



# Medicare Supplement Insurance Coverage

## Standard and Medicare Select Policies

Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation\*, offers underwritten Medicare Supplement insurance plans A, D, F, G, K and L. By law, some prospects will qualify for these plans on a guaranteed issue basis. See eligibility section for details.

Blue Cross and Blue Shield of Texas offers two options for Medicare Supplement coverage—Standard and Medicare Select. There are two key differences between the Standard and Medicare Select options. First, with the Medicare Select option, to receive benefits for the Part A deductible, your client must use participating Blue Cross and Blue Shield of Texas Medicare Select Network Hospitals (except in cases of emergency admissions). If your client does **not** use a Medicare Select Network Hospital, he or she must pay the Part A Deductible, and any non-covered charges.

The second difference is price. With the Medicare Select Option, your client's premiums will be even lower than our already affordable standard plan premiums. [Please note: Plan A is **not** available with a Medicare Select option.]

Your client's choice of a Medicare Supplement insurance company should be based on stability, reputation and service. No matter which policy your client chooses, they are sure to agree that it simply makes sense to choose Blue Cross and Blue Shield of Texas.

## Product Benefit Highlights for Plans D, F, G, K & L

- Hospital Co-payment Coverage
- Part A Hospital Deductible Coverage\*\* (50% K; 75% L)
- Skilled Nursing Facility Coverage (50% K; 75% L)
- Coverage for Eligible Physician Fees and Other Medical Expenses (some fees/expenses generally 10% K; generally 15% L)
- Coverage for Foreign Travel Emergencies (D, F and G only)

## Individual Insurance Plan Highlights:

**Plan A:** Basic Benefits only

**Plans D and G:** Coverage for At-Home Recovery After a Hospital Stay

**Plans F and G:** Coverage for Part B Deductible (Plan F only) and Excess Eligible Charges Above Medicare-Approved Amounts (100% F; 80% G)

**Plans K & L:** Lower-Cost Plans that pay a percentage (50% K; 75% L) of some costs under Medicare Parts A and B. Then pays 100% of Medicare coinsurance, and copayments for the rest of the calendar year after an annual out-of-pocket limit is met. The annual out-of-pocket limit does not include charges from providers that exceed Medicare-approved amounts, called "Excess Charges." The annual out-of-pocket will increase each year for inflation.

## Product Features

- No Claim Forms in Most Cases
- Membership Card Recognition Nationwide
- No Waiting Period for Pre-Existing Health Conditions
- Protection to Keep Pace with Medicare Cost Increases
- Choose Your Own Licensed Physicians and Specialists\*\*
- Billing Options – E-Z Blue<sup>SM</sup> Payment Option for *Monthly* Pre-Authorized, Automatic Withdrawals **or** Pay by Check Every Month, Two Months, Three Months, Six Months or once a year.
- Discount program for subscribers, including a variety of health care and wellness products and services, at no additional cost.

\*Not connected or endorsed by the U.S. Government or the Federal Medicare Program

\*\*The Medicare Select option requires that your client use Blue Cross and Blue Shield of Texas Medicare Select Network Hospitals for all non-emergency admissions to receive coverage for the Part A deductible.

## Eligibility

Our Medicare Supplement insurance plans are underwritten. To be considered for coverage, your client must reside in Texas and have Medicare Parts A and B.

By law Medicare Supplement insurance plans are guaranteed issue for your clients under the following scenarios:

- 1) Texas resident, age 65 or older, has Medicare Part A and is within the six months following their enrollment in Medicare Part B.
- 2) Texas resident, under age 65, has Medicare Part A and is within the six months following their enrollment for Medicare Part B, their acceptance is guaranteed for Plan A.
- 3) Texas resident turning age 65, was previously enrolled in Medicare Parts A and B, and applies within 6 months of turning age 65.
- 4) One of the following events occurred to your client and they are applying before the 63rd day after their coverage has terminated:
  - Was enrolled in employer/retiree group health care coverage (including COBRA coverage) and cancelled because they either could no longer be covered under the terms of the plan, voluntarily left the plan, the company cancelled the plan in its entirety, or your COBRA coverage ended.
  - Was enrolled in a Medicare Advantage (including Medicare HMO or PPO) plan, a Medicare Select plan or a PACE program when they were age 65 or older and was disenrolled because (1) they moved out of the service area, (2) their plan withdrew from their service area, (3) the certificate of the organization or plan has been terminated, (4) the organization violated a material provision of the organization's contract under U.S.C. Title 42, Chapter 7, Subchapter XVIII, Part D in relation to them, including failure to provide them on a timely basis medically necessary care for, which benefits are available under the plan or to provide such covered care in accordance with applicable quality standards, (5) the organization, agent or other entity acting on the organization's behalf, materially misrepresented the plan's provisions in the marketing plan or (6) they enrolled for the first time since they became Medicare Eligible at age 65 or older and decided to disenroll within one year of initial enrollment.
  - Had a Blue Cross and Blue Shield of Texas Medicare Supplement insurance plan and they cancelled it to enroll, for the first time, in a Medicare Advantage (including HMO or PPO) plan, a Medicare Select plan or a PACE program within the last 12 months, and then they disenrolled from their new plan within one year of initial enrollment.

*Please note:* If they were involuntarily terminated within the first 12-month period and, without intervening enrollment, enrolled with another such organization, the subsequent enrollment shall be deemed to be the initial enrollment.

- Was enrolled in a Medicare Supplement insurance plan and their previous carrier ended their coverage through no fault of their own, including the carrier violating a material provision of the policy, or the carrier, agent or other entity acting on the carrier's behalf materially misrepresented the policy's provisions in marketing the policy.
- Was enrolled in a Medicare Part D plan during the initial enrollment period, had a Blue Cross and Blue Shield of Texas Medicare Supplement insurance policy with outpatient prescription drug coverage during such period, but terminated the Blue Cross and Blue Shield of Texas Medicare Supplement insurance policy because of the Part D plan prior to 63 days after the effective date of their coverage under Medicare Part D.
- If over age 65, covered under Medicaid but have lost Medicaid entitlement, and are enrolled in Medicare Parts A and B.
- If under age 65, covered under Medicaid but have lost Medicaid entitlement, and are enrolled in Medicare Parts A and B. (They are eligible for Plan A only.)

**If your client does not meet the guaranteed issue qualifications listed above, their application will be subject to underwriting. They must complete Part Two (Health History/Medical Questions) on the application.**

**Applicants at or exceeding the following weights (based on height and gender) cannot be offered coverage:**

Male		Female	
Height	Weight	Height	Weight
5'0"	209	4'8"	185
5'1"	215	4'9"	190
5'2"	224	4'10"	195
5'3"	232	4'11"	199
5'4"	238	5'0"	204
5'5"	245	5'1"	209
5'6"	253	5'2"	215
5'7"	259	5'3"	221
5'8"	267	5'4"	227
5'9"	275	5'5"	232
5'10"	282	5'6"	237
5'11"	290	5'7"	244
6'0"	298	5'8"	251
6'1"	308	5'9"	260
6'2"	316	5'10"	265
6'3"	326	5'11"	275
6'4"	334	6'0"	284
6'5"	342	6'1"	291
6'6"	352	6'2"	298
6'7"	361	6'3"	304
6'8"	369	6'4"	313

## Effective Date

**When your client is 65 or older:** Requested Effective Dates will be honored if the application is received by us **on or before** the requested date. If the requested Effective Date is prior to the date we receive the application, the Effective Date will be made the receipt date. When no Effective Date is requested, the Effective Date issued will be the first of the month after the application is received by our office. In no case will an Effective Date be issued for any date prior to us receiving an application.

**When your client is turning 65:** The Effective Date of the policy will be the first day of the 65th birthday month (the date Medicare is effective) as long as the application is received **on or before** their 65th birthday.

We can not assign effective dates more than 90 days after your client has signed the application unless your client is eligible for guaranteed issue.

The Effective Date will be printed on the member's ID card.

## Replacing other Policies

In the case that your client is replacing a current Medicare Supplement insurance policy with us or another carrier, please be sure that both you and the applicant read, sign and date a replacement form. This form is required and must be submitted with the application.

**Always advise your client to continue paying the premiums on his or her current coverage until Blue Cross and Blue Shield of Texas issues the new policy and he or she has accepted the new coverage.**

## Billings Options

Blue Cross and Blue Shield of Texas gives your client added flexibility and choice when it comes to paying premiums. They can choose to be billed every month, every two months, every three months, every six months or once a year. Simply indicate on the application which option they prefer.

## Premiums

Premiums are based on area, age and plan of coverage. Area is defined by the zip code your client lives in.

Medicare Supplement insurance plans are guaranteed renewable. Premiums can only be raised if Blue Cross and Blue Shield of Texas raises premiums for all insureds under the policy form or there is a rate change for everyone in that class of coverage. Premiums change at ages 67, 70, 75, 80 and 85. They may also change if your client changes their primary place of residence or class of coverage. Your client will be notified of premium changes at least 30 days in advance.

## Premium Payments

**Do not accept cash with an application.** When your client receives his or her Medicare Supplement policy, an initial premium notice will be enclosed. To activate coverage, your client must send a check or money order to cover the full amount billed.

An Authorization Form for the E-Z Blue Payment Option can be given to the client at the same time he or she completes an application. If your client signs up for this automatic payment method, he or she authorizes Blue Cross and Blue Shield of Texas to automatically withdraw future premiums from a checking or savings account on a monthly basis.

If your client prefers to pay premiums by check or money order on an on-going basis, he or she will receive premium notices according to the premium mode they have chosen at their residential address (or billing address, if different).

## Completing the Application

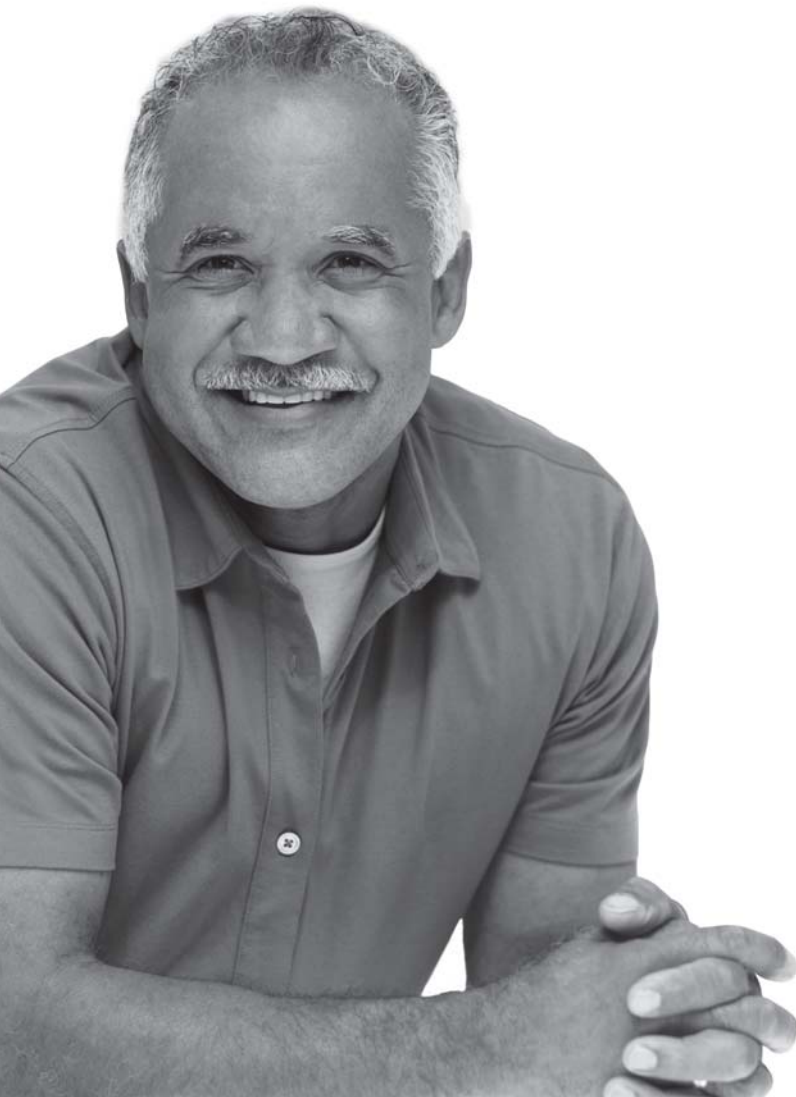
The application must be filled out completely and accurately, and all information must be legible. If not, processing of the application may be delayed or a new application may be required for consideration.

When completing the application please:

- Do not use ditto or dash marks to answer questions
- Use one color ink, preferably black
- Do not use correction fluid to make corrections
- Have the applicant initial and date all corrections

Please review all applications to verify that they are complete and legible.

If you or your client falsifies or fails to include all material information (e.g. age and medical history) required on this application, their policy may be rescinded by Blue Cross and Blue Shield of Texas. Rescission means voiding their policy back to its effective date. If their policy is rescinded, any premiums paid (less any benefits paid) will be refunded.



## Submission Procedures

For pre-submission questions or general sales and marketing information, please call 800-366-4236.

## Required Forms

The following form(s) must be used when submitting a case:

- Application for Blue Cross and Blue Shield of Texas Medicare Supplement Insurance Plan (30771.0109 TX)
- Notice of Replacement (30029 TX) if replacing a current Medicare Supplement Insurance Policy
- Under 65 disabled application (MSP-APP/DISA-D).

Please review all applications to verify that they are complete and legible. Any changes to the application must be initialed by the applicant before submission.

## Where to Submit

All applications and supporting paperwork should be submitted to:

Blue Cross and Blue Shield of Texas  
Consumer Markets – Medicare Supplement  
P.O. Box 806162  
Chicago, IL 60680-4123

Policies will be sent to your client when approved and you will receive a notification letter.

## Coverage Changes

Examples of coverage changes would be switching from Plan A to Plan D or from Plan D to Plan F. A client wishing to change coverage must submit a new application, indicating which insurance plan he or she is choosing. Any change from a previous block of business will have to be underwritten. Changes within an old block of business are not underwritten.

When the change is approved, the effective date will be determined by the client's current premium payment status and will take effect as of the next billing due date.