

2017 GROUP MEDICARE PRODUCTS

Group Senior GoldSM (Medicare Select)

Group Plan K

Group Plan L

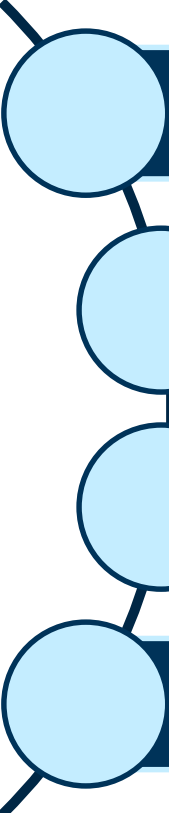
Group Platinum BlueSM (Cost)

Group MedicareBlueSM Rx (PDP)



COURSE OBJECTIVES

At the end of this course, you should be able to:

- 
- Describe Blue Cross Medigap, Cost and PDP plan eligibility requirements
 - Discuss plan benefits for Group Medigap, Cost and PDP options
 - Understand compliant marketing and sales practices for group products
 - Understand enrollment and disenrollment requests for group products

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GROUP MEDIGAP PLANS

MEDIGAP PLAN DESCRIPTION



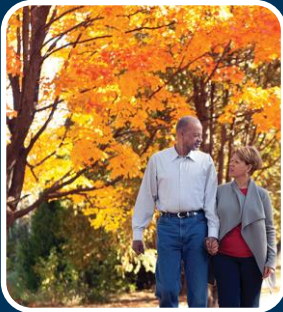
Medigap or Medicare Supplement plan

Medicare defines a Medigap policy as:

“Health insurance sold by private insurance companies to fill gaps in Original Medicare coverage.” ([medicare.gov](https://www.medicare.gov))

Medigap plans coordinate with Original Medicare to limit a beneficiary’s cost-sharing.

GROUP MEDIGAP ELIGIBILITY



Employer Group/Union:

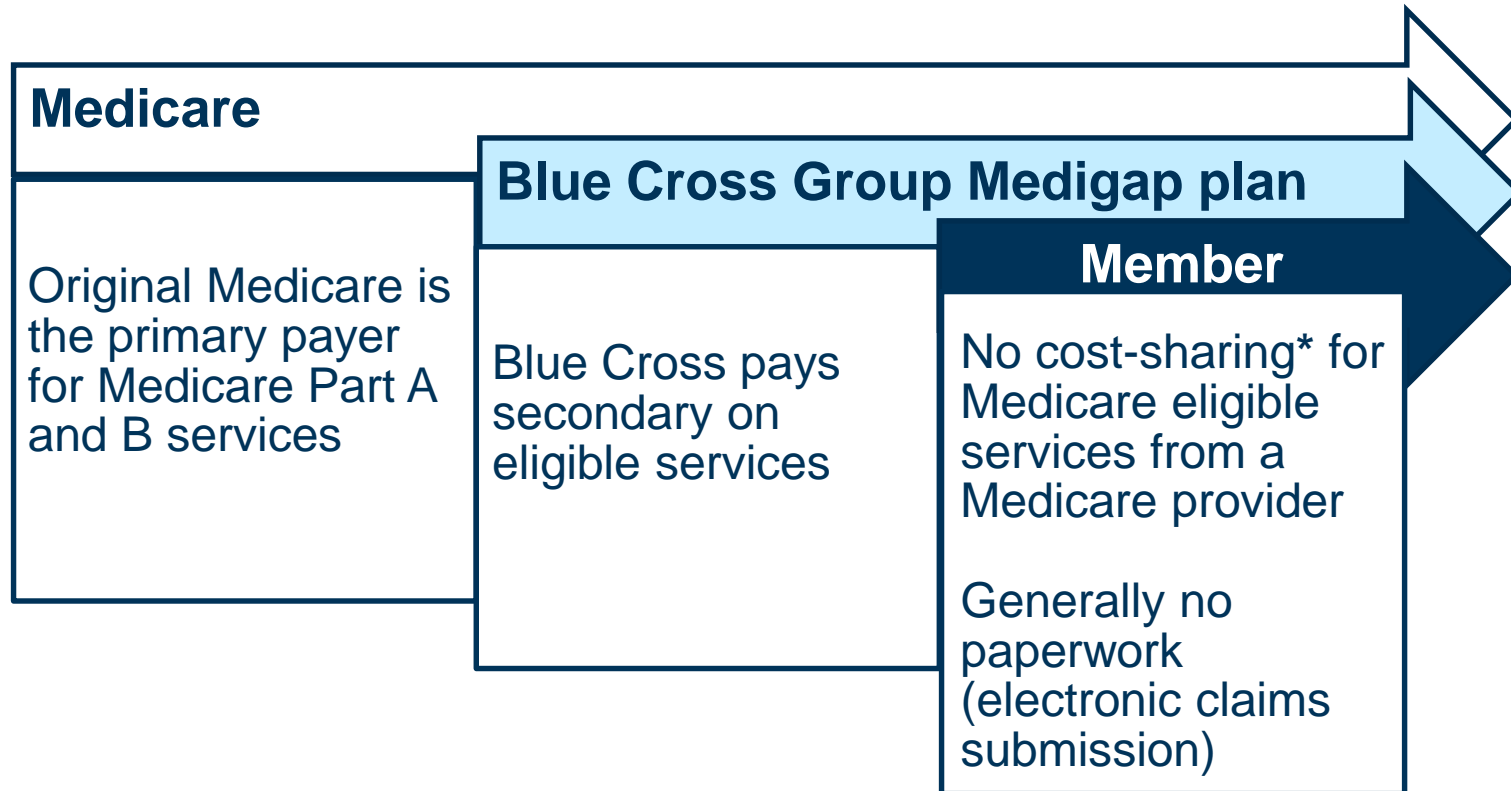
- Must be headquartered in Minnesota
- No health underwriting is involved for group Medigap plans
- Rates are based on group experience if credible data exists
 - If no credible data exists, group will be community rated



Retiree:

- Must be entitled to Medicare Part A and enrolled in Medicare Part B
- Must continue to pay Part B premium
- May reside anywhere in the United States
- Note: Retirees leaving group plans may not be eligible to return to group coverage, and should check with benefits administrator prior to disenrolling.

COVERAGE FOR MEDICARE ELIGIBLE SERVICES



See the *Summary of Coverage and Disclosure of Information* for additional information and a complete description of benefits and benefit limits.

BLUE CROSS GROUP MEDIGAP PLANS FEATURE



Group Senior Gold	Group Plan K	Group Plan L
<p>Medicare supplement plan Fully insured product Portable – no Minnesota residency requirement Silver&Fit[®] Exercise and Healthy Aging Program Tobacco Cessation support program Vision and hearing discounts</p>		
<p>100% coverage for most Medicare-eligible services (when all optional riders are selected for coverage)</p>	<p>Covers 50% of member's costs for Medicare-eligible services</p>	<p>Covers 75% of member's costs for Medicare-eligible services</p>

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GROUP SENIOR GOLD



- A group must select **all** riders for the most comprehensive coverage for its members
- The employer group makes the decision regarding what Senior Gold rider(s) will be available to employees
 - This rider selection will be made on the employer enrollment form
 - Employees are not able to change rider options elected by the group

Group Senior Gold base premium

Medicare Part A deductible coverage (optional)

Medicare Part B deductible coverage (optional)

Medicare Part B excess charges (optional)

Preventive services coverage (optional)

BENEFIT HIGHLIGHTS



	Group Senior Gold* Member pays:	Group Plan K Member pays:	Group Plan L Member pays:
Deductible	\$0	50% of Part A deductible 100% of Part B deductible	25% of Part A deductible 100% of Part B deductible
Office visits	\$0	50% of coinsurance or copays that Medicare does not cover	25% of coinsurance or copays that Medicare does not cover
Preventive	\$0	Coverage for Original Medicare Preventive care services only	Coverage for Original Medicare Preventive care services only
Inpatient hospital	\$0	50% of Part A deductible**	25% of Part A deductible
Outpatient hospital	\$0	50% of coinsurance or copayments that Medicare does not cover	25% of coinsurance or copayments that Medicare does not cover

Confidential and proprietary. * When all riders have been selected. ** Additional copayments may apply.

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GROUP PLATINUM BLUE (COST)

MEDICARE COST PLAN DESCRIPTION



Medicare Cost Plan

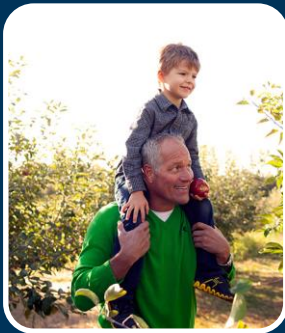
Medicare defines a Cost plan as:

“...a type of Medicare health plan available in certain areas of the country. You can join even if you only have Part B. If you have Part A and Part B and go to a non-network provider, the services are covered under Original Medicare”

- (Medicare.gov)

Cost plans are often described as a “hybrid” between a Medicare Advantage and a Medigap plan.

GROUP PLATINUM BLUE ELIGIBILITY



Employer Group/Union:

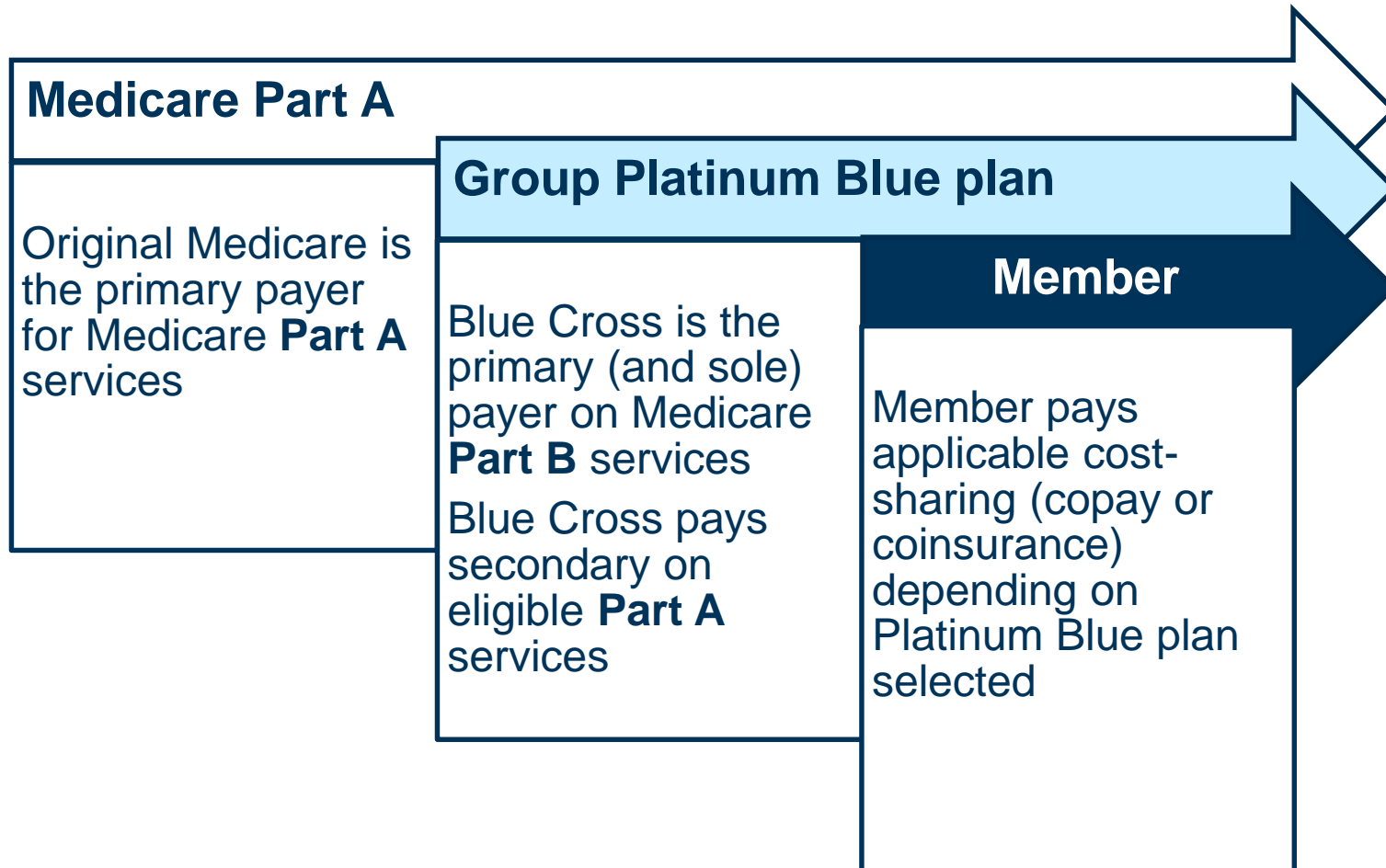
- Must be headquartered in Minnesota



Retiree:

- Must have Medicare Part A and or Part B
- Must continue to pay Part B premium
- Must be a permanent residence of Minnesota
- Must not be undergoing dialysis for End-Stage Renal Disease (ESRD)
 - Exceptions apply

COVERAGE FOR MEDICARE ELIGIBLE SERVICES



BLUE CROSS PLATINUM BLUE PLANS FEATURE



Easy access to care

- Broad network of primary and specialty care providers
- No referrals needed



Travel

- Members may travel within the United States for up to nine months and pay in-network cost-sharing when using Medicare providers
- Members have worldwide coverage for emergency care-with little to no out of pocket cost



Silver&Fit[®] Exercise and Healthy Aging Program

- No cost fitness club membership at participating locations; or
- Or choose up to two home exercise programs per year

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PART A COVERED SERVICES: IN-NETWORK PROVIDERS



	Platinum Blue Plan A Member pays	Platinum Blue Plan B Member pays	Platinum Blue Plan C Member pays
Inpatient Hospital Care	\$0 copay for each Medicare-covered stay	\$0 copay for each Medicare-covered stay	\$200 copay for each Medicare-covered stay
Inpatient Mental Health Care Lifetime limit of up to 190 days in a psychiatric hospital for all plan options	\$0 copay for each Medicare-covered stay	\$0 copay for each Medicare-covered stay	\$200 copay for each Medicare-covered stay
Skilled Nursing Facility (SNF) Limit of up to 100 days per benefit period and 3-day prior hospital stay required for all plan options	\$0 copay	\$0 copay	\$0 copay

PART B COVERED SERVICES: IN-NETWORK PROVIDERS



	Platinum Blue Plan A Member pays	Platinum Blue Plan B Member pays	Platinum Blue Plan C Member pays
Office Visits	\$0	\$15	\$20
Specialist and Therapy Visits	\$0	\$15	\$20
Urgent Care	\$0	\$15	\$20
Durable medical Equipment (DME)	0% for the cost of Medicare-covered items	10% coinsurance for the cost of Medicare-covered items	20% coinsurance for the cost of Medicare-covered items
Annual out-of-pocket maximum	\$3,000	\$3,000	\$3,000

See the 2017 Group Platinum Blue *Summary of Benefits* for additional benefit information and limitations.

SILVER&FIT

Silver&Fit® Exercise and Healthy Aging Program provides older adults with a full fitness facility membership at participating locations

Members have access to 700 participating locations in Minnesota

Fitness classes designed for seniors available at over 11,000 facilities nationwide

Access to web-based health and exercise tracking tools

Members may choose home exercise kits

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CONSIDERATIONS FOR BOTH GROUP MEDICARE SUPPLEMENT AND COST PLANS

CONSIDERATIONS RELATED TO OTHER COVERAGE

Enrollment into a **Group Medigap** plan will not result in automatic disenrollment from other coverage (Medicare or Non-Medicare)



Enrollment into **Group Platinum Blue** will not result in automatic disenrollment from a non-Medicare contracted health plan (commercial employer/union group coverage, individual or Medicare supplement coverage)

Beneficiaries must actively disenroll from their other coverage to avoid paying for duplicate coverage

Beneficiaries must contact their current health plan to learn how to disenroll from existing coverage and when to make this request

PROVIDER NETWORK

Members can choose any in-network provider for care

- No referrals or primary care providers are required

Providers that do not have a contract with Group Medicare Supplement or Platinum Blue are considered **out-of-network**

- Members will have Original Medicare benefits only



TRAVEL BENEFIT

- The travel benefit provides in-network benefits for Medicare-eligible covered services/supplies from providers who are outside the service area
- **Platinum Blue** members may travel out of the service area within the United States up to **9 months** and pay applicable in-network medical copays and/or coinsurance
- **Group Medicare Supplement** plans are **portable**, so members may travel continuously 12 months out of the year



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GROUP MEDICAREBLUE RX (PDP)

GROUP MEDICAREBLUE RX ELIGIBILITY



Employer Group/Union:

- Must be headquartered in Minnesota (or one of the other six states in the region- Iowa, Montana, Nebraska, North Dakota, South Dakota and Wyoming)



Retiree:

- Must be entitled to Medicare Part A and/or enrolled in Medicare Part B and pay the applicable premiums
- Receive “employment-based” retiree health coverage
- May reside anywhere in the United States –coverage is portable
- Spouses and dependents must meet employer/union sponsor’s eligibility requirements

GROUP MEDICAREBLUE RX PRODUCT PROFILE

Five core
plan designs
with different
premiums
and benefit
designs
which all
include:

- Four-level formulary
- Coverage at more than **67,000** pharmacies nationwide
 - Access the most current pharmacy directory:
YourMedicareSolutions.com
- Beneficiaries may be directed to **Medicare.gov** for more information
- Additional coverage for certain supplemental drugs
- Medication Therapy Management (MTM) program

GROUP MEDICAREBLUE RX FORMULARY



The Group MedicareBlue Rx formulary includes more than 3,000 drugs and is divided into four levels:

- **Tier 1: Generic drugs**
 - Tier 1 is the lowest tier and includes generic drugs. Some low-cost preferred brands are also included
- **Tier 2: Preferred Brand**
 - Tier 2 includes preferred brand drugs and some non-preferred generic drugs.
 - Usually there are not generic equivalents
- **Tier 3: Non-Preferred Brand**
 - Tier 3 includes non-preferred brand drugs and some non-preferred generic drugs.
 - Usually there are less expensive brand options or generic equivalents for these drugs
- **Tier 4: Specialty Tier**
 - Tier 4 is the highest tier on our Formulary. It contains very high cost brand and generic drugs, which may require special handling and/or close monitoring.
 - Very high-cost medications not commonly prescribed

Certain formulary prescriptions may be subject to other limitations (step therapy, quantity limits, prior authorization).

- Access **[YourMedicareSolutions.com](https://www.yourmedicare.com)** to view the most current formulary and this information.

COVERAGE FOR SUPPLEMENTAL DRUGS

Supplemental drugs are select drugs that Medicare does not cover and are not on the standard formulary

Group MedicareBlue Rx plan options include limited coverage for some Part D “Excluded Drugs”

Exception requests are NOT allowed for any other drugs listed on CMS’ “Excluded Drugs” list

Purchases do NOT apply toward members’ TrOOP (true out-of-pocket) costs for catastrophic coverage

Costs are NOT reimbursed by CMS



GROUP MEDICAREBLUE RX CORE PLAN OPTIONS – INITIAL COVERAGE



Plan Description	\$10/\$25/\$40/25%	\$5/\$15/\$35/\$60	\$10/\$25/\$60/25%	\$10/\$30/\$50/\$50 (GEN)	\$0/\$20/\$40/\$60
	Member pays	Member pays	Member pays	Member pays	Member pays
Tier 1: Generic drugs	\$10	\$5	\$10	\$10	\$0
Tier 2: Preferred Brand	\$25	\$15	\$25	\$30	\$20
Tier 3: Non-Preferred Brand	\$40	\$35	\$60	\$50	\$40
Tier 4: Specialty Tier	25%	\$60	25%	\$50	\$60
Supplemental drugs	25%	25%	25%	25%	25%

GROUP MEDICARE BLUE RX CORE PLAN OPTIONS – GAP/CATASTROPHIC COVERAGE



Plan description	\$10/\$25/\$40/25%	\$5/\$15/\$35/\$60	\$10/\$25/\$60/25%	\$10/\$30/\$50/\$50 (GEN)	\$0/\$20/\$40/\$60
	Member pays	Member pays	Member pays	Member pays	Member pays
<p>Coverage Gap This shows the amount a member pays for a 30-day supply after total yearly covered prescription drug costs reach \$3,700</p>	<p>Members receive the same drug coverage during the coverage gap stage as they did in the initial coverage stage.</p>			<p>\$10 copay for Tier 1: Generic drugs</p> <ul style="list-style-type: none"> 40% on some Brand drugs based on CMS agreement with drug manufacturers 51% on all other drugs not covered in Tier 1. 	<p>Members receive the same drug coverage during the coverage gap stage as they did in the initial coverage stage.</p>
<p>Catastrophic Coverage This shows the amount a member pays for a 30-day supply after \$4,950 out-of-pocket prescription drug costs.</p>	<p>The greater of :</p> <ul style="list-style-type: none"> \$3.30 for covered generic or multi-source preferred brand drugs, and \$8.25 for all other covered drugs, or; 5% of the cost of covered drugs <p>Note: The amount a member spends on supplemental drugs do not apply towards catastrophic coverage.</p>				

EXTENDED DRUG SUPPLIES



Members may purchase a 90-day supply of eligible prescriptions to take advantage of additional cost savings in the following ways:

- From an in-network extended day supply pharmacy (identified by EDS in the pharmacy directory) OR
- Through the plan's mail order pharmacy: CVS Caremark* Mail Service Pharmacy

The cost through one of these methods is two times the 30-day copay amount or the usual coinsurance

* CVS Caremark is an independent company providing pharmacy services

LATE ENROLLMENT PENALTY AND LOW INCOME SUBSIDY



Late Enrollment Penalty (LEP)

- LEP applies if enrollment in a Part D plan is delayed and/or the beneficiary has had a gap of at least 63 days without creditable coverage
- Group MedicareBlue Rx members who are responsible for paying an LEP will be notified in writing by the Plan
 - The group may choose to pay the member's LEP
- Creditable coverage information may be submitted by the beneficiary or group administrator at the time of enrollment or in response to a Plan request for creditable coverage attestation

Low Income Subsidy (LIS)

- Group MedicareBlue Rx members who qualify for extra help are eligible to have their LIS benefits applied to their premium cost
 - Group MedicareBlue Rx will be notified of the individual's LIS status by CMS during the approval process and apply the subsidy accordingly

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MARKETING AND ENROLLMENT GUIDANCE FOR GROUP MEDICARE SUPPLEMENT, COST AND PDP PLANS

EMPLOYER/UNION GROUP MARKETING GUIDELINES



Certain enrollment restrictions (e.g., no sales presentations or enrollment applications accepted) do **not** apply to health fairs and other promotions sponsored by an employer group or labor organization, as long as the event:

- Is held only for retirees and active employees of the employer or labor organization
- Is not announced via public media

EMPLOYER/UNION GROUP MARKETING GUIDELINES

**Marketing
guidelines that
apply to
employer/union
group plans:**

- ✓ Nominal gifts
- ✓ Sales/marketing in health care settings
- ✓ Sales/marketing at educational events
- ✓ Co-branding
- ✓ Appointments of agents/brokers
- ✓ State Licensed
- ✓ Reporting of terminated agents/brokers
- ✓ Agent/broker training

Refer to CMS' Medicare Marketing Guidelines for additional guidance on employer/union groups

ENROLLMENT AND DISENROLLMENT GUIDELINES

Lock-in restrictions do not apply to employer/union group coverage

- Employers determine when retirees may change coverage
- Members may disenroll at any time of year
 - Members who choose to leave the group plan may not be able to return to group coverage, and should check with their benefits administrator to verify employer/union guidelines

Employer Special Election Periods (SEPs) are determined by the employer's eligibility rules

- Beneficiaries can move from a group to an individual plan any time of the year and qualify for a SEP
- CMS identifies numerous SEPs in Chapter 3 of the Prescription Drug Benefit Manual



ENROLLMENT GUIDELINES



	Group Medigap	Group Platinum Blue	Group MedicareBlue Rx
Enrollment options	Each member must complete the paper enrollment form		<p>Group elective enrollment process</p> <ul style="list-style-type: none"> • Paper application • Regional group electronic online web-based enrollment <p>Group automated enrollment process</p> <ul style="list-style-type: none"> • Regional group electronic enrollment process • Regional group electronic one-time file upload process
Retroactive Enrollments	Not encouraged, but may be permitted to coordinate with a Group MedicareBlue Rx effective date	Not allowed	<p>In the rare situation that an enrollment is sent in the electronic file after the effective date, a retroactive enrollment is allowed as long as it is not greater than three months prior to the Plan receipt date.</p> <p>Note: Any retroactive enrollment greater than 90 days from the current date is not allowed</p>
Effective Date	<ul style="list-style-type: none"> • Retirees can enroll up to three months prior to the effective date • Retirees cannot request an effective date prior to their Medicare entitlement • The effective date cannot be earlier than the date the retiree signs the enrollment request 		

DIENROLLMENT

- **Disenrollment** is defined as the voluntary or group initiated request to discontinue a coverage option that is already in effect and providing benefits to the beneficiary
- **Cancellation** is the termination of coverage prior to the effective date

Voluntary

Members can voluntarily disenroll at any time, but may not be eligible to enroll in other Medicare plans.

Effective date of disenrollment can be up to three months in the future and are processed for the 1st of the requested month.

Request for disenrollment must be received prior to disenrollment date

- Retroactive disenrollments can be processed up to 90 days with proof that the group failed to provide the information to Blue Cross timely

Involuntary

A retroactive disenrollment is not allowed in any involuntary situation.

Written notice must be provided to members at least 21 days in advance of the disenrollment.

Groups may initiate disenrollment for members who:

- Fail to pay their premium
- No longer meet the group's eligibility requirements
 - For Group Platinum Blue this includes living outside the service area

SUMMARY

Group Medicare Supplement plans offer:

- Portable coverage - no Minnesota residency requirement
- Fully insured product
- Blue Cross Fitness Discounts
- Vision and hearing discounts

Group Platinum Blue (Cost) plans offer:

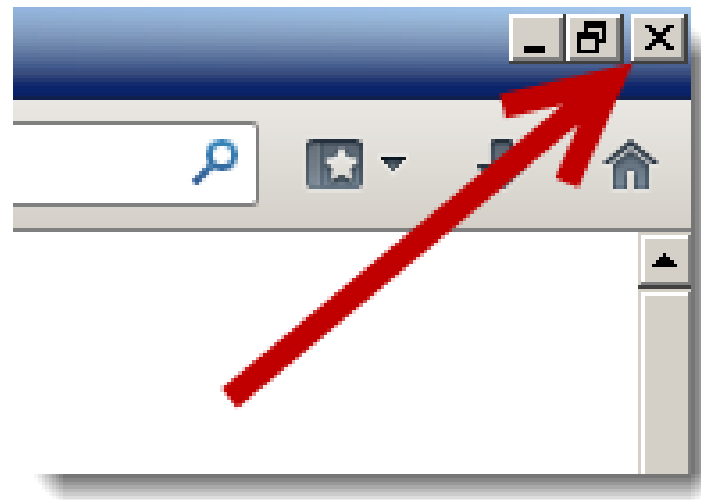
- Easy access to care
- Flexible travel benefit
- Silver&Fit membership

Group MedicareBlue Rx (PDP) plans offer:

- Four of the five core plan designs with no deductible and benefits through the coverage gap
- A multi-level drug formulary to help control prescription drug costs for members
- A nationwide network of over 67,000 contracted pharmacies
- Supplemental drug coverage

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THANK YOU.