

GETTING THE MOST FROM MEDICARE

ESSENTIAL TIPS FOR
A PLAN THAT FITS
YOUR PRIORITIES

YOU HAVE QUESTIONS.

We have answers.

Everything you need to know before enrolling in Medicare.

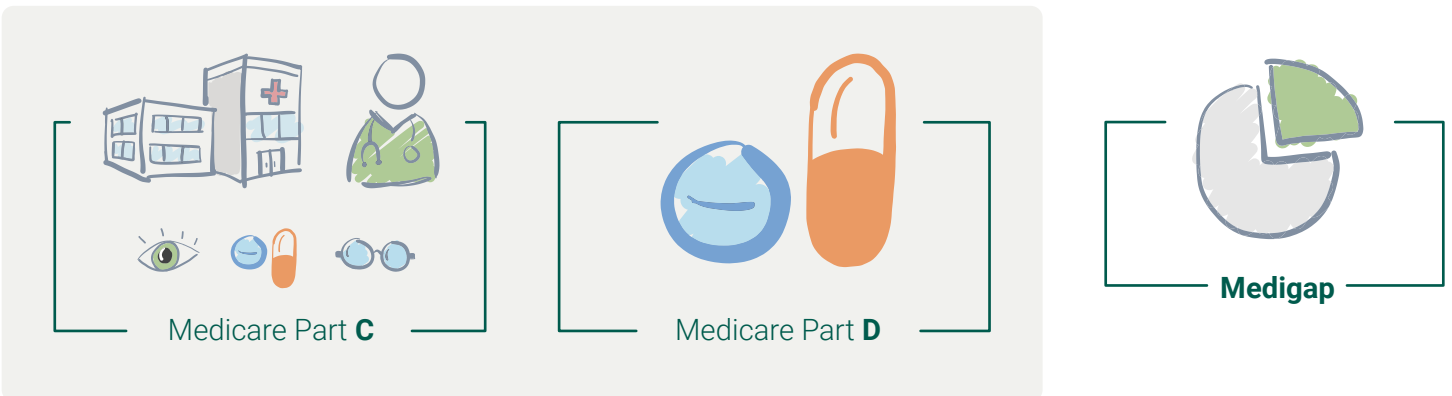
As you approach 65, you'll probably have a few—or more—questions about Medicare. *"What kind of plan is right for me? What's the difference between Original Medicare and Medicare Advantage? How do I get prescription drug coverage?"*

We get it—Medicare is confusing. That's why we created this guide to answer your questions as you prepare to enroll in Medicare. From copays to premiums, from network coverage to star quality, this guide will help you understand your best Medicare options so you can make a smart choice for your health care coverage.

THE ABC+Ds OF MEDICARE



Medicare Advantage Prescription Drug (MAPD) plan



The ABC+Ds of Medicare

Original Medicare

This is health coverage offered by the federal government. Original Medicare includes Part A (hospital coverage) and Part B (coverage for medical services). After the deductibles are paid, Original Medicare only covers 80% of your health care costs, so you are responsible for the other 20%. There is no limit to the amount of money you could pay out of pocket as part of your 20%.

2020 Original Medicare amounts

	Premium	Deductible
Part A	\$458	\$1,408
Part B	\$144.60	\$198

Medicare Part A

This is hospital care coverage. Most people are automatically enrolled in Medicare Part A when they turn 65. Most people don't pay a monthly Part A premium because they paid for it through their payroll deductions.

Medicare Part B

This is coverage for medical services. You should sign up for Part B as soon as you're eligible, or you could pay penalties later. Most people become eligible for Part B three months before they turn 65.

Medicare Part C

Once you have Parts A and B, you can enroll in Medicare Part C—also called a Medicare Advantage plan. When a Part C plan includes Part D (prescription

drug) coverage, it's often referred to as a Medicare Advantage with Prescription Drug, or MAPD plan. Medicare Advantage plans are an “all in one” alternative to Original Medicare and are offered by private companies, like Priority Health, that are approved by the federal government.

Medicare Part D

This is coverage for prescription drugs. To get Part D coverage, you can enroll in a Medicare Advantage with Prescription Drug (MAPD) plan or add a separate prescription drug plan (PDP) to Original Medicare or a Medigap plan. Make sure to sign up for Part D when you are first eligible, or you could pay a penalty.

Medigap

A Medigap plan provides supplemental coverage for things Original Medicare doesn't cover and does not include prescription coverage. You can purchase a Medigap plan from a private insurer, but you can't enroll in a Medigap plan if you have a Medicare Advantage plan.



Priority Health Medicare Advantage plans start as low as \$0 a month and include:

- Quarterly over-the-counter allowance on select plans
- Part D prescription drug coverage
- Dental exams and cleanings
- Vision and hearing coverage
- A free gym membership

Common terms you'll need to know

As you're researching information on Medicare, you might come across some unfamiliar terms. Here's a handy list of commonly used words and what they mean for you.

Copayment

Sometimes called a copay, this is the set dollar amount you pay at the time you receive a Medicare-covered service. You may also have a copay when you get a prescription filled.

Coinsurance

Coinsurance is your portion (a percentage) of the cost for medical services or prescriptions included in your plan.

Deductible

The amount you'll pay for most covered in-network medical services before you start paying only copayments or coinsurance and your plan pays the balance.

Out-of-pocket limit


This is your annual maximum cost, or the most you'll pay for Medicare-covered medical services including copays and coinsurance in one year.

Premium

The amount you pay for your health insurance every month.

Preventive care

Preventive care includes specific health care services that help you avoid potential health problems or find them early when they are most treatable, before you feel sick or have symptoms. Examples of preventive care include annual wellness exams, flu shots and cancer screenings.



For example, if your plan's fee for a visit is \$100, your coinsurance payment of 20% would be \$20. Your Medicare plan would pay the rest of the fee, 80% or \$80.

Use our smart choice checklist while you prepare for Medicare:

- ☐ Evaluate your health care needs.
- ☐ Decide if Original Medicare is enough.
- ☐ Explore plans that offer benefits you need and extras you want.
- ☐ Know your enrollment timing.
- ☐ Compare plans on [prioritymedicare.com](https://www.prioritymedicare.com) and learn more.

How to choose a plan

Do I have to sign up for a Medicare Advantage or Medigap plan?

Can't I just have Original Medicare?

You can stick with just Original Medicare—but that only covers your costs 80/20, meaning Medicare covers 80% of costs and you're left paying 20% of the bill. Depending on the procedure, that remaining 20% could cost you thousands of dollars. Original Medicare doesn't cover prescription drugs, routine dental and vision, hearing aids and exams for fitting them, long-term care and more. That's where Medicare Advantage and Medigap plans come in.

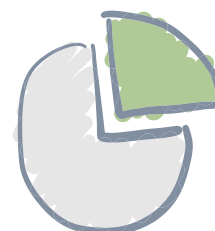


What's the difference between a Medicare Advantage plan and a Medigap plan?

Medicare Advantage (also known as Medicare Part C) is Medicare Parts A and B bundled together. When a Medicare Advantage plan includes Part D (coverage for prescriptions) this is called an MAPD plan. With an MAPD plan, your hospital, doctor and prescription costs are covered, plus you get extras like gym memberships, dental, vision, hearing and more. These plans, offered through private insurers like Priority Health, include all of the benefits you get with Original Medicare, so you won't lose any coverage—you'll only get more. They give you the security of knowing you have that extra coverage and some plans even have \$0 premiums.



Medigap works in conjunction with Original Medicare—it fills in the gaps that Original Medicare doesn't cover (like that remaining 20% of costs). Medigap plans don't come with the extras offered in Medicare Advantage plans. A Medigap plan might be right for you if you don't mind paying a higher monthly premium in exchange for paying less—or nothing—when you get medical care. If you choose a Medigap plan, you'll need to purchase a stand-alone Part D prescription drug plan if you want prescription coverage.



How do I decide which Medicare Advantage plan is right for me?

That depends on your needs. In addition to comparing what you'll pay in monthly premiums¹, you should also look at things that will impact your overall costs—like your current health. Compare the copays, coinsurance and deductibles of different plans to estimate your annual costs to find the right choice. Pay attention to the plan's provider and pharmacy networks. If your doctor, hospital or pharmacy isn't part of a plan's network, you may pay more or you may not have any coverage, depending on the kind of plan you choose.



Why should I choose a Medicare Advantage plan?

A Medicare Advantage plan can help lower your out-of-pocket costs with predictable copayments, lower deductibles and out-of-pocket maximums. This type of plan may be right for you if:

- You want predictable copayments, deductibles and an out-of-pocket maximum
- Paying a lower monthly premium is important to you
- You want to have your Part D prescription drug coverage bundled with your Parts A and B coverage (included in MAPD plans)
- You want additional coverage for pre-existing conditions, now and in the future
- You want to see doctors in the plan's network to save money

Priority Health has a robust network of providers in Michigan, including all of the major hospital systems, as well as pharmacies. We even offer preferred pricing at select pharmacies, saving you money on your prescription medication.² Priority Health plans also offer out-of-state travel coverage, so when you're outside of Michigan you'll have the same coverage (and costs) as if you were in network when you visit any provider in the U.S. who accepts Medicare.

Some Medicare Advantage plans include additional coverage like dental or a fitness membership at no additional cost to you. Priority Health Medicare Advantage plans include SilverSneakers®, dental, vision and hearing benefits and over-the-counter allowances on some plans for medications and health items that don't require a prescription (amount varies by plan). Priority Health offers nine Medicare Advantage plans with premiums that range from \$0 to \$216.

How do I decide which Medigap plan is right for me?

There are 12 standard Medigap plans (named Plan A through N), but not all insurance companies offer all of them. Priority Health offers Plans A, C, D, F, G and N. Medigap plans are standardized across the country, so all plans offer the same benefit structure—the main difference between them is in the monthly premium cost and customer service quality. You should look at what you'll pay for copays, coinsurance and deductibles. And remember—Medigap plans don't include prescription coverage, so you'll need to get a separate prescription drug plan.



I found a plan I like, but how do I know if it's high quality?

The Centers for Medicare and Medicaid Services (CMS) uses Star Ratings to measure how well plans perform overall each year. The better the star rating, the better care is delivered. A plan can get a rating between one (poor) and five (excellent) stars.



Priority Health Medicare Advantage plans earned 4 out of 5 stars from CMS for 2020.³



How to keep a MAPD plan affordable

You can save money on a plan when you:

- Get your annual preventive exams and services.
- Use the plan's provider network.
- Switch to generic prescriptions and preferred pharmacies.
- Use virtual visits to receive care.

PRESCRIPTION DRUG COVERAGE

Prescription drug coverage is always an important consideration when choosing a Medicare plan. For most, prescription drug coverage is non-negotiable—and rightfully so. Let's break down Medicare drug coverage and how you can ensure your medications are covered.

How much will I pay for prescription drugs?

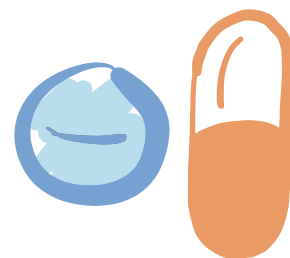
If you choose a plan that doesn't include prescription drug coverage or you don't choose a stand-alone Part D prescription drug plan, you'll be responsible for the entire cost of your medications. If you don't choose a Part D prescription plan when you first become eligible for Medicare and you don't have creditable coverage, you could also end up paying a late enrollment penalty when you do decide to sign up. That late enrollment fee will be added to your monthly premium once you enroll and will continue for as long as you have Medicare.

If you do have prescription coverage, be aware that drugs come in a wide range of prices, even if they treat the same condition. Many Medicare beneficiaries take advantage of generic drugs when available to save on costs. And most drug coverage plans offer other cost savings options, like mail order or preferred pharmacy pricing.

What's the Medicare Part D coverage gap?

The coverage gap, often referred to as the "donut hole," is when your total drug spending combined between you and your insurance company reaches a certain amount. This amount changes every year—in 2021 it's \$4,130. If you reach that amount, you're in the donut hole and you're responsible for a higher share of the cost of your medications. The coverage gap has a maximum limit to the amount you'll have to pay. After you reach this limit, you won't have a coverage gap and will have catastrophic coverage where you pay a very small share for your drugs.

The good news is that the coverage gap is shrinking. In 2020, Medicare beneficiaries who reached the donut hole only paid 25% of the cost of all of their prescription drugs.



When can I enroll?

Original Medicare, Medicare Advantage and Part D initial enrollment periods

The enrollment timing is the same for Original Medicare (Parts A and B), Medicare Advantage (Part C) and prescription drug plans (Part D). Once you turn 65, you're typically eligible for Medicare Part A at no charge if you paid into the Medicare program through your taxes for at least 10 years. You're also eligible for Part B if you're a citizen or permanent resident of the United States.

Your initial enrollment period (IEP) runs during the three months before your 65th birthday, your birthday month and the three months after your 65th birthday. During this time you can sign up for Original Medicare, a Medicare Advantage plan and/or a prescription drug plan. If you have a disability, you may qualify even if you aren't yet 65.

- If you're already receiving benefits from Social Security or the Railroad Retirement Board (RRB), you'll automatically be enrolled in Original Medicare (Parts A and B) on the first day of the month you turn 65. You don't need to do anything. Watch for your red, white and blue Medicare card to come in the mail.

- If you're not already receiving Social Security or RRB benefits, you can enroll in Parts A and B by visiting ssa.gov or calling 1.800.772.1213 (TTY 1.800.325.0778). It may be best to enroll during the three months before your birthday to prevent any delays in Part B coverage.

Annual election period for Medicare Advantage plans

After you've signed up for Medicare for the first time, you can change plans during your annual election period (AEP), which runs each year from Oct. 15 through Dec. 7. This is the time to review your plan to make sure you have the coverage you need.

Open enrollment period for Medicare Advantage plans

The open enrollment period (OEP) for Medicare runs from Jan. 1 through March 31 each year. During this time, Medicare Advantage plan enrollees may make a one-time change to another Medicare Advantage plan or disenroll in their plan and return to Original Medicare. You can change your mind about a plan multiple times during AEP in the fall, but can only make one change during OEP during the first quarter of the new year.

Watch out for penalties

There are penalties for not enrolling in Part B and Part D on time. If you don't enroll in Part B when you're first eligible (or if you don't meet certain conditions that allow you to enroll later), you'll have to pay a late enrollment penalty when you do enroll. Part D has a similar late enrollment penalty if you don't enroll when you're first eligible, unless you have creditable coverage—coverage that's as good as or better than Original Medicare. You would pay these penalties for the duration that you are enrolled in Medicare Part B and Part D. You can avoid the Part D penalty by enrolling in a Medicare Advantage plan that includes prescription coverage that meets your Part D requirement.



Special enrollment period for Medicare Advantage plans

In some situations, you'll have a special election period (SEP), which gives you the opportunity to change your Medicare Advantage coverage outside of normal time constraints. These situations could include:

- You move outside of the area your plan covers.
- You lose your current coverage, such as an employer or union plan or Medicaid eligibility.
- Your plan no longer meets the standards that CMS requires.
- Your plan doesn't renew its contract with CMS.

Medigap open enrollment period

You have a six-month Medigap open enrollment period that begins on the first day of the month in which you are both 65 or older and enrolled in Part B. During this time you can add a Medigap plan to your Original Medicare and/or Part D plan. This is the best time to apply because you'll be accepted into a Medigap plan at a preferred rate.

Guaranteed issue right for Medigap plans

Outside of your open enrollment period for a Medigap plan, there are other situations where you might also have a "guaranteed issue right" for a Medigap plan. This means insurance companies must sell you a Medigap plan, regardless of any pre-existing health conditions, and they can't charge you more based on your health history. Some examples of guaranteed issue right include:

- Your Medicare Advantage plan leaves your service area.
- You move from the service area of your Medicare Advantage plan.
- Your Medigap insurance company ends its coverage through no fault of your own.

Once you've reviewed your options and chosen a plan, it's easy to enroll.

For a Priority Health Medicare plan:

- Call one of our Medicare experts toll-free at 888.416.0929 from 8 a.m. – 8 p.m., seven days a week. TTY users call 711.
- Visit priorityhealth.com/medicarechoices to complete and submit the form online.⁴
- Visit prioritymedicare.com and follow the directions for printing and completing the enrollment form and mail it back to us.



NEED MORE HELP UNDERSTANDING MEDICARE?

**We can point you in the
right direction.**



Plan Advisor

Use our Plan Advisor tool to get a personalized recommendation for a Medicare plan that's right for you. Visit priorityhealth.com/medicareadvisor to get started.



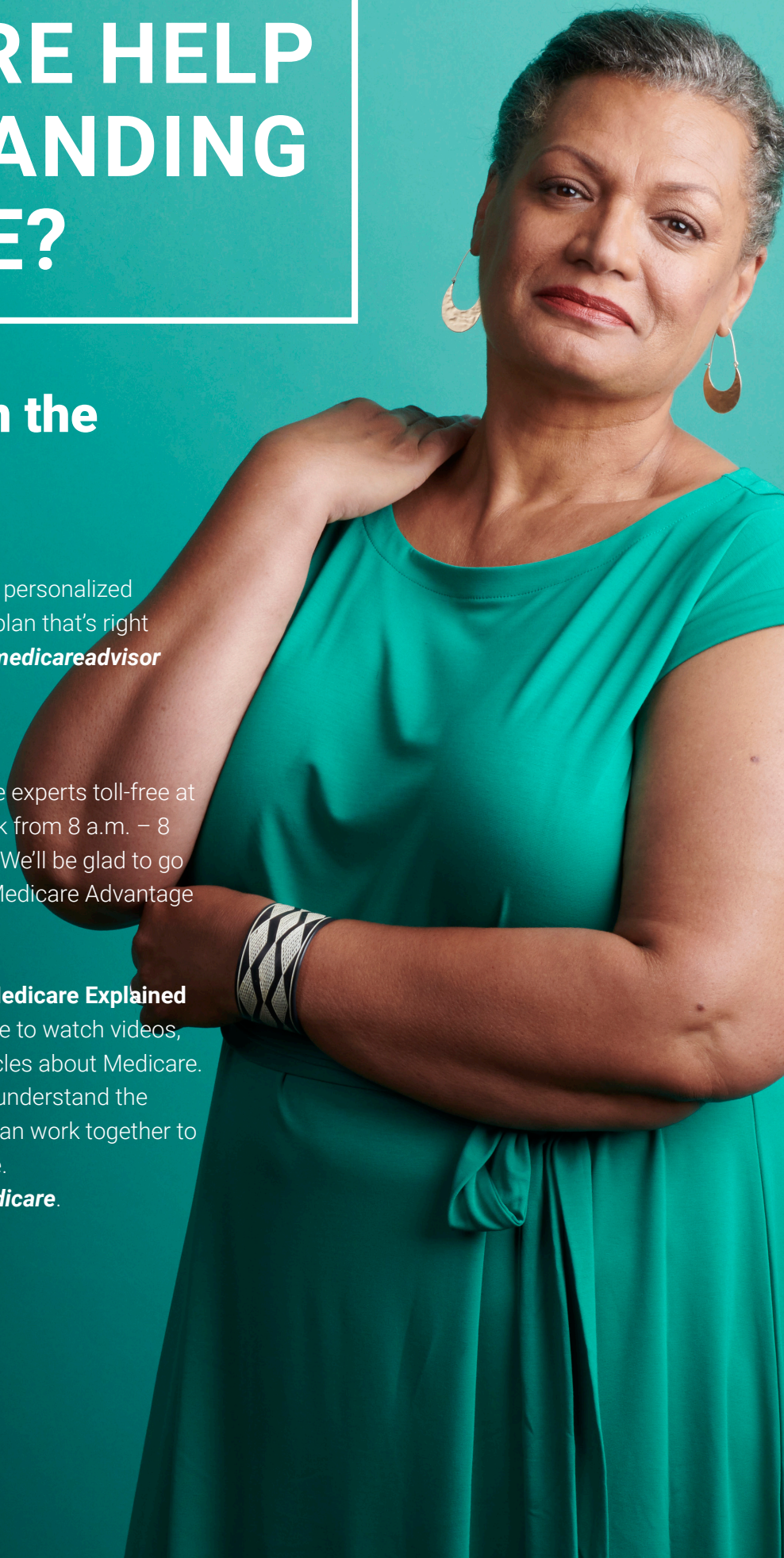
Medicare helpline

Call our Michigan-based Medicare experts toll-free at **888.416.0929**, seven days a week from 8 a.m. – 8 p.m. (TTY users should call 711). We'll be glad to go over any questions you have on Medicare Advantage and Medigap plans.



Medicare Learning Center and Medicare Explained

Use our interactive online resource to watch videos, take a quiz and read in-depth articles about Medicare. Medicare Explained will help you understand the parts of Medicare and how they can work together to provide your health care coverage. Visit priorityhealth.com/moremedicare.





¹You must continue to pay your Medicare Part B premium.

²Priority Health's pharmacy network includes limited lower-cost, preferred pharmacies in Michigan. The lower costs advertised in our plan materials for these pharmacies may not be available at the pharmacy you use. For up-to-date information about our network pharmacies, including whether there are any lower-cost preferred pharmacies in your area, please call 800.389.6648 (TTY users dial 711) or consult the online pharmacy directory at priorityhealth.com.

³Results for HMO-POS and PPO plans only. Every year Medicare evaluates plans based on a 5-star rating system.

⁴Medicare beneficiaries may also enroll in any of the Priority Health Medicare plans through the CMS Medicare Online Enrollment Center, located at medicare.gov. Priority Health has HMO-POS and PPO plans with a Medicare contract. Enrollment in Priority Health Medicare depends on contract renewal.