

Understanding Medicare

Your Guide to Medicare Coverage Options





We Have Your Medicare Answers

As one of the millions of Americans eligible for Medicare, you are likely among the many who are overwhelmed with the volume of information about your healthcare coverage choices.

At Medical Mutual, we want to make it easy for you to break through the clutter. It is our goal to help you get the right facts about the right coverage for your lifestyle.

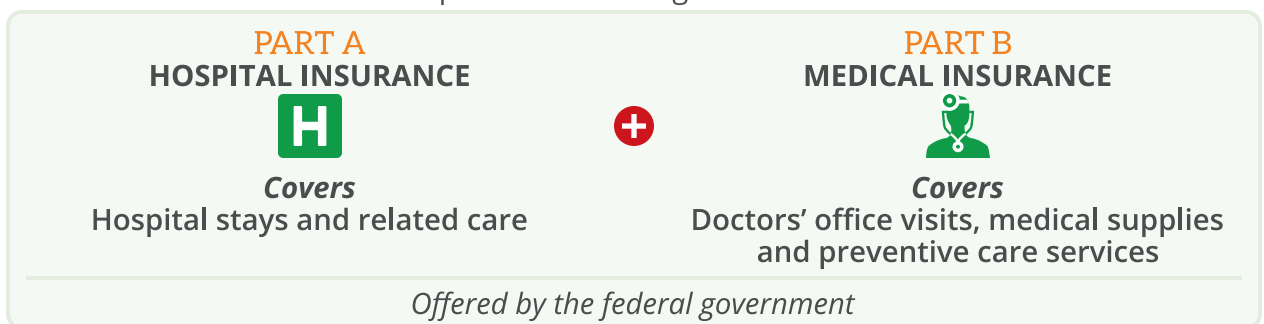
Whether you're just becoming eligible for Medicare, still insured through work and contemplating retirement or thinking about a change in Medicare coverage, this guide will get you on your way to understanding your options and making the choice that is best for you.

Understanding Medicare Parts and Plan Types

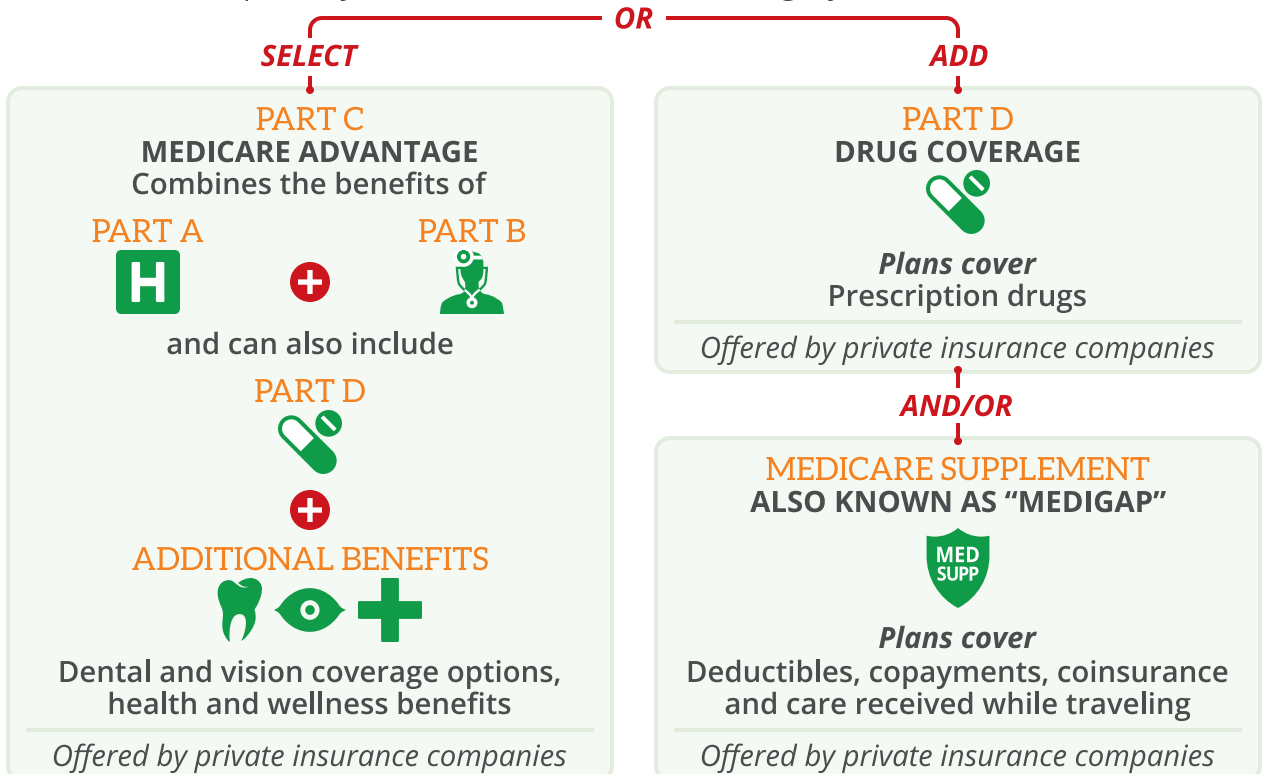
Medicare has several different parts, plus additional plan options, to help you get the best coverage for your needs. This section shows how the Medicare parts and plan types work together, with a brief description of each one.

The Parts of Medicare

Step 1—Enroll in Original Medicare



Step 2—If you want more Medicare coverage, you have choices:



You cannot enroll in both a Medicare Advantage plan and a Medicare Supplement insurance plan.

Part A and Part B (also called Original Medicare)

Original Medicare is provided by the federal government. It includes Medicare Part A and Part B. You cannot be turned down for Original Medicare coverage once you meet Medicare eligibility requirements.

Some people are automatically enrolled in Medicare Part A* (hospital insurance). If you or your spouse paid Medicare taxes while working for at least 10 years, you will likely not have to pay a monthly premium for this coverage. You must have Part A to have Part B.

Some people are also automatically enrolled in Medicare Part B* (medical insurance). You will pay a premium each month for Part B. Most people will pay the standard premium amount. However, you may pay more if your income is above a certain amount.

If you're not sure if you have Part A or Part B, look on your red, white and blue Medicare card. Look for "Hospital (Part A)" and/or "Medical (Part B)" printed on the lower left corner of your card. If you need to enroll in Part A or Part B, the easiest and most common way to enroll is to contact your local Social Security office or go online at ssa.gov/medicare.

Part A and Part B at a Glance

Medicare Part	Plan Type	Coverage and Cost Considerations
Part A	Hospital coverage	<p>Coverage for medically necessary care requiring:</p> <ul style="list-style-type: none"> ■ An overnight stay in the hospital ■ Follow-up nursing care after a hospital stay ■ Hospice care ■ Some home healthcare for the homebound <p>Cost considerations:</p> <ul style="list-style-type: none"> ■ No premium (\$0) for most people ■ Coverage automatically at age 65 if you worked and paid into Medicare for 40 quarters (10 years) ■ Deductible, copays and coinsurance apply to services received
Part B	Medical coverage	<p>Coverage for medically necessary services that don't require an overnight hospital stay, such as:</p> <ul style="list-style-type: none"> ■ Doctors' office visits ■ Outpatient hospital or clinical care ■ Lab tests and some screenings <p>Cost considerations:</p> <ul style="list-style-type: none"> ■ \$121.80 monthly premium for 2016 ■ Premium can be automatically deducted from your Social Security checks, if applicable ■ Deductible, copays and coinsurance apply to services received

*If you are automatically enrolled in Medicare Part A and Part B, you'll get your red, white and blue Medicare card in the mail three months before your 65th birthday.

Medicare Supplement Insurance Plans (also called Med Supp or Medigap)

Medicare Part A and Part B do not cover every health expense. Medicare Supplement insurance plans are sold by private insurance companies and can help pay some of the healthcare costs that Original Medicare doesn't cover. You must have Medicare Part A and Part B to purchase a Medicare Supplement plan.

For 2016, there were 11 Medicare Supplement insurance plan options in Ohio, each offering a different combination of benefits with different levels of coverage. All Medicare Supplement insurance plans are standardized, and the plans are identified by letters. This means no matter which company is selling the plan, all plans identified with the same letter must have identical coverage. The only difference is the monthly premium.

Unlike some other types of insurance plans, Medicare Supplement insurance plans are not associated with a set network of doctors and hospitals. With this coverage, you can go to any doctor or hospital that accepts Medicare. Medicare Supplement insurance plans do not include prescription drug coverage (Part D). Most people who choose a Medicare Supplement insurance plan also buy a stand-alone Part D plan (see next section).

Medicare Supplement Insurance Plans at a Glance

Medicare Part	Plan Type	Coverage and Cost Considerations
NA	Supplemental coverage	<p>Coverage for some costs that Original Medicare does not pay, such as:</p> <ul style="list-style-type: none"> ■ Deductibles ■ Copayments ■ Coinsurance ■ Care while traveling outside the country <p>No coverage for:</p> <ul style="list-style-type: none"> ■ Long-term care ■ Vision care ■ Dental care ■ Prescription drugs ■ Private-duty nursing ■ Hearing aids <p>Cost considerations:</p> <ul style="list-style-type: none"> ■ Monthly premium varies by company and age ■ Usually ranges between \$100 and \$250 a month ■ Some plans have an annual deductible ■ Not all Medicare Supplement insurance plans cover 100 percent of the gaps in Original Medicare. Depending on the plan or coverage level selected, some deductibles, copays and coinsurance may still apply. Review each plan's coverage carefully.

Part D—Prescription Drug Coverage

In addition to medical coverage gaps, Original Medicare does not cover Part D prescription drugs. (Note: a limited number of outpatient prescription drugs are covered under limited conditions.) If you take prescription drugs and you are enrolled in Original Medicare, you can choose to enroll in a Part D plan offered by a private insurer. In general, there is a penalty if you delay enrolling in Part D when you are first eligible. If you have equal or better coverage from another source, such as a retirement plan, you will not be subject to the penalty.

If you have Original Medicare and/or a Medicare Supplement insurance plan, you can purchase a stand-alone Medicare Part D plan. You will pay a separate monthly premium for this. You can also get Part D prescription drug benefits through a Medicare Advantage (Part C) plan that includes built-in Part D coverage. When choosing a Part D plan, pay attention to its list of covered drugs, called the formulary. This will help ensure you have coverage for the medications you take.

Part D at a Glance

Medicare Part	Plan Type	Coverage and Cost Considerations
Part D	Prescription drug	<p>Coverage for generic and brand prescription drugs, typically grouped in tiers:</p> <ul style="list-style-type: none">■ Lower-tiered drugs most often cost less than higher-tiered drugs <p>Cost considerations:</p> <ul style="list-style-type: none">■ Monthly premium varies by company and coverage level■ Some plans include an annual deductible and/or coinsurance■ Copays apply■ No separate premium when purchased through a Medicare Advantage plan that includes Part D coverage

Part C — Medicare Advantage (also called MA or MAPD)

If you have Original Medicare, plus a Medicare Supplement insurance plan, plus a Part D plan, you are responsible for paying three separate premiums each month. You may have to call up to three separate organizations for assistance. A Medicare Advantage plan offers all of your Medicare benefits and customer service through a single plan. You still have to pay your Part B premium.

Medicare Advantage plans are offered by private insurance companies that contract with Medicare to provide you with all of your Part A and Part B benefits. Medicare Advantage plans replace Original Medicare as your primary insurance. In other words, if you join a Medicare Advantage plan, you still have Medicare, but all of your benefits are managed by one plan. You will only need to show your Medicare Advantage plan member card to receive all of your Medicare services.

Medicare Advantage plans include the benefits of Original Medicare and often the benefits of Medicare Supplement insurance plans, plus Part D drug coverage. Most plans also include extra benefits like vision, hearing, dental and/or health and wellness programs not featured in any other stand-alone plan option, sometimes at no additional cost beyond your Part B premium.

Medicare Advantage plans are associated with a set network of doctors and hospitals. When choosing a Medicare Advantage plan, pay attention to its list of doctors and hospitals to make sure you can continue to go to the providers you know and trust.

Part C — Medicare Advantage at a Glance

Medicare Part	Plan Type	Coverage and Cost Considerations
Part C	Medicare Advantage HMO, PPO, PFFS, SNP or MMSA*	Coverage in most plans for: <ul style="list-style-type: none">■ Medical Services■ Hospitalization■ Prescription drugs■ Wellness and additional benefits not available with other plan types Cost considerations: <ul style="list-style-type: none">■ Monthly premium varies by company and coverage level■ Some plans have an annual deductible■ Copays apply

*HMO: Health Maintenance Organization; PPO: Preferred Provider Organization; PFFS: Private Fee-for-Service Plan; SNP: Special Needs Plan; MMSA: Medicare Medical Savings Account Plan.

Enrolling in Medicare

Depending on your situation, there are several different opportunities to enroll in Medicare. The scenarios described in this section apply to enrolling in Original Medicare, as well as Part D and Medicare Advantage plans. Keep in mind you must have Medicare Part A and Part B before you can enroll in a Medicare Advantage plan or Medicare Supplement insurance plan. If you're entitled to Part A and/or enrolled in Part B, you can enroll in a Part D plan. (For more information on plan combinations, see the table on page 11.)

The best time to enroll in a Medicare Supplement insurance plan is during your six-month Medicare Supplement open enrollment period, which starts the month you are both more than 65 years old and enrolled in Medicare Part B.

Enrolling at 65—Your Initial Enrollment Period

If you're approaching 65, you will likely be eligible to enroll in Medicare for the first time. There is a window of time around your 65th birthday, called the Initial Enrollment Period (IEP), to enroll. This window runs from three months before the month of your 65th birthday to three months after your 65th birthday. Talk to your employer if you have a group insurance plan.

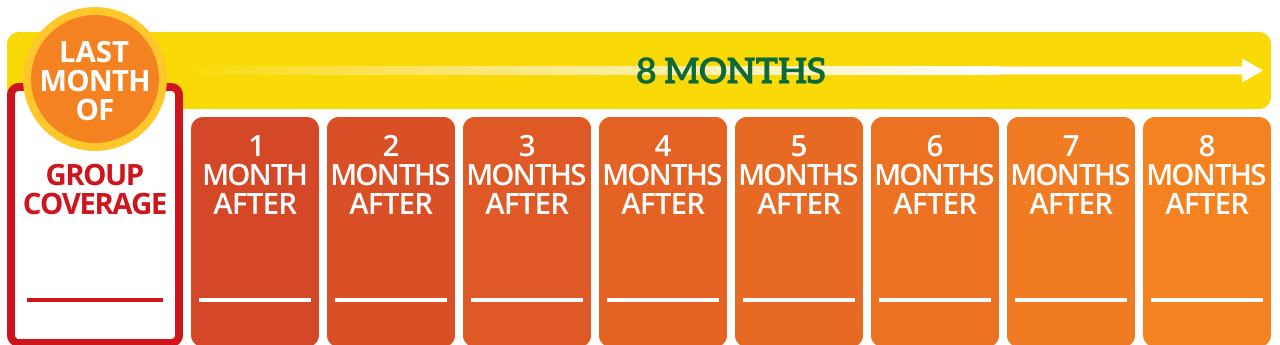
If you are enrolling in Medicare at 65 and will not be covered by a group insurance plan, enter the months of your IEP in the shapes below to see your seven-month eligibility window.



Enrolling at a Later Retirement Age

If you are still working and covered under your employer's plan when you turn 65, you may choose not to enroll in Medicare during your Initial Enrollment Period (IEP). If this is the case, you will be eligible to enroll at a later age when you retire. When you retire, you have eight months to enroll in Medicare after your employment ends or after your group coverage ends, whichever comes first. There is no penalty for waiting until this time to enroll in Medicare.

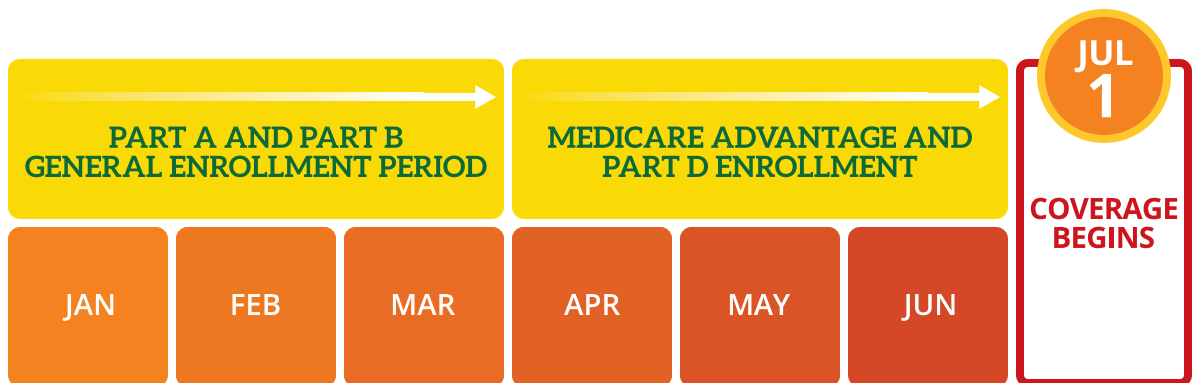
If you are enrolling in Medicare when you retire after 65, enter the last month of your employment or group coverage, whichever comes first, and the next eight months in the shapes below to see your eligibility window.



General Enrollment Period

If you miss your initial eligibility window, you have another opportunity to enroll. You can enroll in Original Medicare again during the next General Enrollment Period, which occurs January 1 through March 31 each year.

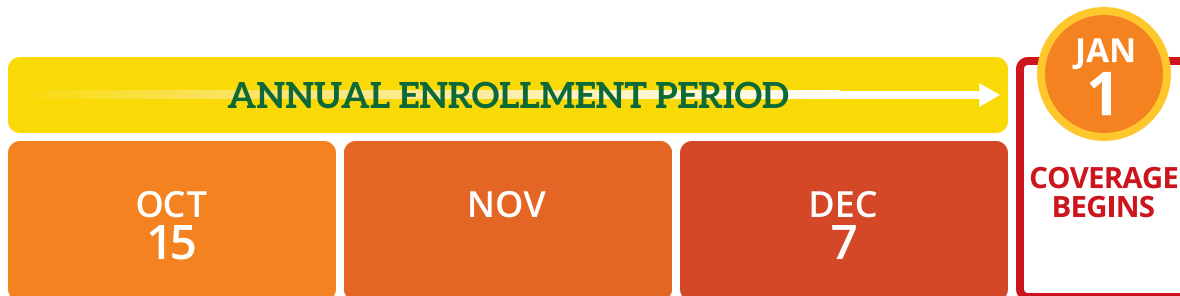
If you enroll in Original Medicare during the General Enrollment Period, you will then be eligible to enroll in a Medicare Advantage plan or a Part D plan from April 1 through June 30.



If you enroll in Medicare during the General Enrollment Period, your coverage will start on July 1 of the same year. You may have to pay a higher premium for late enrollment in Medicare Part A and/or a higher premium for late enrollment in Medicare Part B.

Changing Medicare Plans

If you are enrolled in Original Medicare, a Medicare Advantage plan or a stand-alone Part D plan, you may change or add plans during the Annual Enrollment Period (AEP). This period runs from October 15 through December 7 each year. With few exceptions, this is the only time you may add or switch Medicare Advantage or stand-alone Part D plans for coverage beginning January 1 of the next calendar year. It's ideal to choose your plan during this time because it is when the most options are available.



Special Enrollment Periods (SEP)

Outside of your Initial Enrollment Period and the Annual Enrollment Period, you can make changes to your Medicare Advantage and Medicare prescription drug coverage when certain events happen in your life. These opportunities to make changes are called Special Enrollment Periods (SEP). Rules about when you can make changes and the type of changes you can make are different for each SEP. Here are some examples of situations that may grant you a SEP:

- You move
- You lose your current coverage
- You have a chance to get coverage outside of Medicare, e.g., through a spouse or employer
- Your plan changes its contract with Medicare
- You become eligible for both Medicare and Medicaid
- You qualify for extra help paying for Medicare prescription drug coverage
- You are enrolled in a State Pharmaceutical Assistance Program or lose eligibility for one
- You have a severe or disabling condition, and there's a Medicare Chronic Care Special Needs Plan available that serves people with your condition
- You are enrolled in a Special Needs Plan and no longer have a condition that qualifies as a special need that the plan serves

If you have any questions, or have a unique situation that is not on this list, call Medical Mutual at (866) 406-8777 (TTY 711 for hearing impaired). We can help determine if you qualify for a Special Enrollment Period.

Choosing a Plan

Once you understand your Medicare options, choose the level of coverage that best meets your needs.

Factors to Consider

How much you pay in monthly premiums

Monthly premiums may include costs for Part B, in addition to costs associated with the plan(s) you select for additional coverage. Premiums for Medicare Advantage, Medicare Supplement insurance plans and stand-alone Part D plans will vary by level of coverage and insurance provider. There are often \$0 premium plans available with Medicare Advantage. If you are considering your total out-of-pocket costs, generally, the higher your monthly premiums, the lower your copays and deductibles will be. Consider how often you may need to see your doctor and what would be a better value for you.

Prescription drug coverage

Original Medicare and Medicare Supplement insurance plans do not include prescription drug coverage. You can get Part D prescription drug coverage with most Medicare Advantage plans, or you can purchase a stand-alone Part D plan. If you regularly take prescription medication, it may make sense to choose a plan that provides Part D coverage.

Selecting your own doctor

Original Medicare and Medicare Supplement insurance plans allow you to go to any doctor or hospital as long as they accept Medicare. Medicare Advantage plans have networks of providers, and some plans are more flexible than others. If you have a primary care physician or a specialist you would like to see, check the network associated with each plan to make sure they are included.

SilverSneakers® and other benefits available in Medicare Advantage plans

Benefits like SilverSneakers fitness program membership, over-the-counter drugs and supplies, a 24-hour nurse line and wellness programs like those designed to help members quit smoking are included in some Medicare Advantage plans at no extra charge. Determine how much you're paying out of pocket for these costs and determine if these benefits are included in the Medicare Advantage plan you are considering. You may save money if they are included.

Plan Combinations for Optimal Coverage

In addition to considering these factors in your coverage choice, also consider the different combinations of coverage that best meet your needs.

SilverSneakers is provided by a third-party company. SilverSneakers is a registered trademark of Healthways, Inc.

Calculating Costs

When you start to consider your plan options, one of the best ways to compare them is to look at the benefits and costs side by side. Although this guide does not show specific plans from private carriers, the chart below provides a general comparison by Medicare Part/Plan. See the definitions on page 12 to help you understand the costs shown in the chart.

Medicare Part/Plan	Monthly Premium	Deductible	Copays	Coinsurance
Part A	\$0 for most people	\$1,288 per benefit period	\$322 per day begins after 60 days in the hospital per benefit period	Only for certain services
Part B	\$121.80 standard premium	\$166 per year	Required for outpatient services	You pay 20%; Part B pays 80%
Most Common Additions — Scenario 1				
Medicare Advantage (HMO/PPO, including Part D)	From \$0 to \$188*	Can be as low as \$0, but varies from plan to plan	Can be as low as \$0, but varies from plan to plan	0% in most cases, however coinsurance for Part D drugs and out-of-network services apply
Most Common Additions — Scenario 2				
Medicare Supplement Insurance Plans	From \$103 to \$222 for Plan F, age 65–69 (most popular)**	Can be as low as \$0, but varies from plan to plan	\$0, however copays for Parts A and B apply to some plans	0%, however coinsurance for services covered by Parts A and B apply to some plans
Stand-alone Part D	From \$18.40 without gap coverage to \$128 with gap coverage	From \$0 to \$360	From \$1 for generics to \$90 for brand-name drugs	As low as 0% or as high as 100%; often applied to higher-tiered drugs

This chart does not include a comprehensive list of benefit/cost details for the plan types shown. For more information, contact Medical Mutual or go to Medicare.gov. All costs are for 2016 from the federal government and Ohio providers and may change for 2017.

*Medicare.gov. 2016 premiums, Ohio Medicare Advantage plans. Accessed August 2016

**OSHIIP. Guide to Medicare Supplement Insurance: Medicare options and Part D. May 2016.

Helpful Medicare Definitions

Premium

Payments you make to your insurance provider to keep your coverage. The payments are due at certain times.

Deductible

The amount you pay for your healthcare services before your health insurer pays. Deductibles are based on your benefit period (typically a year at a time).

Example: If your plan has a \$2,000 annual deductible, you will be expected to pay the first \$2,000 toward your healthcare services. After you reach \$2,000, your health insurer will cover the rest of the costs. You still must pay a copay.

Copayment (Copay)

The amount you pay to a health provider at the time you receive services. You may have to pay a copay for each covered visit to your doctor, depending on your plan. Not all plans have a copay.

Coinsurance

An amount you may be required to pay as your share of the cost for the services or prescription drugs after you pay any deductibles. Coinsurance is usually a percentage (for example, 20%).

The Right Coverage Is about the Right Choices

Choosing the level of Medicare coverage and plans that best suit your needs can be challenging. Medical Mutual can help you navigate your options, no matter what your situation. We can help you make sure your priorities are covered and choose a plan that has your best interests in mind.

Ohioans Serving Ohioans

For more than 80 years, Ohioans have trusted Medical Mutual to provide quality health insurance coverage for their different needs. As the oldest and largest health insurance company headquartered in the state of Ohio, we are constantly looking for ways to improve and better respond to your needs.

We have Medicare experts on staff, and we're always available by phone to answer your questions.

To learn more, call toll free (866) 406-8777 (TTY 711 for hearing impaired)

October 1 – February 14, 7 days a week, 8 a.m. – 8 p.m.

February 15 – September 30, Monday through Friday, 8 a.m. – 8 p.m.; Saturday 9 a.m. – 1 p.m.

Or visit us online at [MedMutual.com/Medicare](https://www.MedMutual.com/Medicare).

MedMutual Advantage HMO and PPO plans are offered by Medical Mutual of Ohio under a contract with Medicare. Enrollment in these plans depends on contract renewal. Benefits, premiums and/or copayments/coinsurance may change on January 1 of each year. The formulary, pharmacy network and/or provider network may change at any time. You will receive notice when necessary. Out-of-network/non-contracted providers are under no obligation to treat Medical Mutual members, except in emergency situations. For a decision about whether we will cover an out-of-network service, we encourage you or your provider to ask us for a pre-service organization determination before you receive the service. Please call our customer service number or see your Evidence of Coverage for more information, including the cost-sharing that applies to out-of-network services. This information is not a complete description of benefits. Contact the plan for more information. You must continue to pay your Medicare Part B premium. Limitations, copayments and restrictions may apply.

This is a solicitation for Medicare Supplement insurance through Medical Mutual of Ohio. Neither Medical Mutual nor any of its agents or Medicare Supplement insurance policies are connected with or endorsed by the U.S. or state government, Social Security or federal Medicare program.

The Medicare Supplement insurance policy will include the exclusions, limitations, reduction of benefits and terms under which the policy may be continued in force or discontinued. For costs and complete details of the coverage, call or write your insurance agent or Medical Mutual.

Medical Mutual Medicare Supplement insurance policies are being offered through Medical Mutual of Ohio and/or one of its subsidiaries, Medical Health Insuring Corporation of Ohio, collectively referred to as "Medical Mutual." Contact will be made by a licensed insurance agent or insurer. The amount of benefits provided depends upon the policy selected and the premium will vary with the amount of the benefits selected.

Medical Mutual

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