comparing the same policy (for example, compare Plan A from one company with Plan A from another company).

### Q: What are Medicare supplement guaranteed issue rights?

A: Guaranteed issue rights are rights you have in certain situations when insurance companies are required to offer you Medicare supplement policies. Outside of your Medigap open enrollment period, you have guaranteed issue rights in the following circumstances:

- You were enrolled in an employer group health care plan that pays after Medicare pays and which has recently ended
- You lost coverage from a Medicare Advantage plan, Program of All-Inclusive Care for the Elderly, Health Care Pre-Payment Plan, other Medicare demonstration project or Medicare Select plan
- You voluntarily disenrolled from a Medicare Advantage plan within 12 months after the effective date of enrollment
- You lost coverage from another Medicare supplement policy

### Q. Can I change Medicare Advantage plans if my current plan isn't meeting my needs?

A. Yes, you can enroll once a year during the annual election period (Oct. 15 through Dec. 7) or change your plan one time during the open enrollment period (Jan. 1 through March 31).

**Q. What if I need enhanced dental, vision or hearing benefits?**

**A.** Look for a plan that offers those benefits through optional supplemental plans.

**Q. Do Medicare Advantage plans offer coverage when I travel?**

**A.** All Medicare Advantage plans offer emergency and urgent care coverage worldwide. You may end up paying higher deductibles, copays and out-of-pocket maximums if out-of-network services are used.\* To save money, choose a plan with a large national network of doctors and hospitals that accept Medicare and your plan.

**Q. Do Medicare Advantage plans offer fitness programs?**

**A.** Some Medicare Advantage plans do, but they may limit those benefits. Choose one that allows you the flexibility to take a class or visit a gym anywhere you travel, rather than requiring you to join one location where you live.

**Q. What about Medicare Part B? Do I need to continue paying the monthly premium to enroll in a Medicare Advantage plan?**

**A.** Yes. In most cases, if you enroll in a Medicare Advantage plan, you must continue to pay your Part B premium.

**Q. What if I need to join or change Medicare Advantage plans outside the designated times?**

**A.** You can only do so in special circumstances. These include:

- Moving out of your existing plan's service area
- Living in a facility, such as a nursing home
- Qualifying for Extra Help, such as if you receive both Medicare and Medicaid, get Supplemental Security Income or apply for and receive financial assistance

**Q. Can I enroll in both a Medicare supplement plan and a stand-alone prescription drug plan?**

**A.** Yes. Medicare supplement plans purchased after Jan. 1, 2006, don't include Part D drug coverage. Therefore, to avoid a late enrollment penalty for Part D, you can enroll in both a Medicare supplement plan and a stand-alone Part D plan.

## Dates to remember

Time frame	Event
<b>Oct. 15 through Dec. 7</b>	<b>Annual election period</b> During this time, you can: <ul style="list-style-type: none"><li>• Join a Medicare Advantage medical plan or Part D prescription drug plan.</li><li>• Switch a Medicare Advantage medical plan or Part D prescription drug plan.</li><li>• Change from a plan that includes Medicare Part D prescription drug coverage to one that doesn't.</li><li>• Disenroll from a Medicare Advantage plan.</li></ul>
<b>Jan. 1</b>	<b>If you joined a new plan, new coverage begins.</b>
<b>Jan. 1 through March 31</b>	<b>Open enrollment period</b> During this time, beneficiaries can make a one-time election to switch Medicare Advantage plans or to disenroll from a Medicare Advantage plan and move to Original Medicare.  Newly eligible Medicare Advantage individuals who enroll in a Medicare Advantage plan can make a one-time election to change Medicare Advantage plans or drop Medicare Advantage coverage. They can also obtain Original Medicare during the period that begins the month they're entitled to both Part A and Part B and ends on the last day of the third month of entitlement.

\*422.2267(e)(37). Out-of-network/non-contracted providers are under no obligation to treat Plan members, except in emergency situations. Please call our customer service number or see your *Evidence of Coverage* for more information, including the cost-sharing that applies to out-of-network services.

## Get the most from your Medicare benefits

- **Stay in network for services if you have a Medicare Advantage HMO or PPO plan.** These plans negotiate lower rates with providers in their networks.
- **Get immunizations and preventive health screenings.** Get flu shots, mammograms or prostate cancer tests and other screenings included in your plan to find problems early, when they're most treatable.
- **Find out if your plan offers a fitness program.** Some Medicare Advantage plans include fitness programs at no additional cost.
- **Choose a plan that offers virtual visits.** If you're traveling, virtual visits offer you access to a doctor or mental health provider 24/7.

## Get the most from your drug coverage

- **Pay less by choosing a preferred over a standard pharmacy.** A preferred pharmacy offers a lower copay for drugs than a standard pharmacy.
- **Substitute preferred for nonpreferred brands.** Sometimes a generic isn't available. Your doctor may prescribe a drug that's on your plan's nonpreferred brand list. If that happens, ask your doctor if there's a less-expensive option from the preferred list that works just as well.
- **Check pharmaceutical assistance programs.** Some major drug manufacturers offer assistance programs. Visit Medicare's Pharmaceutical Assistance Program website at [www.medicare.gov/pharmaceutical-assistance-program](http://www.medicare.gov/pharmaceutical-assistance-program) to determine if programs are offered for the drugs you take.\*
- **Shop around. Prices vary by pharmacy.** Explore mail-order pharmacies; some may offer lower pricing. Plus, your plan may offer a lower copayment for a three-month mail-order supply of medications.

\*Blue Cross Blue Shield of Michigan and Blue Care Network don't own or control this website.





# Make the most of Medicare

According to CMS, 30.2 million people were enrolled in a Medicare Advantage plan as of 2023. That's half (50%) of all eligible Medicare beneficiaries.\* By 2032, the Congressional Budget Office projects that the share of beneficiaries enrolled in Medicare Advantage plans will rise to 61%.\*\*

- Enroll in Medicare when you're first eligible. Even if you have other health coverage, this will help you avoid penalties and coverage gaps.
- You'll have gaps in coverage with Original Medicare, which doesn't include most prescription drugs or custodial care, such as nursing home stays.
- To learn more, call 1-800-MEDICARE (1-800-633-4227), 24 hours a day, seven days a week. TTY users should call 1-877-486-2048.

\*Source: Kaiser Family Foundation. <https://www.kff.org/policy-watch/half-of-all-eligible-medicare-beneficiaries-are-now-enrolled-in-private-medicare-advantage-plans/>

\*\*Source: Kaiser Family Foundation. <https://www.kff.org/medicare/issue-brief/medicare-advantage-in-2022-enrollment-update-and-key-trends/>



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