



Blue Cross
Blue Shield
Blue Care Network
of Michigan

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Planning for health care in retirement



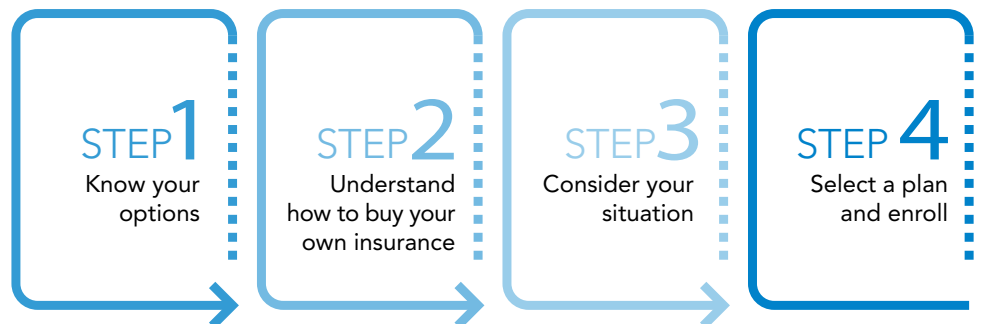
Next steps for health care

As you approach retirement, you may have a lot of questions about health care coverage and how it works when you leave your employer's plan. The good news is that Blue Cross is your trusted partner through this process.

What are your options? What do you need to know? What steps do you need to follow to make sure that you and your dependents are covered? What if you're not yet eligible for Medicare?

No matter what questions you have – we have the answers. Blue Cross Blue Shield of Michigan has prepared this booklet to break things down and get you ready for what's ahead. In fact, Blue Cross can help you every step of the way, from defining your retirement health care options all the way to helping you select and enroll in a plan.

Let's take a look at your next steps.



Step 1: Know your options

If you retire and you're not eligible for Medicare (64 or under):

- If you retire before you're 65 and your employer does not offer retiree plans, you'll either want to purchase an individual plan through the Health Insurance Marketplace, a broker or directly from a health plan, or sign up for COBRA health insurance until you turn 65. If your spouse is still working and their employer offers health coverage, you could enroll on your spouse's plan until you are Medicare-eligible.
- Retirement qualifies you for a special enrollment period, meaning you can enroll in a commercial, individual health plan within 60 days of leaving group coverage even outside the annual enrollment period.

If you will be Medicare-eligible soon (turned or turning 65):

- Everyone is eligible at 65 – you can enroll during “initial enrollment” which starts three months before you turn 65 and ends three months after your 65th birthday.
- Some companies offer group Medicare insurance or contribute to your individual Medicare insurance in retirement. Be sure to understand your retirement benefits before purchasing individual insurance.
- If you are still working at 65, you can stay on your employer's commercial plan or move to an individual Medicare plan. Compare costs and benefits of your commercial plan and Medicare options to make an informed decision. If your company has fewer than 20 employees, you can still stay on your employer's plan, but you should also enroll in Medicare Parts A and B to avoid penalties for late enrollment down the line. This will allow Medicare to pay for your claims first and your employer plan will be the secondary payer.

If you are over 65 and need to transition to Medicare as you leave group coverage:

- You have 8 months to enroll in Medicare once you no longer have commercial coverage after age 65. Keep in mind that you will be uninsured once you leave your group coverage, so be sure to sign up as early as you can. This is a special enrollment period and does not need to coincide with Annual Enrollment Period for Medicare plans.
- You can sign up for Medicare even if you don't claim social security benefits. Financial planners often recommend holding off on taking your social security benefits until 67 ½ or later. But with Medicare, you can start your benefits as soon as you are eligible at 65, with no penalty or advantage for waiting.

Medicare benefits are for an individual, so if you have a spouse or dependent on your employer's plan, you will need to make arrangements for them through the Health Insurance Marketplace, a broker or directly from a health plan.



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Step 2A: Understand how to buy insurance when you're under 65

If you are retiring before age 65, you can buy individual and family health insurance directly through an insurance company by visiting their website or speaking with a broker, or you can visit [healthcare.gov](https://www.healthcare.gov) to compare and purchase plans through the Health Insurance Marketplace.

How is shopping through an insurance company different from the Marketplace?

Shopping on BCBSM.com vs. Health Insurance Marketplace		
Overview	bcbsm.com	Health Insurance Marketplace
What will I see?	You can see all our medical and dental plans.	You'll see only the plans available to you based on your income and location.
Can I compare plans?	You can compare the plans we're offering side-by-side.	You can compare plans from all Michigan insurance companies participating in the Marketplace.
Can I find out if I'm eligible for a subsidy?	When you're shopping for plans, you'll be able to see if you qualify for lower costs.	After you complete your application, your eligibility and subsidy amount will be confirmed.
Can I get help and advice?	You can get help from insurance experts on the phone and in-person from our health plan advisors and agents.	You can get help from trained people and community resources contracted by the Marketplace.

I've seen bronze, silver, and gold plans. What does that mean?

To make shopping for health insurance easier, plans you purchase for you and your family are divided into **metal tiers**: bronze, silver and gold. Each metal tier covers a certain percentage of your health care costs. As you probably guessed, bronze plans have the lowest monthly payments, but they generally have the highest out-of-pocket costs. A bronze plan would work well for a light health care user. Gold plans have the lowest out-of-pocket costs, but they typically have the highest monthly payments. Gold plans may be best for heavier users, such as individuals managing certain conditions or using several medications.

What is a subsidy?

A **subsidy** is financial assistance from the government that helps you pay for something. It's not a loan; you don't have to pay it back. When you buy your health plan, applying for a subsidy will be part of the process. Your eligibility will depend on several factors, including your income, your family size and how much health insurance costs where you live.

HERE'S WHAT YOU NEED TO KNOW!

What do I get?



ALL PLANS INCLUDE ACCESS TO THE SAME SERVICES



Essential Health Benefits

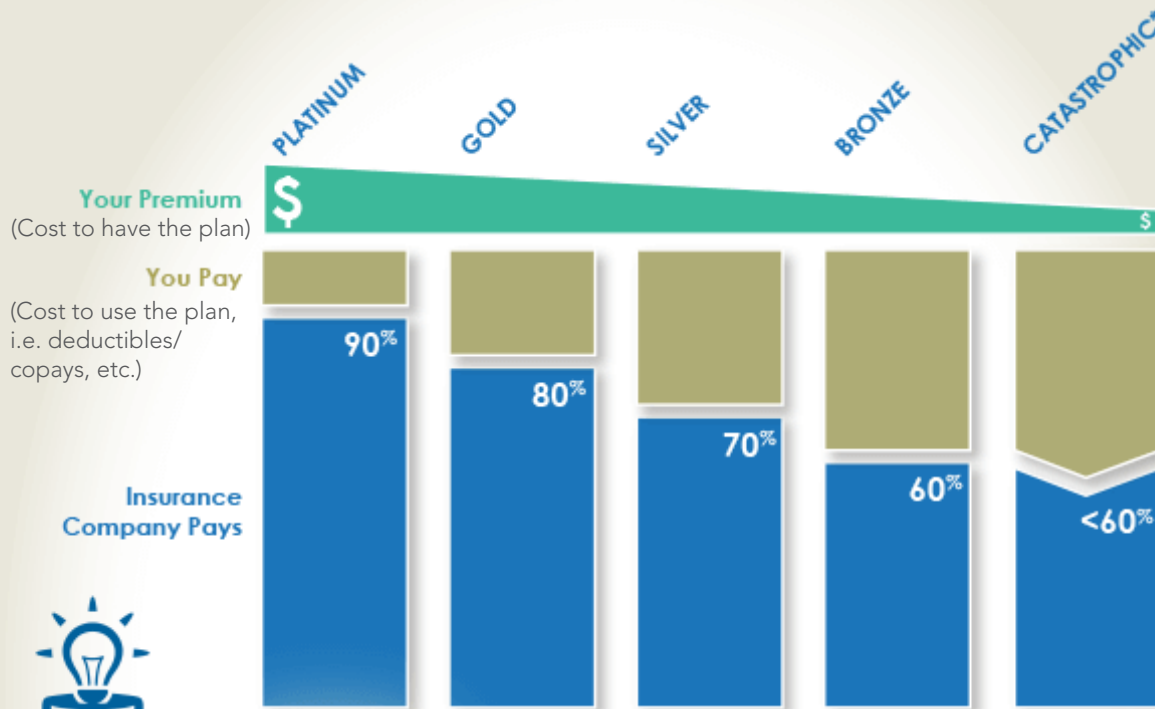
- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services including behavioral health services
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services including oral and vision care

How much will I pay?



PAY LESS OUT-OF-POCKET FOR COVERED SERVICES BY PAYING A HIGHER MONTHLY BILL (A.K.A. PREMIUM)

Medical plans have been organized into five levels. The level you choose determines the portion of the medical bills you pay vs. what the health insurance company pays.



*You're eligible for a catastrophic plan if everyone covered by the plan is under 30 or you qualify because of a financial hardship.







Step 2B: Understand how to buy insurance when you're Medicare eligible

Shopping for Medicare can be complicated. There's a lot to know – let us be your guide.

What is Medicare?

Medicare is the federal health insurance for people who are 65 or older, certain younger people with disabilities, and people with end-stage renal disease. Medicare has four parts. Parts A and B are called Original Medicare. They're run by the federal government. Medicare Part C is called Medicare Advantage. You buy Medicare Advantage plans from private health insurance companies, like Blue Cross, that contract with the government. Medicare Advantage plans include Parts A and B (Original Medicare) and have additional benefits that Original Medicare doesn't cover. It works more like the insurance you have with your employer. Part D covers prescription drugs. Many Medicare Advantage plans combine Parts A, B, and D in one plan.

Defining parts of Original Medicare Parts A, B, C and D plans			
Part A Original Medicare	Part B Original Medicare	Part C Medicare Advantage	Part D Prescription
			
<ul style="list-style-type: none"> ■ Hospital care ■ Skilled nursing facility care ■ Hospice ■ Home health care 	<ul style="list-style-type: none"> ■ Doctor visits ■ Mental health care ■ Outpatient surgery ■ Lab tests ■ Medical equipment like wheelchairs and walkers 	<ul style="list-style-type: none"> ■ Everything parts A and B cover ■ Many plans cover prescription drugs ■ Many plans cover dental and vision 	<ul style="list-style-type: none"> ■ Prescription drugs

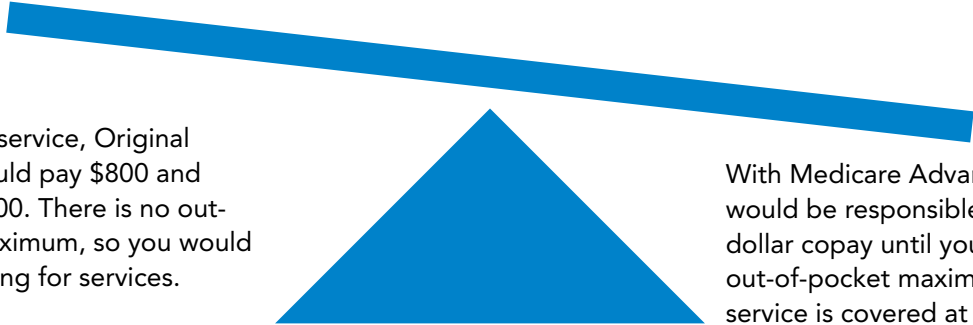
So, what's the difference between Original Medicare and Medicare Advantage?

The main difference is that with Original Medicare, you'll pay 20% of the cost, or 20% coinsurance, for most medical services covered under Part B. Medicare Advantage plans help with the cost of medical services by charging a copay, or fixed cost, making the costs more predictable. For example, paying a flat rate of \$15 for a doctor office visit.

Additionally, with Medicare Advantage plans, you have an out-of-pocket maximum. This maximum is set by the plan you choose. So, once you spend that set amount of money on health care each year, your plan pays 100% of the cost of services it covers. Original Medicare does not have an out-of-pocket maximum.

Step 2B continued

Most Medicare Advantage plans also combine medical and prescription coverage on one card. Some even offer additional dental, vision and fitness benefits, too. Original Medicare does not cover these. At the very least, a person with Original Medicare would need to purchase Part D for prescription coverage on their own or face a penalty from Centers for Medicare and Medicaid Services.



For a \$1,000 service, Original Medicare would pay \$800 and you'd pay \$200. There is no out-of-pocket maximum, so you would continue paying for services.

With Medicare Advantage, you would be responsible for your fixed dollar copay until you meet your out-of-pocket maximum. Then, the service is covered at 100%.

What is a Medicare Supplement plan?

Medicare Supplement, or Medigap, plans are another option. Unlike Medicare Advantage, which replaces Original Medicare, supplement plans are like extras you can add on top of Original Medicare to fill the gaps.

Medicare Supplement plans help pay some of the out-of-pocket costs and uncovered services you have with Original Medicare. These costs can include your Medicare deductibles, coinsurance, and some hospital costs. For instance, your supplement plan may cover the 20% coinsurance from a doctor office visit. **Supplement plans do not include Part D prescription coverage**, so you would need to purchase a separate Part D plan.

Signing up for Medicare

The chart below will help you understand the basics of when you should sign up for Medicare Part A and B. If you want more than Original Medicare, we also show you when you can sign up for Medicare Advantage (Part C) plans, Part D prescription drug plans – if you need one – and supplement insurance plans.

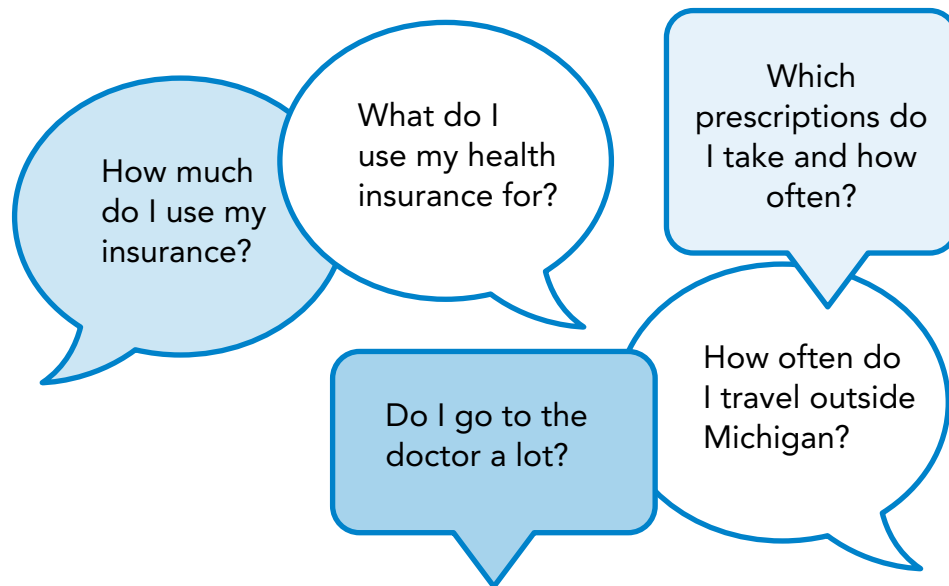
The basics of signing up for Medicare Part A and B overview			
What it's called	What it means	What you can do	When you can do it
Initial enrollment	You can sign up for Medicare for the first time during your initial enrollment.	Enroll in Original Medicare Part A and B Then you can enroll in Part C or D.	You have a 7-month time frame: <ul style="list-style-type: none">• The 3 months before your 65th birthday month• The month of your 65th birthday• The 3 months after your 65th birthday month
Annual enrollment	It's an opportunity to enroll in or change Part C and D plans each year.	Enroll in Part C or D — if you didn't during your initial enrollment — or change your Part C or D plan.	Oct. 15 – Dec. 7
Open enrollment	Use this enrollment to get Original Medicare Part A and B if you missed your initial enrollment.	Enroll in Part A or B, or switch Medicare Advantage coverage. You could end up paying more for your coverage.	Jan. 1 – Mar. 31

Under certain circumstances, such as leaving group coverage to retire or moving to a new state, you may be eligible for special enrollment outside of these enrollment periods.

Step 3: Consider your situation

The most important thing you'll need to think about when selecting a plan is *What works for me?* Think about how you use insurance today and that will help you select the plan that is right for you. To get a better understanding of your potential medical needs, take a look at your claims history online. Blue Cross members can log in on bcbsm.com or download the mobile app to view claims from the past two years.

You may ask yourself questions like:



- If you use your insurance often or for costly medical expenses, you may want a plan with higher monthly payments (premiums), but lower out-of-pocket costs. It makes your medical costs more predictable.
- If you don't use your insurance a lot, you may want a plan with lower monthly payments and higher out-of-pocket costs, which can save you money if you don't need health services.
- As you're looking at your plan options, make sure that the doctors, pharmacies and drugs you use today are covered in the plan.
- If you travel outside of Michigan regularly, look for a plan that has providers with in-network rates. Out-of-network rates can really add up.

If you're retiring before 65, you can learn more at bcbsm.com. If you're 65 or older, visit bcbsm.com/medicare for more information.



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Step 4: Get advice and enrollment help

With all the different types of medical coverage out there, it can be difficult to know which one is right for you. But, we're here to help.

For help selecting a Medicare plan	For help selecting an individual non-Medicare plan
Call us: 1-833-817-3014	Call us: 1-888-563-3307
Visit our website: bcbsm.com/medicare	Visit our website: bcbsm.com

For a customized tool to help you choose a Medicare plan that best fits you

Visit our website: medicare.goconfidently.com

No matter what you need help with, you can also visit our walk-in centers. Find information about hours and center locations at bcbsm.com.

More information to help you plan:

- [Make the most of Medicare](#) – This booklet is free and has a lot of great information, including a questionnaire that guides you through your health care options.
- [Get what's yours for Medicare](#) – by Laurence Kolikoff, Paul Solman and Philip Moeller. This is an excerpt from highly-rated, independent and informative book for people facing retirement.

Video tutorials

- [Go confidently into Medicare](#)
- [Health insurance 101: The basics](#)

There are also many excellent resources provided by government agencies and not affiliated with financial planning or insurance firms:

- dol.gov – [Retirement toolkit](#) and [Top 10 ways to prepare for retirement](#)
- medicare.gov – [Getting started with medicare](#)
- ssa.gov – [Benefits planner](#)
- kff.org – [Overview of Medicare](#)



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