

*MyBlue Medigap*SM



**Blue Cross
Blue Shield
Blue Care Network**
of Michigan

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

Overview



Blue Cross Blue Shield of Michigan is a nonprofit corporation and independent licensee of the Blue Cross and Blue Shield Association.

Medigap Basics

- Also referred to as Medicare Supplemental Insurance
- Sold by private insurance companies to fill gaps in Original Medicare coverage
- Medigap plans do not work with other types of health insurance including Medicare Advantage plans, employer/union group coverage, Veterans Administration (VA) benefits, or TRICARE
- Helps beneficiaries pay their costs of Medicare-covered services



Medigap Basics

- Medigap helps pay some of the health care costs or “gaps” that Original Medicare doesn’t cover like copayments, coinsurance and deductibles.
- Every Medigap policy must follow Federal and state laws designed to protect beneficiaries and must be clearly defined as “Medicare Supplemental Insurance”
- Only standardized Medigap policies A through L can be offered by Medigap insurance companies
- Cost is usually the only difference between Medigap policies sold by different insurance companies



Medigap Basics

- Can be purchased in addition to Medicare Parts A and B to receive increased benefits, such as coverage for Part A and B deductibles and coinsurance payments.
- Allows visit any licensed doctor or hospital that accepts Medicare.
- Provides protection from many of Medicare's major out-of-pocket expenses.
- Guarantees acceptance, regardless of medical history, when beneficiary applies during the first six months of enrollment in Medicare Part B.
- Cannot cancel policy as long as beneficiary:
 - Did not provide incomplete or false information on application.
 - Continues to pay monthly plan premiums, which may change based on age or other criteria.



Medigap Basics

- Medigap plans do not cover:
 - Long-term care like care in a nursing home
 - Vision care
 - Dental care
 - Hearing aids
 - Eyeglasses
 - Private-duty nursing
 - Prescription drug coverage
 - Beneficiaries who want Part D prescription drug coverage may want to join a Medicare Prescription Drug Plan (Part D) offered by private insurance companies approved by Medicare



Medigap Eligibility

- Must have Medicare Part A and Part B
- Must pay a premium to the insurance company for the Medigap policy in addition to the monthly Part B premium paid to Medicare
- Medigap policies only cover one person
- Any standardized Medigap policy is guaranteed renewable even if beneficiary has health problems. This means the insurance company can't cancel a policy as long as the premium is paid.



MyBlue Medigap

- **MyBlue Medigap** consists of three standardized Medigap or Medicare supplemental plans – A, C and F – and work in conjunction with Original Medicare, expand Part A (hospital) and Part B (medical) benefits and lower out-of-pocket costs.

PLAN	A	C	F *
Basic Benefits: Hospitalization, Medical Expenses, Blood	X	X	X
Skilled Nursing coinsurance		X	X
Part A Deductible		X	X
Part B Deductible		X	X
Part B Excess*			100%
Foreign Travel Emergency		X	X
At-Home Recovery			
Preventive Care not covered by Medicare			

*Charges from a provider that exceed Medicare-approved amounts.



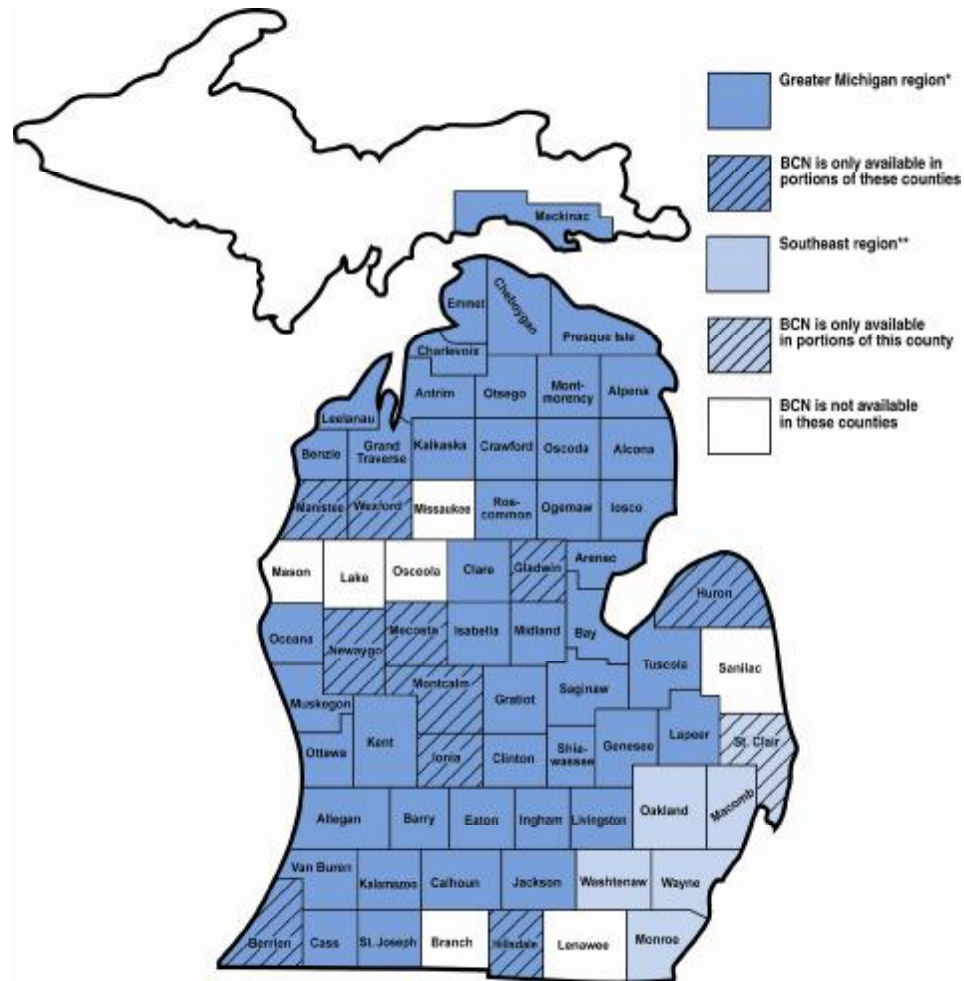
MyBlue Medigap

- Underwritten by Blue Care Network, but is NOT an HMO
- Like Medicare, MyBlue Medigap is accepted nationwide
- No provider networks or referrals; beneficiaries use any provider that accepts Medicare
- Beneficiaries present their red/white/blue Medicare card along with the MyBlue Medigap ID card
- For prescription drug coverage, beneficiary will need to purchase a Medicare Part D prescription drug plan.



MyBlue Medigap Service Area

- Offered in BCN commercial service area



MyBlue Medigap

- No medical underwriting.
- No pre-existing conditions clause.
- Rating factors are used to price the product including the area the beneficiary lives in, age, gender, weight, height and tobacco usage.
- Rating factors do not apply if beneficiary is in first six months of enrolling in Part B benefits or in guarantee issue period*.
- Application will not be rejected on health status or age.
- Medicare beneficiaries who are disabled are not eligible for MyBlue Medigap.
- Beneficiaries must be a permanent resident of Michigan with a valid Michigan driver's license or Michigan ID card and reside at least 6 months of the year at a permanent residence in Michigan.

*Guarantee issue period is a defined period of time when an insurance company can't refuse to sell a Medigap policy in certain situations where the beneficiary has other health care coverage that changes in some way (i.e. employer group coverage is being lost, MA plan is eliminated, beneficiary moves out of service area).



MyBlue Medigap Premium Example

Mary is a 66-year-old woman who uses tobacco and her weight is proportionate to her height. Her Body Mass Index is 25, placing her in Tier 1. Mary lives in the 48037 ZIP code, placing her in Area 1, and has had Medicare Part A and B for more than a year.

STEP 1 – Mary must look under “Monthly premium rates for individuals enrolled in Medicare Part B six months or longer.” She goes to the tables for Plan F and finds the table for Tier 1.

STEP 2 – Mary looks under the Area 1 columns, then scrolls down the AGE column at left to find her age: 66 years.

STEP 3 – She scrolls to the right to find the “Tobacco Users” columns, and within that, “Female.”

STEP 4 – Mary’s monthly premium is \$153.89.

Plan F, Tier 1 – Area 1 (480 – 485 ZIP codes)				
AGE	Tobacco User		Non Tobacco User	
	Female	Male	Female	Male
65	\$153.89	\$161.97	\$142.54	\$150.04
66	\$153.89	\$161.97	\$142.54	\$150.04
67	\$160.04	\$170.24	\$148.12	\$157.54
68	\$166.20	\$178.90	\$153.89	\$165.62
69	\$172.93	\$187.74	\$160.04	\$173.89
70	\$179.28	\$196.98	\$166.01	\$182.36

MyBlue Medigap Premiums

- Premium is based on current age and will change as beneficiary ages; change will be reflected each year on the date of renewal.
- Premium payments can be made through authorized automatic deductions from bank accounts or by check, money order or cashier's check.
- Premium payments are due the fifth day of each month.



MyBlue Medigap Enrollment

- First effective date is December 1, 2009
- 1st of month effective dates only
- One application per person
- Do not submit payment with application
- Paper billing available for quarterly, semi-annually and annually; monthly billing is not available.
- Automatic deduction from bank account available for monthly, quarterly, semi-annually and annually.

