



Shopper's Guide

Taking the Mystery Out of Medicare







An Independent Licensee of the Blue Cross Blue Shield Association



Medicare that keeps you in your prime.

Whether you're new to Medicare or want a refresher, this guide can help you:

-  Understand the different parts of Medicare
-  Learn about the types of Medicare plans available
-  Know when you can enroll and switch plans
-  Feel confident you are making the right decision

Blue Cross® Blue Shield® of Arizona (AZ Blue) offers Medicare plans built on over 85 years of healthcare expertise. You can count on us to help you find the plan that fits your budget and lifestyle. Our local Member Services team delivers personalized service members feel good about.

Welcome to AZ Blue!



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What Is Original Medicare?

Original Medicare is offered by the federal government and has two parts: Part A and Part B.

Medicare Part A is hospital insurance, and generally covers inpatient hospital care, skilled nursing facility, hospice, surgery, and home health care.

Medicare Part B covers doctor’s office visits, lab tests, flu shots, and more.

See the chart below for more information about what Parts A and B cover. Refer to pages 7 and 8 to learn more about eligibility and when to enroll.

















ORIGINAL MEDICARE	WHAT’S COVERED	WHAT’S NOT COVERED	WHAT YOU PAY FOR
PART A	<ul style="list-style-type: none"> • Hospital stays • Skilled nursing facility care • Home health care • Hospice 	Your share of the costs for the services	<ul style="list-style-type: none"> • Part A deductible • Coinsurance and/or copays for most other stays or services
PART B	<ul style="list-style-type: none"> • Doctor’s 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 in 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 • Counseling to stop smoking 	<ul style="list-style-type: none"> • Routine eye and hearing exams • Eyeglasses • Hearing aids • Most prescription drugs (only covered if you enroll in Part D) • Your share of the costs for services 	<ul style="list-style-type: none"> • Part B deductible • Coinsurance per service

For more information on what Medicare Part A and Part B cover, visit [medicare.gov](https://www.medicare.gov) or review the *Medicare & You* handbook.

Ways to Fill the Gaps of Your Original Medicare Coverage

Original Medicare (Parts A and B) covers about 80% of approved medical costs. This doesn't include all the healthcare services you may need or out-of-pocket costs for deductibles, coinsurance, and copays.

The good news is there are options from private health plans, including AZ Blue, to help fill the gaps of Original Medicare. Here's a quick look at how you can use your Medicare plan options to get the coverage you need.

<p>Option 1 Original Medicare only Provided by the federal government, pays 80% of approved medical costs. Member pays for the remaining 20%.</p>	 PART A  PART B
<p>Option 2 Add Medicare Advantage (Part C) Offered by private insurers, you get Parts A and B, and usually Part D through these plans. Not all of these plans offer drug coverage. Often offers wellness extras, such as fitness, dental, and vision.</p>	 PART A  PART B +  PART D =  PART C
<p>Option 3 Add Medicare Supplement Plan (Medigap) These plans generally cover your share of approved costs not covered by Original Medicare. This option does not cover prescription drugs; you'll need a separate Part D plan.</p>	 PART A  PART B +  Medigap
<p>Option 4 Add Part D Prescription Drug Plan (PDP) Offered by private insurers, a PDP helps cover your costs for generic and brand-name prescription drugs.</p>	 PART A  PART B +  PART D
<p>Option 5 Add Medicare Supplement + PDP Lower your out-of-pocket costs for healthcare and prescriptions by combining Medigap and Part D with Original Medicare.</p>	 PART A  PART B +  Medigap +  PART D

You must have Medicare Parts A and B and reside in the plan's service area to sign up for Medicare Advantage, Medicare Supplement (Medigap), and Part D Prescription Drug Plans. To be eligible to enroll in a PDP, you need to have either Part A or Part B, or both.

Medicare Supplement (Medigap) plans

Medicare Supplement plans are sold by private health coverage companies like AZ Blue. These plans supplement your Original Medicare coverage. They help pay for some of the healthcare costs or “gaps” that Medicare Part A and Part B don’t cover and can be used at any participating Medicare provider. 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 PDP.

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.

Because of a change in federal law, Medicare Supplement plans will no longer cover the Part B deductible for people who become eligible for Medicare on or after January 1, 2020.



Part D Prescription Drug Plans (PDPs)

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. Some plans offer added drug coverage for a higher premium.

There are specific times when you can enroll in or change your prescription drug plan. For more information, see the “When to Enroll” section on page 8 or “When You Can Switch” section on page 10.

AZ BLUE’S MEDICARE SUPPLEMENT PLANS

AZ Blue offers several Medicare Supplement plans. All of the plans cover many of the costs not covered by Original Medicare. These plans feature options such as fitness and other wellness extras. Plus, you don’t need a referral to see a specialist. Most of the Senior SecuritySM 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 consultants at the number listed on page 13.

What is the new Medicare Prescription Payment Plan?

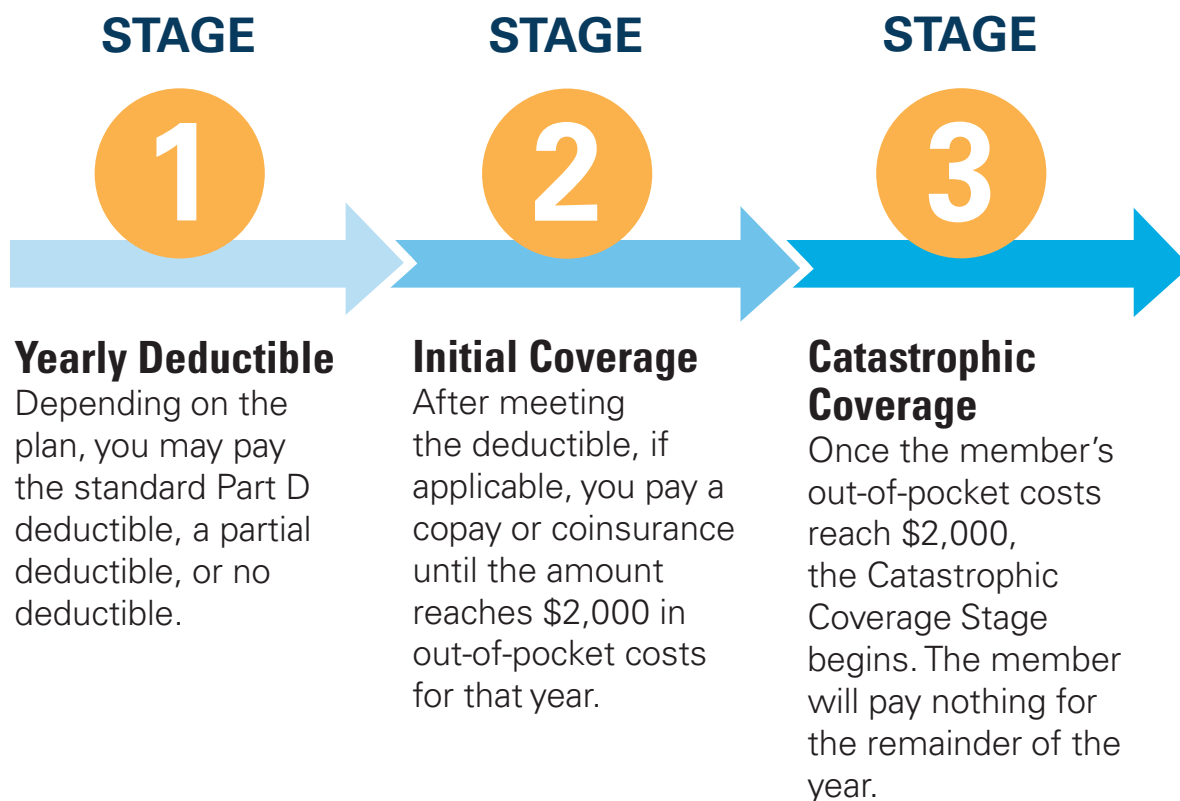
The Medicare Prescription Payment Plan is a new payment option in the prescription drug law that works with your current drug coverage to help you manage your out-of-pocket Medicare Part D drug costs by spreading them across the calendar year (January through December).

Starting in 2025, anyone with a Medicare drug plan or Medicare health plan with drug coverage (like a Medicare Advantage Plan with drug coverage) can use this payment option. All plans offer this payment option and participation is voluntary.

If you select this payment option, each month you'll continue to pay your plan premium (if you have one), and you'll get a bill from your health or drug plan to pay for your prescription drugs (instead of paying the pharmacy). There's no cost to participate in the Medicare Prescription Payment Plan.

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 (MA) plans are “all-in-one” alternatives to Original Medicare that include Medicare Part A and Part B benefits and more. Most plans also include prescription drug coverage. MA plans generally have lower out-of-pocket costs and offer health and wellness benefits. Like all Medicare plans, benefits, premiums, and copays 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

There are specific times when you can enroll in or change your Medicare Advantage plan. For more information, see the “When to Enroll” section on page 8 or “When You Can Switch” section on page 10.

AZ BLUE MEDICARE ADVANTAGE PLANS

AZ Blue offers HMO plans that combine medical and prescription drug coverage, fitness, hearing, and other wellness benefits. To be eligible, you must live in certain counties within Arizona. Get the personalized support only a local plan can offer. For more information about AZ Blue Medicare Advantage plans, call 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 consecutive years and:

- Are 65 years of age 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 24 months, or
- Require ongoing dialysis for end-stage renal disease (ESRD) or need a kidney transplant

Medicare Prescription Drug Plans

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

- Have either Part A or Part B, or both
- 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 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), and
- Not be enrolled in a Medicare Advantage plan

Note: If you have ESRD, you will not be eligible unless you are in a guaranteed issue period.

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), and
- Not be enrolled in a Medicare Supplement (Medigap) plan



When to Enroll

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 **1-800-772-1213** (Railroad retirees call **1-877-772-5772**). TTY users should call **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% 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:

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 in which 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. After this enrollment period, you may not be able to buy a Medigap policy. If you're able to buy one, it may cost more.

If you delay enrolling in Part B because you have group health coverage based on your (or your spouse's) current employment, your Medigap Open Enrollment Period won't start until you sign up for Part B.

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

- 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 in which you enroll. You will be charged a 10% 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 because of 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 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 preexisting condition?

A: Yes, you can enroll in Medicare no matter what your health status is or what preexisting 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 don't 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 late enrollment 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, seven 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 copays (a set amount).

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 (MAPD) benefits for their members.

Medicare Supplement (Medigap) plans – 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 – The cost you pay each month to keep your Medicare health plan or prescription drug plan active.

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 screenings for diabetes.

Contacts and Resources

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



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/Medicare

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





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