

TAKING THE MYSTERY OUT OF MEDICARE

Your how-to guide for
finding the right plan
for your needs



**LIVE
FEARLESS**



Blue Cross® Blue Shield® of Arizona

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YOUR MEDICARE CHOICES

Whether you're new to Medicare or want a refresher, this guide will help you understand the costs, benefits, and choices offered by Medicare.

Medicare will provide health insurance to 61 million individuals who are aged 65 or older, disabled, or have end-stage renal disease.¹ Medicare started in 1965 with basic coverage for hospital and medical services. Since then it has grown to offer other health plan options and prescription drug coverage from private insurers.

¹ Source: HHS FY2019 Budget in Brief, Centers for Medicare & Medicaid Services, <https://www.hhs.gov/sites/default/files/fy-2019-budget-in-brief.pdf>



Learn more about:

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Medicare’s parts

Original Medicare has two parts. Medicare Part A is offered at no cost to nearly everyone eligible for Medicare. Medicare Part B is available for a monthly premium to most people eligible for Medicare. Medicare premiums, deductibles, and cost-sharing amounts are set by the federal government each fall for the next year.

There are also Medicare Parts C and D. Medicare Part C refers to the Medicare Advantage plans offered by private companies. Medicare Part D refers to the prescription drug programs offered by private companies.

The Social Security Administration contacts most people about enrolling in Medicare at age 65 if they already receive Social Security benefits. You can also enroll in Medicare or other Medicare plans by contacting the Social Security Administration before you turn age 65, when you retire and no longer have employer coverage, or at certain times of the year. These are described in “When to enroll” on page 8.

What Original Medicare covers

Medicare Part A is generally offered at no cost to you, but there is a deductible for hospital stays and you may also have copayments for longer stays. You must pay a monthly premium for Part B coverage and pay a yearly deductible before Medicare pays. The premium, deductibles, and copayments may change from year to year.

For more information on what Medicare Part A and Part B cover, visit **medicare.gov** or review the *Medicare & You* handbook.

WHAT PART A AND PART B DO NOT COVER

Part A and Part B don’t cover all of your medical costs. Exams for fitting hearing aids, routine eye exams, and most outpatient prescription drugs are not covered. Plus, you must pay deductibles and coinsurance when you receive eligible health care services.

Your out-of-pocket expenses for these gaps in coverage can add up quickly. Fortunately, you have a choice of private health plans to help pay for costs and services that Medicare Part A and Part B don’t cover.

ORIGINAL MEDICARE	WHAT’S COVERED
PART A	<ul style="list-style-type: none">• Hospital stays• Skilled nursing facility care• Home health care• Hospice
PART B	<ul style="list-style-type: none">• Doctors’ office visits• X-rays, lab tests, and radiation therapy as part of your treatment• Diabetes self-monitoring training, nutrition therapy, and certain supplies (not insulin)• Outpatient diagnostic and treatment services• Outpatient rehabilitation services• “Welcome to Medicare” exam within the first 12 months of enrolling for Part B• Annual wellness visits after 12 months of being enrolled in Part B or 12 months after the “Welcome to Medicare” exam• Cancer screenings such as mammograms, colonoscopies, and prostate exams• Flu shots• Stop-smoking counseling

Other plans that work with Medicare

You can supplement your Original Medicare coverage to help pay for costs Medicare doesn't, such as deductibles, copayments or coinsurance, and prescription drug coverage. You have choices in how you want to add coverage, and there are a variety of plans available, so you can pick those that best meet your needs.

A choice of plans for you

Blue Cross Blue Shield of Arizona (BCBSAZ) offers you a choice of plans. You can add our Medicare Supplement and/or prescription drug plans to your Original Medicare coverage, or enroll in a Medicare Advantage plan offered by Blue Cross Blue Shield of Arizona Advantage (HMO) (BCBSAZ Advantage). These Medicare Advantage options combine medical and drug coverage. Read on to find a plan that's right for you.

ORIGINAL MEDICARE		OPTIONS FOR USING OR SUPPLEMENTING YOUR ORIGINAL MEDICARE BENEFITS	
PART A Hospital +		OPTION 1 You can add one or more of these plans to Original Medicare.	
		<div><div>PART D</div><div><ul style="list-style-type: none">Covers prescription drugsMust have Medicare Part A <u>OR</u> Part B to enrollOffered by private companies</div></div>	<div><div>Medicare Supplement Plans</div><div><ul style="list-style-type: none">Helps pay for deductibles, copays, and other costs Medicare doesn't payMust have Medicare Part A <u>AND</u> Part B to enrollOffered by private companies</div></div>
PART B Medical		OPTION 2	
		<div><div>Medicare Advantage Plans</div><div><div>PART C</div><div><ul style="list-style-type: none">Joins Medicare Parts A and BMost include drug coverage (Part D)Usually have lower deductibles and copays than MedicareOften include additional benefitsMust have Medicare Part A <u>AND</u> Part B to enrollOffered by private companies</div></div></div>	

Medicare Supplement (Medigap) plans

Medicare Supplement plans are sold by private health coverage companies like BCBSAZ. They help pay for some of the healthcare costs or “gaps” that Medicare Part A and Part B don’t cover. In most cases, you must have both Medicare Part A and Part B to purchase a Medicare Supplement policy. Medicare Supplement plans also do not cover prescription drugs. If you want or need prescription drug coverage, you would need to buy a separate Part D prescription drug plan, such as those offered by BCBSAZ.

Medicare Supplement health plans are optional. You don’t have to purchase one. If you don’t enroll in a Medicare Supplement plan when you’re first eligible, it might cost you more to enroll later. The Medicare Supplement enrollment period is described in “When to enroll” on page 8.

Part D prescription drug plans

Medicare works with health plans and other private companies to offer prescription drug coverage through stand-alone Part D plans.

Medicare prescription drug plans provide coverage for generic and brand-name drugs. If you join a Part D plan, you will likely pay a monthly premium, plus a share of the cost for your prescriptions. Drug plans vary by types of drugs covered, how much you pay, and the pharmacy network you can use.

All Part D prescription drug plans must provide at least a standard Medicare-approved level of coverage. The standard Part D prescription drug plan has four stages of coverage, as shown on the next page. In each stage, you and the plan pay a different share of your prescription drug costs.

Not all Part D prescription drug plans follow this standard design. Some plans offer added drug coverage for a higher premium. There are also plans with no deductible and/or coverage gap. Companies offering prescription drug plans provide their current premium(s), deductible(s), and other cost-sharing amounts in a Summary of Benefits document.

You can enroll in a prescription drug plan when you’re first eligible for Medicare or switch to this type of plan during the Medicare annual enrollment period. For more information, see the “When to enroll” section on page 8 or “When you can switch” section on page 10.

BCBSAZ’S MEDICARE SUPPLEMENT PLANS

BCBSAZ offers several Medicare Supplement plans. Senior Security Plans A, C, D, F, G, and N are for people throughout Arizona, and Senior Preferred Medicare Select Plans C, D, G, and N are for residents of Maricopa, Pima, Apache, Cochise, Coconino, Mohave, Pinal, and Santa Cruz counties.

All of the plans cover many of the costs not covered by Medicare. Most of the Senior Security plans also include coverage when you travel outside of Arizona or cover emergency care if you travel worldwide. For more information about these Medicare Supplement plans, call our Medicare Solutions specialists at the number listed on page 13.

BCBSAZ's Blue MedicareRxSM (PDP)

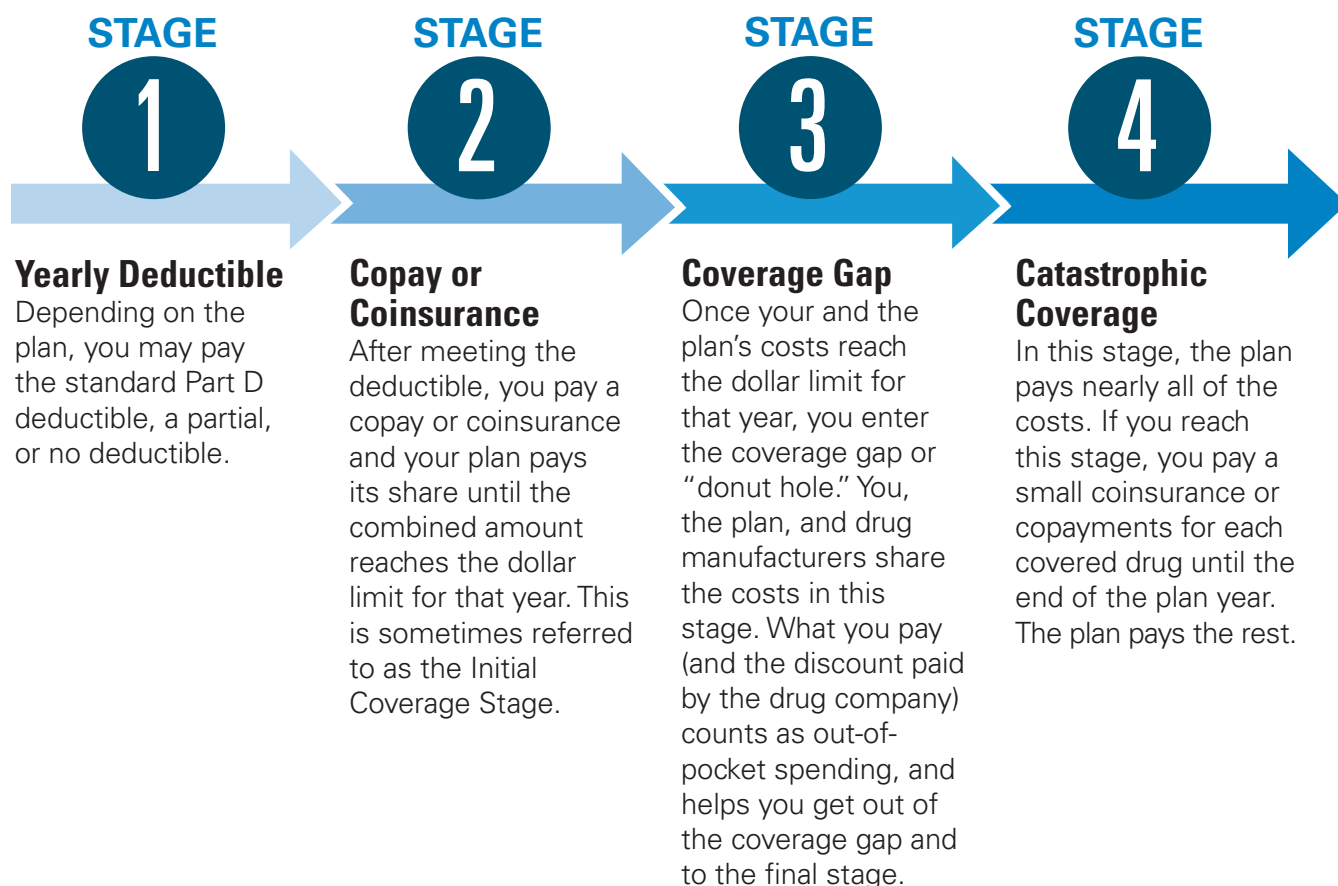
BCBSAZ offers Blue MedicareRx, a stand-alone prescription drug plan. The three options within this plan have different formularies and different amounts you pay for prescription drugs. You can add Blue MedicareRx to Original Medicare or a Medicare Supplement plan.

Enrolling in MedicareBlue Rx can help you avoid the Part D late enrollment penalty. If you don't enroll in a Part D plan when you first become eligible, you may have to pay a penalty if you decide to enroll later. This penalty is added to your monthly premium and you will pay it for as long as you remain enrolled in a Part D plan.

Although you must live in Arizona to enroll, the plan has a nationwide network of pharmacies so you can have prescriptions filled at home or on the road. For more information, please contact our Medicare Solutions specialists at the number listed on page 13.

HOW STANDARD PART D DRUG COVERAGE WORKS

Monthly premium – the amount you pay for Part D drug coverage throughout the year





Medicare Advantage plans

Medicare Advantage plans offer more health plan choices than Original Medicare and are also optional. These plans provide Medicare Part A and Part B benefits, and some plans may offer extra benefits. Most Medicare Advantage plans also include prescription drug coverage. Like all Medicare plans, benefits, premiums, and copayments may change from year to year. The different types of Medicare Advantage plans include:

- Preferred Provider Organization (PPO)
- Health Maintenance Organization (HMO)
- Private Fee-For-Service (PFFS) plans

You can enroll in a Medicare Advantage plan when you're first eligible for Medicare or switch to this type of plan during the Medicare annual enrollment period. For more information, see the "When to enroll" section on page 8 or "When you can switch" section on page 10.

BLUE CROSS BLUE SHIELD OF ARIZONA ADVANTAGE (HMO) PLANS

BCBSAZ Advantage offers Medicare Advantage plans that combine medical and prescription drug coverage into one plan. Two plans are offered in Maricopa County, one plan is offered in Pima County, and one plan is offered in Santa Cruz County. The plans have different premiums reflecting the different amounts you pay for services such as office visits and prescription drugs. To be eligible you must live in Maricopa County, Pima County, Santa Cruz County, or select ZIP codes in Pinal County.

For more information about BCBSAZ Advantage plans, call our Medicare Solutions specialists at the number listed on page 13.

ELIGIBILITY

ORIGINAL MEDICARE

You can enroll in Medicare if you are a U.S. citizen or have been a legal resident for five straight years and:

- Are 65 years or older and eligible to receive Social Security, or
- Are under age 65, are permanently disabled, and have received Social Security disability payments for at least twenty-four months, or
- Require ongoing dialysis for end-stage renal disease (ESRD) or need a kidney transplant

MEDICARE SUPPLEMENT (Medigap) PLANS

To enroll in a Medigap plan, you must:

- Be eligible for Medicare Part A and enrolled in Part B, and
- Live in the plan's service area, and
- Continue to pay your Part B premium (and Part A if applicable, if not paid by Medicaid or another third party)

Note: If you have ESRD, you may not be eligible.

MEDICARE PRESCRIPTION DRUG PLANS

To enroll in a Medicare Prescription Drug Plan, you must:

- Be eligible for Medicare Part A and/or enrolled in Medicare Part B, and
- Live in the plan's service area, and
- Continue to pay your Part B premium (and Part A if applicable, if not paid by Medicaid or another third party)

MEDICARE ADVANTAGE PLANS

To enroll in a Medicare Advantage plan, you must:

- Be eligible for Medicare Part A and enrolled in Part B, and
- Live in the plan's service area, and
- Continue to pay your Part B premium (and Part A if applicable, if not paid by Medicaid or another third party)

Note: If you have ESRD, you may not be eligible.



WHEN TO ENROLL

MEDICARE SUPPLEMENT (MEDIGAP) PLANS

You have a six-month Open Enrollment Period to enroll in a Medigap plan. It begins on the first day of the month you are both 65 and enrolled in Part B. If you enroll during this period, you don't need to provide a health history to your health plan. If you delay Medigap coverage, you may need to provide your health history and could be denied coverage.

Note: If you want to enroll in a Medigap plan and a stand-alone prescription drug plan, you must enroll in each plan separately.

PART



Original Medicare

You are eligible to enroll in Medicare Part A and Part B when you turn age 65, even if you are still working. If you already receive Social Security benefits, the Social Security Administration will contact you a few months before you become eligible for Medicare. If you don't receive an enrollment notice from Social Security a few months before your 65th birthday, call them at **1-800-772-1213** (Railroad retirees call **1-877-772-5772**). TTY users should call TTY **1-800-325-0778**. If you are disabled and under age 65, there is a 24-month waiting period for Medicare after you become disabled. During this time, you may qualify for Medicaid/Medical Assistance, COBRA coverage, or services from state programs.

PART



Original Medicare

There are three main times when you can sign up for Part B.

Part B Initial Enrollment Period

You can enroll in Part B during the three months before the month of your 65th birthday, the month you turn 65, and the three months after the month you turn 65. If you are disabled and under age 65, you can enroll after receiving disability benefits for 24 months.

If you don't want to enroll in Part B during your seven-month Initial Enrollment Period, you must return your Part B notice to Social Security to decline coverage. Be aware that a 10 percent penalty will typically be added to your Part B premium for each year you delay enrolling in Part B (unless you qualify for a Special Enrollment Period, such as leaving an employer plan). You will pay the penalty for as long as you have Medicare Part B.

Part B Special Enrollment Period

A Special Enrollment Period allows you to avoid the penalty for late enrollment. You may qualify for a Special Enrollment Period if:

- You or your spouse has medical coverage through a union or employer with more than 20 employees, or
- You canceled Part B coverage because you went back to work and have group medical coverage

The Special Enrollment Period lasts eight months. It begins when your employer or union coverage ends or when your employment ends, whichever is first. Contact Social Security four months before you retire or when your employer or union coverage ends. Request a form that your employer will complete to begin your Special Enrollment Period and send the form with your Part B enrollment form to Social Security.

If you are age 65 and continue your employer coverage through COBRA, you should enroll in Medicare Part B. You will not get a Special Enrollment Period when COBRA ends. You must sign up for Part B during the first eight months of your COBRA coverage to avoid the late enrollment penalty.

Part B General Enrollment Period

If you don't enroll in Part B during your Initial Enrollment Period, you can enroll during the General Enrollment Period from January 1 through March 31 each year. Coverage begins on July 1 of the year you enroll. You will be charged a 10 percent penalty for each year you delay enrolling in Part B. This charge may increase as Medicare premiums increase and will continue for as long as you are enrolled in Part B.

MEDICARE ADVANTAGE AND PART D PLANS

Initial Enrollment Period

If you are newly eligible for Medicare, you likely qualify for the Initial Enrollment Period.

During this seven-month period you can enroll in a stand-alone prescription drug plan, a Medicare Advantage plan, or a Medicare Advantage plan with prescription drug coverage. Your Initial Enrollment Period begins three months before the month of your 65th birthday, includes the month you turn 65, and ends three months after the month of your 65th birthday. If you are under age 65 with a disability, your Initial Enrollment Period begins the three months before and ends the three months after your 24th month of disability.



When you can switch

Annual Enrollment Period

People with Medicare can make plan changes between October 15 and December 7 each year. During this time you can enroll in or change stand-alone prescription drug plans and Medicare Advantage plans with and without prescription drug coverage. Plan changes begin on January 1 of the next year.

Special Enrollment Period

There are circumstances that may allow you to enroll in a prescription drug plan or Medicare Advantage plan after an Initial or Annual Enrollment Period has ended. You might qualify for a Special Enrollment Period if:

- You are eligible for financial help from Social Security or your state
- You move outside your plan's service area
- Your plan's government contract ends, or the plan goes out of business
- You lose prescription drug coverage from an employer or union, or your drug coverage is no longer as good as the standard Part D benefit

You may also qualify due to other conditions.

MEDICARE ADVANTAGE OPEN ENROLLMENT PERIOD

This enrollment period runs from January 1 through March 31 each year. During this time, Medicare Advantage plan enrollees and newly MA-eligible beneficiaries can make a one-time switch and go to another MA plan or to Original Medicare. Beneficiaries using this enrollment period to make a change may also add or drop Part D coverage.



Frequently asked questions

Q: Do I need a physical exam to qualify for Medicare?

A: No. You must be 65 or older, under age 65 with a disability, or meet other requirements as explained on page 7.

Q: Can I get Medicare even if I have a pre-existing condition?

A: Yes, you can enroll in Medicare no matter what your health status is or what pre-existing conditions you may have. If you qualify for Medicare (see page 7), you will receive the benefits. The government can't charge you higher premiums because of past or current health conditions.

Q: Which Medicare health plan is right for me?

A: It depends on what you need from a health plan and how much you can afford to pay. Ask yourself these questions:

- If I travel often or for several months each year, will my health plan cover me in other parts of the country?
- Can I afford the plan's monthly premium? What are the plan's cost-sharing and out-of-pocket maximums?
- What medical services will I likely use? Will I use my health plan often, such as for frequent checkups or treatments for an ongoing condition? Or will I seldom use it, such as only for an annual physical or flu shot?
- Do I want a plan with drug coverage, or do I prefer a stand-alone drug plan?
- Am I OK with benefits and/or cost sharing that may change each year? Or do I want a plan with benefits that do not change from year to year?

Q: Do Medicare rates, deductibles, and cost sharing change? How will I learn about changes?

A: Medicare rates and deductibles do change. They are announced each fall for the coming year. Medicare members are notified by mail each fall.

Q: What if I don't join a Part D prescription drug plan?

A: Generally, you will pay the lowest monthly premium if you join during your seven-month Initial Enrollment Period. If you don't enroll and don't already have drug coverage that is as good as the standard Part D drug plan, you may have to pay a penalty in the form of a higher monthly premium if you enroll later. The longer you wait to enroll, the greater the penalty. You must pay this higher premium as long as you have Part D drug coverage.

Q: What if I can't afford Medicare?

A: If you have limited income and resources, you may be able to get extra help to pay for your Medicare Part D plan premium and costs. To learn if you qualify for extra help, call:

- **1-800-MEDICARE (1-800-633-4227).** Assistance is available 24 hours a day, seven days a week. TTY users should call **1-877-486-2048**.
- The Social Security Administration at **1-800-772-1213** between 7 a.m. and 7 p.m., Monday through Friday. TTY users should call **1-800-325-0778**.
- Your state Medicaid office.

Q: How do I keep up with changes to Medicare as a result of the Affordable Care Act?

A: For information about Medicare benefits and services:

Call **1-800-MEDICARE (1-800-633-4227)**

Assistance is available 24 hours a day, 7 days a week. TTY users should call **1-877-486-2048**. Or, go to **medicare.gov**.

Glossary of Medicare terms

Annual Enrollment Period – The period each fall from October 15 to December 7 when you can enroll in or switch Medicare Advantage or prescription drug plans. Changes made at this time take effect the following January 1.

Centers for Medicare & Medicaid Services (CMS) – The federal agency that runs Medicare. CMS also works with each state to run the state's Medicaid program. CMS makes sure that people in both programs have access to high-quality healthcare.

Coinsurance – The percentage of the Medicare-approved amount that you pay for a medical service. With some plans, you do not pay coinsurance until you have paid a deductible.

Copayment (copay) – A fixed amount you pay for each medical service, such as a doctor's visit. For example, a copayment might be \$20 for a doctor's visit and \$7 for a prescription drug you receive.

Cost sharing – The way Medicare and your health plan share your healthcare costs with you. Types of cost sharing you may pay include deductibles, coinsurance (percentage) and copayments (a set amount).

Coverage gap – Also called the "donut hole," this is the stage in which you pay most of the cost for prescription drugs. The coverage gap is slowly closing, and by 2019 Part D plans will cover drugs the same as in the Initial Coverage stage.

Deductible – A set amount you must pay before your plan pays. Usually you have a separate deductible for Medicare Part A, Part B, and Part D. There may also be deductibles with Medicare Advantage and Medigap plans.

Eligible care – Medical care and services that qualify to be covered by your health plan.

Formulary – The list of drugs covered by a Medicare Prescription Drug Plan or Medicare Advantage Prescription Drug plan.

Medicare Advantage – A Medicare health plan option in which a private company manages Medicare benefits for its members. The most common types of Medicare Advantage plans are HMO, PPO, and PFFS plans. Some Medicare Advantage plans may also offer Medicare prescription drug (MA-PD) benefits for their members.

Medicare Supplement (Medigap) plan – Health insurance policies that typically have standardized benefits and are sold by private insurance companies. Medicare Supplement policies work together with Medicare Part A and Part B coverage.

Original Medicare – This refers to the first two parts of Medicare. Part A offers hospital coverage, and Part B covers many outpatient services.

Out-of-pocket costs – The amount you pay for covered drugs or medical expenses for the calendar year. This does not include the amount the plan has paid or the plan premium you pay.

Part D (prescription drug plan) – A Medicare Part D prescription drug plan may be either a stand-alone plan that you can enroll in if you have Original Medicare and/or a Medigap plan, or a Medicare Advantage plan that includes Part D prescription drug coverage.

Premium – A fixed payment usually paid each month to be in a Medicare health plan or prescription drug plan.

Preventive care – Care that is provided to keep you healthy or find an illness or disease early, when it can be better treated. Examples of preventive care are flu shots, mammograms and screening for diabetes.

Learn more

To get plan information or to enroll, contact or visit:



Medicare Solutions Specialists
1-800-708-5315

TTY hearing impaired users call 711

8 a.m. to 8 p.m., local time

October 1 – March 31: 7 days a week

April 1 – September 30: Monday–Friday



azblue.com/seniors

FOR OTHER HELP AND INFORMATION CONTACT:

**Social Security
Administration**

1-800-772-1213

TTY 1-800-325-0778

7 a.m. to 7 p.m.,

Monday–Friday

ssa.gov

Medicare

Toll free

1-800-MEDICARE

(1-800-633-4227)

TTY users call:

1-877-486-2048

24 hours a day,

7 days a week

medicare.gov



Blue MedicareRx (PDP) is a Prescription Drug Plan with a Medicare contract.
Enrollment in Blue MedicareRx depends on contract renewal.

Blue Cross Blue Shield of Arizona Advantage is an HMO plan with a Medicare contract. Enrollment in Blue Cross Blue Shield of Arizona Advantage depends on contract renewal.

This information is not a complete description of benefits.
Call **1-888-274-0374**, TTY/TDD: **711** for more information.

Member Services can be contacted toll-free at **1-800-446-8331**. TTY/TDD users should call **711**.
We are available from 8:00 a.m. to 8:00 p.m., Monday – Friday from April 1 to September 30,
and daily from October 1 to March 31.

ATTENTION: If you speak Spanish, language assistance services, free of charge, are available to you.
Call **1-888-274-0367** (TTY/TDD: **711**).

ATENCIÓN: si habla español, tiene disponibles servicios de asistencia lingüística sin cargo.
Llame al **1-888-274-0367** (TTY/TDD: **711**).



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