

MEDICARE AND MEDICARE SUPPLEMENT 101

Cigna Supplemental Benefits



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MEDICARE

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What is Medicare

Health Insurance for Americans 65+ or with qualifying disabilities/conditions



**Part A - Hospital
Insurance**



**Part B - Medical
Insurance**



**Part C - Medicare
Advantage Plans**



**Part D - Medicare
Prescription Drug
Coverage**

Medicare Part A

Hospital Insurance

There are potential costs customers could pay under Medicare.* Below are the cost details for Part A covered services.

Medicare Cost	Hospital Inpatient	Skilled Nursing Facility Care	Hospice Care	Home Health Care Services
Amount customer pays per benefit period in 2021	<ul style="list-style-type: none"> • \$1,484 deductible • Days 1-60: \$0 coinsurance • Days 61-90: \$371 coinsurance per day • Days 91-150: \$742 per each 'Lifetime Reserve Day' (up to 60 days per lifetime) • Customer responsible for all costs after 150 days 	<ul style="list-style-type: none"> • Days 1-20: No coinsurance • Days 21-100: \$185.50 coinsurance • Customer responsible for all costs after 100 days • Medicare only pays for skilled level care in a Medicare-approved Skilled Nursing Care Facility 	<ul style="list-style-type: none"> • 5% of the Medicare-approved amount for inpatient respite care (coinsurance). • A copayment of up to \$5 per prescription for outpatient prescription drugs for pain and symptom management. 	<ul style="list-style-type: none"> • \$0 for home health care services • 20% of the Medicare-approved amount for durable medical equipment.**

* Amounts are set by Centers for Medicare & Medicaid Services (CMS) and change yearly.

** Limited to walkers, wheelchair, hospital bed prescribed by a doctor for use in home.

Medicare Part B

Medical Insurance

Medicare Part B covers medically necessary services and preventative services. There is a Part B monthly premium.

Medicare Cost	Amount Customer Pays		
Coinsurance and copayment for Part B services	<ul style="list-style-type: none"> • \$203 deductible • Generally 20% coinsurance for most covered services, like doctor's services and some preventive services, if provider accepts Medicare. • \$0 for some preventive services • Generally 20% coinsurance for outpatient mental health services, and copayments for hospital outpatient services • 15% Medicare Part B Excess Charges can be charged by providers who do not accept Medicare assignment 		
Doctor Services	Out-Patient Hospital Services	Medical Supplies and Services	Home Health Care
<ul style="list-style-type: none"> • Services that are medically necessary, (includes outpatient and some doctor services received when a hospital inpatient) or covered preventive services 	<ul style="list-style-type: none"> • Emergency Room Charges • Hospital Out-patient charges for: <ul style="list-style-type: none"> • Lab tests, X-rays, Radiology, Medical Treatments, splints, casts, and other services 	<ul style="list-style-type: none"> • Heart Pacemakers • Artificial limbs and braces • Corrective lenses after cataract operations • Wheelchair rental/purchase • Surgical dressings, casts, splints • Ambulance charges 	<ul style="list-style-type: none"> • Part-time or intermittent skilled care, and home health aide services. • Medicare Covers 100% of approved amount.

Visit www.Medicare.gov for full list of covered services.



Medicare Part C

Medicare Advantage is an “all in one” alternative to Original Medicare. These “bundled” plans include Part A, Part B, and usually Part D.

- Plans may have lower out-of-pocket costs than Original Medicare.
- In most cases, you’ll need to use doctors who are in the plan’s network.
- Most plans offer extra benefits that Original Medicare doesn’t cover— like vision, hearing, dental, and more.



Medicare Part D

Medicare Prescription Drug Plans. These plans (sometimes called “PDPs”) add drug coverage to Original Medicare, some Medicare Cost Plans, some Medicare Private Fee-for-Service (PFFS) plans, and Medicare Medical Savings Account (MSA) plans.

- You must have Part A and/or Part B to join a Medicare Prescription Drug Plan.
- Plans are offered by private insurance companies approved by Medicare.



Medicare Part C and Part D Enrollment

Part C and Part D are subject to enrollment guidelines and customers can enroll or make changes during the following situations:

- During their Initial Enrollment Period – first eligible for Medicare
- During certain enrollment periods that happen each year, usually called Open Enrollment
- Under certain circumstances that qualify for a Special Enrollment Period



What is a Medicare Supplement

A Medicare Supplement policy, sold by private insurance companies, can help pay for some of the health care costs that Medicare Parts A or B does not cover, like copayments, coinsurance and deductibles.

- Plans are standardized*
- Freedom to utilize services from any provider that accepts Medicare
- Customers must have Medicare A and B to be eligible
- Some services are not covered and customers may have additional out-of-pocket costs

Things to Consider:

- Depending on the policy, customers will have coverage for at least some deductible and coinsurance costs
- There may be coverage for extra benefits not otherwise covered by Medicare
- There are premiums for Medicare Supplement policies.
- Medicare Supplement plans do not cover LTC, Vision, Dental, Hearing Aids, Eye Glasses, Private-Duty Nursing, most Prescription Drugs



*Plans are standardized with the exception of Minnesota, Massachusetts, and Wisconsin.

Medicare Supplement Enrollment

- Open Enrollment Period. This 6-month period begins on the first day of the month in which the beneficiary is 65, or older, and enrolled in Part B.
 - No health questions (Underwriting) during this period
 - Some States have Open Enrollment Periods for Medicare Beneficiaries under 65
- Federal Guaranteed Issue Rights
 - Multiple rights exist based on beneficiaries situation.
 - See Choosing a Medigap Policy for more details.
 - Not all plans available in all situations.
 - Timeframe for rights varies.



Why buy a Medicare Supplement

- Original Medicare pays for much, but not all, of the cost for covered healthcare services and supplies.
- These can add up to thousands of dollars, depending on the healthcare needs of the beneficiaries.
- Medicare Supplement insurance, provides coverage for out-of-pocket expenses that Medicare does not cover and can help save money.



MEDICARE ACCESS AND CHIP REAUTHORIZATION ACT OF 2015

MACRA



MACRA plan changes

- ✓ **Prohibits first dollar coverage** on Medicare Supplement plans that **provide Part B deductible coverage**.
 - Plans **C and F** are the only plans that have Part B deductible coverage.
 - Plans **C and F cannot be sold to those “newly eligible”** to Medicare on or after January 1, 2020.
 - The equivalent plan designs in the waiver states
 - This prohibition applies to all states – including waiver states
- ✓ Elimination of **Plans C and F for “newly eligible” Medicare Beneficiaries makes Plans D and G the new guarantee issue plans for “newly eligible”** Medicare beneficiaries within the current guarantee acceptance rules of Medicare Supplement.
- ✓ Plans C and F can be sold after January 1, 2020, but only to Medicare beneficiaries who first became eligible for Medicare prior to January 1, 2020.

Plan design prior to 01/01/2020	Most similar plan design on or after 01/01/2020
Plan C	Plan D
Plan F	Plan G (which is Plan F w/o Part B deductible coverage)
Plan F High Deductible	Plan G High Deductible (which is High Deductible Plan F w/o Part B deductible coverage)



*Florida has state-specific drug coverage requirements

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Cigna Medicare Supplement Benefit Chart

This chart shows the benefits included in each of the standard Medicare Supplement plans. Every company must make Plan A available. Some plans may not be available in your state. Only Applicants first eligible for Medicare before 2020 may purchase Plans C, F, and high-deductible F.

Benefits	Note: A ✓ means 100% of the benefit is paid								Plans available only if first Medicare eligible before 2020		
	Plans available								C	F ¹	HDF ¹
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓	✓	✓	✓		✓	✓	✓	✓		✓
Medicare Part B coinsurance or copayment	✓	✓	✓	✓		50%	75%	✓	✓	✓	✓
Blood (first three pints)	✓	✓	✓	✓		50%	75%	✓	✓	✓	✓
Part A hospice care coinsurance or copayment	✓	✓	✓	✓		50%	75%	✓	✓	✓	✓
Skilled nursing facility coinsurance			✓	✓		50%	75%	✓	✓	✓	✓
Medicare Part A deductible		✓	✓	✓		50%	75%	50%	✓	✓	✓
Medicare Part B deductible									✓	✓	✓
Medicare Part B excess charges				✓						✓	✓
Foreign travel emergency (up to plan limits)			✓	✓				✓	✓	✓	✓
Out-of-pocket limit in 2020 ²						\$5,880 ²	\$2,940 ²				

¹Plans F and G also have a high-deductible option which requires first paying a plan deductible of \$2,340 before the plan begins to pay. Once the plan deductible is met, the plan pays 100% of covered services for the rest of the calendar year. High-deductible Plan G does not cover the Medicare Part B deductible. However, high-deductible Plans F and G count your payment of the Medicare Part B deductible toward meeting the plan deductible. These expenses include the Medicare deductibles for Part A and Part B, but do not include the Plan's separate foreign travel emergency deductible.

²Plans K and L pay 100% of covered services for the rest of the calendar year once you meet the out-of-pocket yearly limit.

³Plan N pays 100% of the Part B coinsurance except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that do not result in an inpatient admission.

Note: Chart shown for illustrative purposes. Please visit AgentViewCigna.com for complete versions of Outline of Coverage.

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MACRA

New Medicare card design

- Mandates the **removal of the Social Security Number (SSN)** based Health Insurance Claim Number (HICN) from Medicare cards to address current risk of beneficiary medical identity theft and fraud.
 - Each Medicare card has a new unique, randomly-assigned Medicare Beneficiary Identifier (MBI).
 - MACRA requires that CMS remove Social Security numbers from all Medicare cards by **April, 2019**.



HOW MEDICARE SUPPLEMENTS WORK

Fill in the gaps



Medicare Supplement History

- Pre-1992
 - Insurance companies individually could choose what they would cover.
 - Hard or impossible to compare between companies.
 - Difficult for Medicare Beneficiaries to understand.
- Standardization
 - Standard plan coverages and names established
 - Plan availability has been updated occasionally due to changes in Medicare
 - 2006 – H, I, J no longer available
 - 2010 – K, L, M, N created
 - 2020 – C, F no longer available for ‘New to Medicare’
 - Insurance Companies do not have to offer all standardizes plans
 - Unless required by state law.



Medicare Gaps that can be covered in standardized plans

Gaps	
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	
Medicare Part B coinsurance or copayment	
Blood (first three pints)	
Part A hospice care coinsurance or copayment	
Skilled nursing facility coinsurance	
Medicare Part A deductible	
Medicare Part B deductible	
Medicare Part B excess charges	
Foreign travel emergency (up to plan limits)	

Cigna availability

	CNHIC
	CHLIC
	ARLIC
	LOYAL



Plan A

Gaps	Plan A
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓
Medicare Part B coinsurance or copayment	✓
Blood (first three pints)	✓
Part A hospice care coinsurance or copayment	✓
Skilled nursing facility coinsurance	
Medicare Part A deductible	
Medicare Part B deductible	
Medicare Part B excess charges	
Foreign travel emergency (up to plan limits)	

Cigna availability

-  CNHIC
-  CHLIC
-  ARLIC
-  LOYAL



Plan B

Gaps	Plan B
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓
Medicare Part B coinsurance or copayment	✓
Blood (first three pints)	✓
Part A hospice care coinsurance or copayment	✓
Skilled nursing facility coinsurance	
Medicare Part A deductible	✓
Medicare Part B deductible	
Medicare Part B excess charges	
Foreign travel emergency (up to plan limits)	

Cigna availability




CNHIC¹

1. Where required by state regulations. See Product Availability Chart for more information.

Plan C

Gaps	Plan C ²
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓
Medicare Part B coinsurance or copayment	✓
Blood (first three pints)	✓
Part A hospice care coinsurance or copayment	✓
Skilled nursing facility coinsurance	✓
Medicare Part A deductible	✓
Medicare Part B deductible	✓
Medicare Part B excess charges	
Foreign travel emergency (up to plan limits)	✓

Cigna availability

 CHLIC¹

1. Where required by state regulations. See Product Availability Chart for more information.

2. Available for customers eligible for Medicare prior to 1/1/2020

Plan F

Gaps	Plan F ²
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓
Medicare Part B coinsurance or copayment	✓
Blood (first three pints)	✓
Part A hospice care coinsurance or copayment	✓
Skilled nursing facility coinsurance	✓
Medicare Part A deductible	✓
Medicare Part B deductible	✓
Medicare Part B excess charges	✓
Foreign travel emergency (up to plan limits)	✓

Cigna availability

	CNHIC
	CHLIC ¹
	ARLIC
	LOYAL

Also available as high-deductible Plan F¹

1. High Deductible Plan F available on CHLIC in most states. See Product Availability Chart for more information.

2. Available for customers eligible for Medicare prior to 1/1/2020

Plan G

-  CNHIC
-  CHLIC
-  ARLIC
-  LOYAL

Gaps	Plan G
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓
Medicare Part B coinsurance or copayment	✓
Blood (first three pints)	✓
Part A hospice care coinsurance or copayment	✓
Skilled nursing facility coinsurance	✓
Medicare Part A deductible	✓
Medicare Part B deductible	
Medicare Part B excess charges	✓
Foreign travel emergency (up to plan limits)	✓

Also available as high-deductible Plan G



Plan K

Cigna availability

Gaps	Plan K
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓
Medicare Part B coinsurance or copayment	50%
Blood (first three pints)	50%
Part A hospice care coinsurance or copayment	50%
Skilled nursing facility coinsurance	50%
Medicare Part A deductible	50%
Medicare Part B deductible	
Medicare Part B excess charges	
Foreign travel emergency (up to plan limits)	
Out-of-pocket limit	100% coverage after OOP



Plan L

Cigna availability

Gaps	Plan L
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓
Medicare Part B coinsurance or copayment	75%
Blood (first three pints)	75%
Part A hospice care coinsurance or copayment	75%
Skilled nursing facility coinsurance	75%
Medicare Part A deductible	75%
Medicare Part B deductible	
Medicare Part B excess charges	
Foreign travel emergency (up to plan limits)	
Out-of-pocket limit	100% coverage after OOP



Plan M

Gaps	Plan M
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓
Medicare Part B coinsurance or copayment	✓
Blood (first three pints)	✓
Part A hospice care coinsurance or copayment	✓
Skilled nursing facility coinsurance	✓
Medicare Part A deductible	50%
Medicare Part B deductible	
Medicare Part B excess charges	
Foreign travel emergency (up to plan limits)	✓

Cigna availability



Plan N

Gaps	Plan N
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓
Medicare Part B coinsurance or copayment	✓ Copays apply
Blood (first three pints)	✓
Part A hospice care coinsurance or copayment	✓
Skilled nursing facility coinsurance	✓
Medicare Part A deductible	✓
Medicare Part B deductible	
Medicare Part B excess charges	
Foreign travel emergency (up to plan limits)	✓

Cigna availability

- CNHIC
- CHLIC
- ARLIC
- LOYAL

Plan N pays 100% of the Part B coinsurance except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that do not result in an inpatient admission.



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