



**MedicareBlue<sup>SM</sup> Rx (PDP)**

A Medicare Prescription Drug Plan

# Making the most of Medicare



# Agenda

- What is Medicare?
- Who is eligible?
- Medicare coverage
- Coverage options
- When to enroll
- Finding the right plan
- Additional resources

# What is Medicare?

- Enacted by Congress in 1965
- Original Medicare has two parts
  - Part A (hospital insurance)
  - Part B (medical insurance)
- Medicare Part C includes Part A and Part B
  - Sold by private companies
  - Referred to as Medicare Advantage (MA) plans
  - May include prescription drug coverage (MA-PD)
- Medicare Part D provides prescription drug coverage
  - Sold by private companies
- Administered by the Centers for Medicare & Medicaid Services (CMS)

# Who is eligible?

Must be a United States citizen or permanent legal resident who has resided in the U.S. for five continuous years and is:

- 65 or older and eligible to receive Social Security  
OR
- Under 65, permanently disabled and has received Social Security disability benefits for at least two years  
OR
- Diagnosed with end-stage renal disease (ESRD)

# Medicare coverage

Original Medicare	Add to Original Medicare by choosing one of these options	
<b>Part A</b> Hospital <b>+</b> <b>Part B</b> Medical	Option 1: Add one or more of these plans to your Original Medicare	
	<b>Part D</b> <ul style="list-style-type: none"><li>Covers prescription drugs</li><li>Must have Medicare Part A or Part B to enroll</li></ul>	<b>Medigap or Cost plans</b> <ul style="list-style-type: none"><li>Helps pay Medicare deductibles, copays and other costs</li><li>Must have Medicare Part A and Part B to enroll</li></ul>
	Option 2: Medicare Advantage	
	<b>Part C</b> <ul style="list-style-type: none"><li>Joins Medicare Parts A and B</li><li>Most include drug coverage (Part D)</li><li>Usually have lower deductibles and copays than Medicare</li><li>Often include additional benefits like vision and dental coverage</li><li>Must have Medicare Part A and Part B to enroll</li></ul>	

# Medicare Part A

- Coverage for eligible inpatient hospital care and services
- Premium: Generally, no cost to you
- For each benefit period in 2021, you pay the following for Medicare-approved inpatient hospital care:
  - Days 1-60: Deductible of \$1,484
  - Days 61-90: Copayment of \$371 per day
  - Days 91-150: Copayment of \$742 per day (lifetime reserve days)
- Part A offers limited coverage for skilled nursing, home health and hospice care
- No out-of-pocket maximum

# Medicare Part B

- Coverage for eligible outpatient care and services including:
  - Office visits and diagnostic lab tests
  - Outpatient hospital services
  - Preventive services (covered at 100%)
  - Durable medical equipment
- 2021 monthly premium: \$148.50
- 2021 annual deductible: \$203
- After you pay the deductible, Medicare pays 80% for most eligible services and supplies, and you pay the rest
- No out-of-pocket maximum

# Medicare coverage

- Original Medicare does not cover:
  - Charges for inpatient hospital and skilled nursing days beyond Medicare's limits
  - Routine vision or hearing screenings
  - Most care received outside the United States
  - Prescription drugs not covered by Part A or Part B



# Coverage options

- Medicare Supplement (Medigap) plans
- Medicare Advantage plans
- Medicare Cost plans
- Prescription drug plans

# Coverage options: Medicare supplement insurance plans

- Also called Medigap or MedSupp plans
- Must be enrolled in Medicare Part A and Part B
- Offered by private insurance companies
- Regulated by federal and state laws
- Pair a Medigap plan with:
  - Original Medicare
  - A prescription drug plan
- Cannot be enrolled in a Medigap plan and a Medicare Advantage plan at the same time

# Coverage options: Medicare Advantage plans

- Also called Medicare Part C
- Offer additional health plan choices through Medicare
- Plans usually include Medicare Part A and Part B benefits and often prescription drug and other medical benefits
- Offered by private insurance companies
- Types of plans:
  - Preferred provider organization (PPO)
  - Health maintenance organization (HMO)
  - Private Fee-for-Service (PFFS)

# Coverage options: Medicare Cost plans

- Help pay for expenses not covered by Medicare
- Regulated by the federal government and the state
- Pair a Cost plan with:
  - Original Medicare
  - A prescription drug plan

# Coverage options: Prescription drug plans

- Also called Medicare Part D
- Benefits are offered by private companies
- Costs vary based on the plan choices
- Part D coverage options:
  - Stand-alone prescription drug plan (PDP)
  - Medicare Advantage plan with prescription drug coverage (MA-PD)
- Individuals with Part A and/or Part B are eligible for Part D
- Individuals can enroll regardless of income or health
- Pair a PDP with:
  - Original Medicare
  - A Medigap plan
- Enroll to avoid the Part D late enrollment penalty (LEP)

# Coverage options: Prescription drug plan cost sharing

## 2021 Benefits

<b>Annual deductible</b> Amount you pay each year before initial coverage begins	\$445
<b>Initial coverage</b> Amount you pay after you reach the annual deductible amount	You pay 25% Plan pays 75%
<b>Coverage gap</b> Amount you pay after total yearly covered drug costs reach \$4,130	Members receive a discount on brand-name drugs and generally pay no more than 25% of the plan's costs for brand-name drugs and for generic drugs
<b>Catastrophic coverage</b> Amount you pay after paying \$6,550 out-of-pocket for covered drugs	Greater of 5% coinsurance or \$3.70 copay for generics or \$9.20 copay for all other covered drugs for a 30-day supply

This information is effective through December 31, 2021.

# When to enroll

Time period	What you can do	When you can do it
<b>Initial enrollment period (IEP)</b>	Enroll in a prescription drug plan, Medicare Advantage (MA) plan or MA plan with prescription drug coverage	Three months prior to, the month of, or three months after you turn 65. Or, after month 24 of receiving disability benefits
<b>Annual enrollment period (AEP)</b>	Existing Medicare beneficiaries can enroll in or change to a prescription drug plan, MA plan or MA plan with prescription drug coverage	October 15 to December 7 (coverage effective January 1 of the following year)
<b>Medicare Advantage open enrollment period (MA OEP)</b>	Disenroll from an MA plan and enroll in another MA plan, with or without Part D coverage, or Original Medicare and, if needed, a stand-alone Part D plan	Each year from January 1 to March 31 (change effective the first of the month after you submit the request)
<b>Special enrollment period (SEP)</b>	Enroll in a prescription drug plan or MA plan	If you qualify for an SEP, you can enroll after an IEP or AEP has ended

This information is effective through December 31, 2021.

# Finding the right plan

- Coverage considerations:
  - How much are you comfortable paying for a monthly premium?
  - How much are you comfortable paying in out-of-pocket costs?
  - Do you want or need coverage beyond what is provided by Original Medicare?
    - Prescription drug coverage
    - Vision, dental and/or hearing coverage
  - Do you travel?
  - Do you plan to move out of the state?
  - Do you want to continue to see your current doctor or use your current pharmacy?
  - Is it important that your benefits stay the same each year?



# Additional resources

- Medicare
  - **1-800-633-4227** (TTY: **1-877-486-2048**)
  - 24 hours a day, seven days a week
- Social Security Administration
  - **1-800-772-1213** (TTY: **1-800-325-0778**)
  - 8 a.m. to 5:30 p.m., Monday through Friday
  - Automated phone services available 24 hours a day, seven days a week
- Contact your state Medicaid office

# Important plan information

MedicareBlue<sup>SM</sup> Rx (PDP) coverage is available to residents of the service area and separately issued by one of the following plans: Wellmark Blue Cross and Blue Shield of Iowa,\* Blue Cross and Blue Shield of Minnesota,\* Blue Cross and Blue Shield of Montana,\* Blue Cross and Blue Shield of Nebraska,\* Blue Cross Blue Shield of North Dakota,\* Wellmark Blue Cross and Blue Shield of South Dakota,\* and Blue Cross Blue Shield of Wyoming.\*

\*Independent licensees of the Blue Cross and Blue Shield Association

MedicareBlue Rx is a Medicare-approved Part D sponsor. Enrollment in MedicareBlue Rx depends on contract renewal. You are eligible to enroll in the plan if you are entitled to Medicare Part A and/or enrolled in Medicare Part B. You must continue to pay your Medicare Part B premium (and Part A premium if applicable) if not otherwise paid for by Medicaid or by another third party.



**MedicareBlue<sup>SM</sup> Rx (PDP)**

A Medicare Prescription Drug Plan

# Questions?



**MedicareBlue<sup>SM</sup> Rx (PDP)**

A Medicare Prescription Drug Plan

**Thank you**