



Your Journey to Medicare — Insurance Folio for Retiring Employees

Medicare essentials when transitioning from group to individual Medicare.

You're retiring soon; so what's next?

We've written this folio for you, one of the valued members of our Blue Cross family.

As you near retirement and leave your employer's insurance plan, you might have questions about your future health care coverage, like:

- What are my options?
- What steps do I need to take to make sure my family members are covered?
- What if I'm not yet eligible for Medicare?

The good news is that Blue Cross Blue Shield of Michigan is your trusted partner in helping you through this process. Ask us anything. This folio was designed to break things down so you can make sure you're ready for what's ahead.

We've also created a call center for those transitioning from group coverage to individual Medicare coverage. Anytime you have questions about your Medicare options while reading through this folio, call us at [1-855-996-1788](tel:1-855-996-1788), 8 a.m – 9 p.m. Monday through Friday, with weekend hours October 1 – March 31. Or, contact a Blue Cross-authorized, independent agent.

In addition to providing steps to help guide you in keeping covered through retirement, we've created a place to help guide you into your next phase of life without worry: bluemedicare4me.com/folio.


Our goal is to put your health first by putting you first when transitioning from your current group coverage to an individual plan.



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This icon:  means print and save.

This icon:  means remember this.



What is Medicare?

A federal program that provides individual health coverage

You are eligible for Medicare if you have one of the qualifying factors:

- **Are three months from turning 65**
- **Are disabled and receiving Social Security Disability Insurance**
- **Have end stage renal disease**

Funded by beneficiary premiums, taxpayers through Social Security and Medicare taxes, and the federal budget, you can enroll in this entitlement insurance program after working and paying taxes for a minimum period of time. We'll cover that in a bit.

There are many parts and coverage options, and not everyone will receive the same benefits. Out-of-pocket costs can vary, including deductibles and copays.

Medicare isn't Medicaid; that is an income-based federal program.



What is Medicare?

(continued)

Explaining the four parts of Medicare

Parts A and B are called **Original Medicare** and offered and run by the federal government. Benefits cover hospital care, skilled nursing facilities, hospice, home health care, doctor visits, mental health care, outpatient surgery, lab tests and equipment such as wheelchairs and walkers.

Part C is called **Medicare Advantage**. These are plans you purchase from private health insurance companies, like Blue Cross Blue Shield of Michigan, that contract with the government. Medicare Advantage plans combine your Original Medicare benefits with extra coverage for an all-in-one plan.

What's important to know is that Medicare Advantage **includes parts A, B and D (see below) and offers some extra benefits, like vision and dental.**

NOTE: Each individual needs their own plan.



Part D covers prescription drugs, as mentioned above.

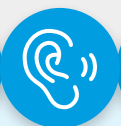


Original Medicare
Part A
(Hospital)



Original Medicare
Part B
(Medical)

+



(Vision/Dental/Hearing
and extra coverage)

+



Part D
(Prescription Drugs)

Medicare Advantage - Part C



Important Medicare enrollment milestones



Know when to apply for Medicare

BE READY TO DO THE RIGHT THINGS AT THE RIGHT TIME.

If you are:

Age 64 or under and retiring

These are your options to consider:

Original Medicare parts A & B
 Medicare through a private insurer like Blue Cross
 Medicare through an insurance agent
 COBRA through your employer
 Your spouse's employer plan

Three months before and after turning age 65

Retiring? You are eligible to enroll in Medicare Part A and Part B @Medicare.gov or a Medicare Advantage, Medicare supplement or a prescription drug plan through a private insurance company or agent.

Still working? You are eligible to enroll in Medicare **and** can choose to stay on your Blue Cross Blue Shield of Michigan group plan.

Over age 65 and retiring

You have seven months to **enroll in Medicare**

But don't wait! Sign up as early as you can to avoid penalties and fines as well as unexpected health care costs from being uninsured.

Turning 65 and still working

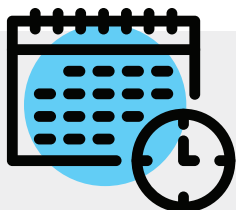
Depending on the size of your employer, you may be able to delay Medicare or enroll and keep your group coverage. Check with your benefits administrator.





Important Medicare enrollment milestones

(continued)



A LOOK AT THE DIFFERENT MEDICARE ENROLLMENT PERIODS AND WHO THEY HELP.

WHO NEEDS THIS	WHAT TO DO	WHEN TO DO IT
<p>INITIAL ENROLLMENT PERIOD (IEP)</p>	<p>Individuals turning 65 within the next 12 months</p>	<p>Enroll in Original Medicare</p>
<p>SPECIAL ENROLLMENT PERIOD (SEP)</p>	<p>Individuals previously covered by their employer health plan</p>	<p>Enroll in Medicare Part A or Part B</p>
<p>ANNUAL ENROLLMENT PERIOD (AEP)</p>	<p>Individuals currently enrolled in a Medicare plan</p>	<p>Reevaluate coverage & make changes</p>
<p>OPEN ENROLLMENT PERIOD (OEP)</p>	<p>Individuals enrolled in a Medicare Advantage plan</p>	<p>Make changes to your Medicare Advantage plan once a year</p>
		<p>3 months before 65th birthday through 3 months after</p> <p>8 months from termination of employer coverage</p> <p>October 15 - December 7</p> <p>January 1 - March 31</p>



Now a look at your options for coverage

More parts covered and some extras

As explained on Page 2, you have many choices for individual health care insurance as you get ready to transition out of your group plan. **Primarily, you need to choose between Original Medicare** from the federal government (Medicare parts A & B), **or Medicare Advantage** (Medicare Part C) through a private health insurance company like Blue Cross Blue Shield of Michigan.

The difference between Original Medicare and Medicare Advantage

Medicare Advantage essentially offers everything you get from Original Medicare (parts A & B) and includes Part D, prescription drug coverage, as well as extra benefits such as vision and dental.



Original Medicare requires you to pay 20% of the cost (or 20% coinsurance) for most medical services covered under Part B. However, with Medicare Advantage plans, you'll pay a flat rate for a doctor visit, making costs more predictable and potentially less expensive.

Additionally, with Medicare Advantage plans you get an out-of-pocket maximum. So, once you spend that maximum amount on health care each year, your Medicare Advantage plan pays 100% of the cost. With Original Medicare, there's no maximum — or ceiling — so you would continue to pay out-of-pocket for services.

More advantages with Medicare Advantage

To add coverage to your Original Medicare plan, you have a choice between a Medicare Advantage plan or a Medicare supplement plan, also called Medigap. Medigap plans don't provide prescription drug coverage and most plans don't cover vision, hearing, long-term care



More advantages with Medicare Advantage *(continued)*

or at-home care. But these plans may cover care while traveling or frequent emergency care. Most Medicare Advantage plans are all-in-one plans that combine medical and prescription coverage on one card — and some even offer additional dental, vision and fitness benefits, too. Original Medicare doesn't offer a card as such, requiring you to supplement with extra services from Medicare supplement and paying out-of-pocket. And with Original Medicare and Medicare supplement plans, you would need to purchase Part D for prescription coverage or face a penalty from the Centers for Medicare & Medicaid Services.

Medicare Advantage

Usually includes Part D (Rx Drugs)



Part A
(Hospital)



Part B
(Medical)



Zero to lower
premiums, but
variable copays



Vision/Dental/
Hearing



Part D
(Prescription Drugs)

OR

Original Medicare

Only covers 80% of costs



Part A
(Hospital)



Part B
(Medical)



Supplement

Covers almost or all of the 20%
that Medicare doesn't cover



Higher premiums,
but no copay



Medicare Part D



Rx Drugs

WHICH PLAN IS RIGHT FOR ME? TAKE THIS QUICK QUIZ TO FIND OUT!

Answer a few questions to narrow
your choices.

**TAKE THE
QUIZ NOW**

Or scan here:





FAQs

1) Are Medicare-eligible employees required to enroll in Medicare?

Everyone who turns 65 with enough work credit is automatically enrolled in Medicare Part A at no cost, covering hospital and inpatient care.

2) Does enrolling in Medicare affect Social Security retirement benefits?

No, Social Security retirement income and Medicare are different benefits altogether. However, if a person takes Social Security retirement benefits before reaching 65, then the Social Security Administration will assume this person wants to enroll in Medicare Part B when they turn 65 and enroll them automatically.

3) How long does an employee have to enroll in Medicare Part C or Part D (Prescription Drug Plan) after leaving an employer group plan?

For Part D and even Part C (Medicare Advantage), an employee has 63 days after the last month of employment or employee health coverage to enroll. If a person doesn't enroll in a Part D drug plan within this enrollment window and later decides they want to, they'll pay a late enrollment penalty.

4) Does Medicare cover dental, vision and hearing?

Unfortunately, Original Medicare (Part A) doesn't cover routine dental, vision or hearing services. However, many Medicare Advantage (Part C) plans cover some or all these services as additional benefits.

5) If an employee is past the initial enrollment period for Medicare, will they pay a penalty if they enroll later?

As long as the employee has had continuous employer group coverage (their own or their spouse's active employment) and can provide a form* signed by every employer they've had since turning 65, they'll avoid penalties when applying for Medicare Part B past the initial enrollment period.

**This form can be obtained through a Social Security Administration office or online at SSA.gov.*

6) How long does an employee have to enroll in Medicare parts A and B after leaving an employer group plan?

For parts A and B, the employee has eight months after the last month of employment or employee health coverage to enroll.

continued on next page

7) What happens to employee spouse health coverage when they retire and go on Medicare?

Depending on the employer's plan rules, the retiring employee's spouse will often need to get their own individual coverage. In some cases, employers will offer COBRA for the spouse's continued coverage.

8) For employees not eligible for Medicare, what are the options for health coverage?

As our valued member, you have lots of help in this process. Health plan advisors are standing by to answer your questions and guide you: [1-844-737-6596](tel:1-844-737-6596). To do a little research on your own, go to bcbsm.com/myblue and choose *Shop for Insurance*. Remember, we're here for you when you're ready to chat.

How to get help

If you need to find out more about transitioning to individual Medicare as your retirement gets closer, we have numerous resources available to answer questions and help you get the most from your Medicare coverage.

BE CONFIDENT IN YOUR JOURNEY TO MEDICARE.

We understand that Medicare can be overwhelming. That's why we've created a call center specifically to meet the needs of employees starting their journey to Medicare — people just like you. Get started by calling your dedicated Blue Cross Blue Shield of Michigan Medicare Health plan advisor at [1-855-996-1788](tel:1-855-996-1788), 8 a.m. to 9 p.m., Monday through Friday, with weekend hours October 1- March 31. Or, contact a Blue Cross-authorized, independent agent. They can cover anything you need, from the basics of Medicare to more complete information and details on enrollment. They'll even outline all the Medicare plans available to you so you leave the call feeling informed.

MEDICARE ADVANTAGE



Medicare Advantage plans are the all-in-one option, meaning when you choose a Medicare Advantage plan, you will get all your Original Medicare benefits plus extra coverage. You'll have one Medicare card for this all-in-one plan.

Many Medicare Advantage plans include prescription coverage and coverage for dental, vision and hearing.

Since you're already a valued Blue Cross member, transitioning to a Blue Cross Blue Shield of Michigan Medicare Advantage plan will be easy.

MEDIGAP PLANS



Also called Medicare supplement plans, these plans fill the gaps in your Original Medicare coverage. Medigap plans can pay for deductibles, copays and other benefits that Original Medicare doesn't cover. You'll need both your Medicare card and your Medigap ID card to get care.

Medigap/Medicare supplement plans don't include coverage for prescriptions, dental, vision, hearing or any of the other care items you may find you need in retirement, that are usually included in most Medicare Advantage plans.

PART D PRESCRIPTION DRUG PLANS



Prescription medication costs can really add up every month. Most Medicare Advantage plans include prescription drug coverage, but some don't, so be sure to check different policies and speak to an advisor to be sure.

Remember, if you choose a Medigap plan, you'll need to buy a separate Part D prescription drug plan plus additional coverage for dental, vision, hearing, etc.



EXTRAS TO CONSIDER

Most people approaching retirement age find they have extra care needs as time goes on.

Certain things we take for granted over the years aren't automatically covered in retirement.

Here's a list of common care needs you may find you need. Be sure the policy you choose includes these:

Dental

You'll want to stay on top of your dental health and paying for it out-of-pocket can get costly.

Vision

Even if you have great vision now, it's important to keep routine eye exams as you age because early detection of disease can help treat it.

Hearing

You may decide hearing coverage is optional for you. But if hearing loss runs in your family or you already deal with it, be sure you choose a plan that has this coverage.

Over-the-counter items

More and more Medicare Advantage plans are giving a quarterly stipend toward over-the-counter items such as supplements, cold and cough medicine, and other health-related items.

Gym membership

Maybe you already belong to a gym or would like to stay fit in retirement. You can save money by choosing a plan that covers this cost.



Notes



Thanks for letting us help you in your Medicare journey.

We're here for you.



Blue Cross Blue Shield of Michigan and Blue Care Network are nonprofit corporations and independent licensees of the Blue Cross and Blue Shield Association.