



**BCBSM LEGACY MEDIGAP
WHAT ARE YOUR CHOICES?**

Make the Best Choice for You



What is Blue Cross Blue Shield of Michigan Legacy Medigap?

- Blue Cross Blue Shield (BCBSM) Legacy is a Medigap Plan originally created to provide Medicare Supplemental Plans for Medicare Seniors that did not have Group Retiree Benefits.
- By Michigan statute, Legacy Medigap was subsidized by most BCBSM group customers to help keep the premiums affordable.
- Even with the subsidies, BCBSM lost millions of dollars, due to the lower than needed premiums.
- An agreement between Michigan and BCBSM eventually ended the subsidies, resulting in large increases for BCBSM Legacy members.
- The BCBSM Legacy Program was also closed to new members, which will cause the risk pool to be older and presumably less healthy than other risk pools that are refreshed with new young members.



BCBSM Legacy Medigap Rates will Increase 4/1/18

Will Premium increases
Continue?



Should you consider a change?



[This Photo](#) by Unknown Author is licensed under [CC BY-NC-ND](#)



Two Important Factors to Consider



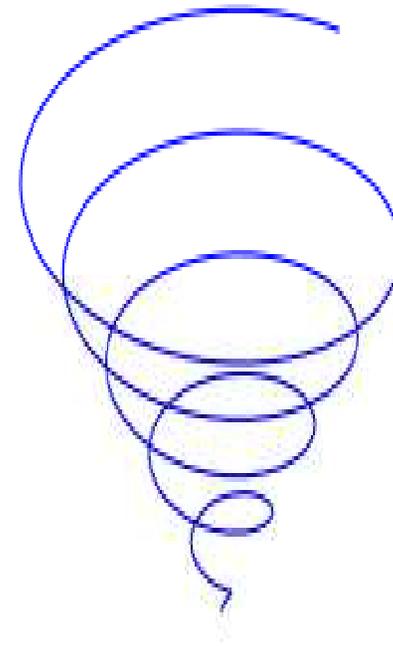
- **There are two factors that deserve special consideration for Legacy Medigap members**
- 1) The frozen enrollment of the Legacy Program.
- 2) The effect of Medical Underwriting.
- **Each factor will be discussed as follows**

[This Photo](#) by Unknown Author is licensed under [CC BY-NC-SA](#)

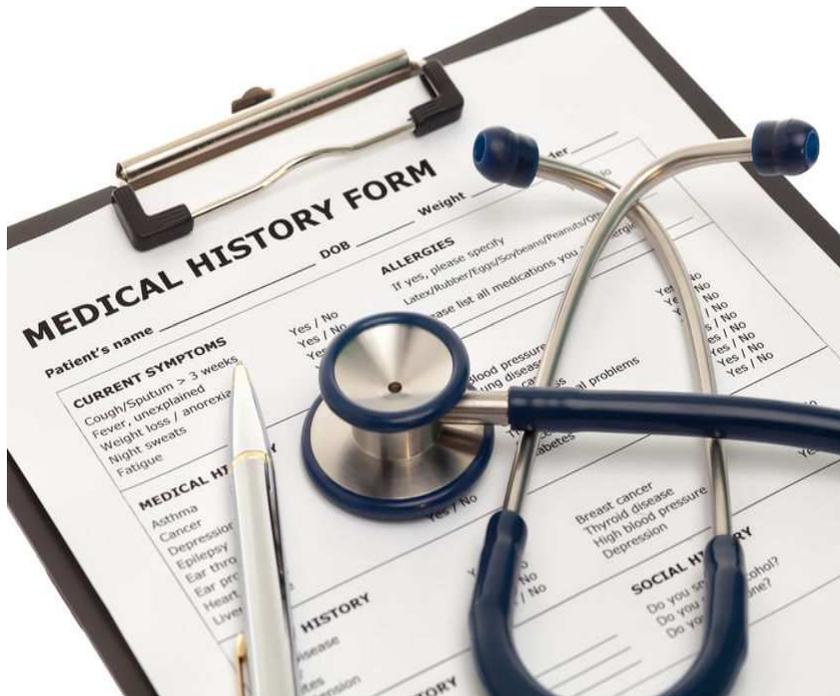


Frozen Enrollment of the Legacy Program

- By ending new enrollment on 11/1/16, the Legacy Medigap population will in all likelihood continue to get older, since enrollment in the Legacy Plan is frozen, which means that younger members will no longer be entering the Legacy Medigap risk pool (the population, upon which premiums are based).
- An older population means higher premiums, since increased age means increased costs.
- This will probably result in continually increasing Legacy Medigap premiums, in our opinion.



What is Medical Underwriting?



- Medical Underwriting is the process of considering medical history to accept, reject, or classify, applicants for insurance coverage.
- Pre-existing conditions are a major factor in medical underwriting.
- Medical Underwriting has a big impact on Legacy Medigap member plan options, **as shown follows.**



How does Medical Underwriting Impact Medigap Plans

- **The Legacy Medigap plan does not have medical underwriting for existing members.**
- **Medicare Advantage Plans, which will be discussed later in this presentation, also does not have medical underwriting.**
- **Legacy Medigap members may also enroll in some the non-Legacy BCBSM Medigap Plans (Plans A, High Deductible F, and N) with guaranteed acceptance, although the premium amount could be effected by medical underwriting.**
- **Legacy Medigap members who apply for coverage with another insurance company will be subject to medical underwriting.**
- **Medical Underwriting rules and requirements vary by insurance companies, with some being more restrictive or liberal than others.**
- **Legacy Medigap members need to develop a strategy to deal with how medical underwriting may effect them, including finding out as soon as possible, if medical underwriting will be an issue for them.**
- **On the other hand, if medical underwriting is not an issue, a Legacy Medigap member will have a wide range of plans to choose from.**

What are your options for Medicare and Medicare Plans?

• Although there are a large number of options, in our opinion, most Legacy members will make one of the choices noted below.

- 1) *Staying with their existing Legacy Plan.*
- 2) *Choosing an Eligible non-Legacy BCBSM My Blue Medigap plan.*
- 3) *Selecting a Medigap plan from another insurance company.*
- 4) *Selecting a Medicare Advantage Plan.*

1) **PLEASE NOTE YOU CAN CHANGE MEDIGAP PLANS ANY TIME, BUT YOU CAN ONLY CHOOSE A MEDICARE ADVANTAGE PLAN DURING THE ANNUAL MEDICARE OPEN ENROLLMENT**





What are the Strong Points and Issues with keeping your current BCBSM Legacy Medigap Plan?

• Strong Points

- Current BCBSM Legacy Medigap cannot be canceled for individual health reasons.
- No Medical Underwriting concerns.
- Can use any doctor and/or health provider that accepts Medicare.
- Plan C offers wide protection for Medicare gaps.
- Familiarity with existing plan.

• Issues

Premiums were increased in 2017 and 2018.

Premiums will likely continue to increase significantly since no new and usually younger members can join the Legacy Medigap.

If you can pass medical underwriting now, you may lose your chance to get another non-Legacy Medigap plan later, if health conditions change.



What are the Strengths and Possible Issues with Choosing another BCBSM (Non- Legacy) Plan?

• **Strong Points**

- . Guaranteed Acceptance
- . Familiarity with BCBSM.
- . Plans open to new members, providing greater stability for rates.
- . Can use any doctor, hospital, or health care provider that accepts Medicare

. **Possible Issues**

- . Depending on Medical Underwriting premiums may be about the same or greater than the Legacy Plan.
- . Cannot re-enroll in Legacy Plan, since the Legacy Plan is not accepting new members.

Question 11 – What Other Medigap Options are available?



- There are many Insurance companies offering Medigap plans in Michigan.
- All insurance companies can only offer standardized plans regulated by DIFS and the Federal Government.
- These plans are shown on the following page.
- Although insurance companies can only offer standard Medigap plans, not all companies offer every plan.
- Insurance companies can also have important differences in premium stability, claim processing, customer service, medical underwriting rules, and institutional stability.



Plan	A	B	C	D	F	G	K \$4,960 OPM	L \$2,480 OPM	M	N \$20 OV \$50 ER
A copays 365 Days Covered	X	X	X	X	X	X	X	X	X	X
Part B 20% Co- insurance	X	X	X	X	X	X	50%	75%	X	X
Blood 1st 3 pints	X	X	X	X	X	X	50%	75%	X	X
Hospice	X	X	X	X	X	X	50%	75%	X	X
Skilled Nursing copay			X	X	X	X	50%	75%	X	X
Part A Deductible		X	X	X	X	X	50%	75%	50%	X
Part B Deductible			X		X					
Excess Charge					X	X				
Foreign Emergency			X	X	X	X			X	X

Question 12 – What are the Positives and Issues with Other Medigap Plans

• Strong Points

- May have lower premiums than new Legacy Medigap rates.
- Plans are still open to new members, helping to provide stability for rates
- Many insurance companies offer the same plans as Legacy Medigap, making them familiar to Legacy Medigap members.
- Maintains freedom to use any hospital, doctor, or other health care providers that accept Medicare.
- More Plan options.

• Issues

- Legacy Medigap members will be subject to satisfy medical underwriting requirements.
- Need to gaining familiarity with a new Insurance Company.
- Need to find insurance companies with stable rate pools.
- Need to find insurance companies with Good customer service.

Question #13 - What are Medicare Advantage Plans?

- **Medicare Advantage Plans are replacements for original Medicare**
- Covers Medicare Part A and B and usually Medicare Part D Rx, as well as additional benefits such as limited dental and vision.
- Usually based off of a PPO or HMO network.
- Typically have co-pays and deductibles, but have an annual out-of-pocket limit.
- About 32% of Michigan Medicare beneficiaries are enrolled in Medicare Advantage Plans.





Question #10 – What are the Strong Points and Possible Issues when choosing a Medicare Advantage (MA) Plan?

Strong Points

- MA plans are some times less expensive than Medicare Supplemental and Part D Rx plans.
- MA plans usually have all inclusive benefits.
- MA plans usually have some extra benefits like limited dental and hearing.
- MA plans have network contracted hospitals and doctors, who cannot charge more than negotiated rates.
- MA plans do not have pre-existing condition limitations or medical underwriting.
- MA plans have maximum out-of-pocket limits, which cap annual out-of-pocket costs, except for Rx drugs.

Possible Issues

- MA plans have been the target of Federal budget reductions, although they have so far survived drastic cuts.
- MA plans have network restrictions, so that all Medicare participating providers do not necessarily participate in each MA plan.
- Depending on the MA plan, there may not be access to out-of-area nationally known hospitals and doctors.
- MA plans typically have more deductibles, co-pays, and co-insurance than higher end Medicare Supplemental plans.



Why consider reviewing your situation?



[This Photo](#) by Unknown Author is licensed under [CC BY-SA](#)

- You may be able to find a comparable plan to your existing Legacy Plan at a lower price.
- If Legacy rates continue to increase, other plan options may be more expensive later.
- If later, your health status changes and Legacy rates increase, the cost of your health options may be more limited.



What's involved with a Review?

- Reviewing what you like and/or dislike about your current plan.
- Reviewing your current Legacy plan benefits and costs.
- **Comparing your current Legacy plan with:**
 - 1) Non-Legacy Blue Cross Medigap Plans.
 - 2) Other Medigap plans available to you.
 - 3) Medicare Advantage Plans
- **(Please note that Medicare Advantage Plans are only available during the Medicare Annual Enrollment Period 10/15/18 – 12/7/18, so information discussed would be more general.**





Common Questions on the Review

Questions

- When can you make a change?
- Do you have to make an immediate decision to change?

Answers

- You can change Medigap plans like the Legacy Plan at any time. However you can only select a Medicare Advantage from 10/15/18 to 12/7/18.
- No – The purpose of the review is to give you the best information possible. You make the decision on how you use this information.



Common Questions on the Review

Questions

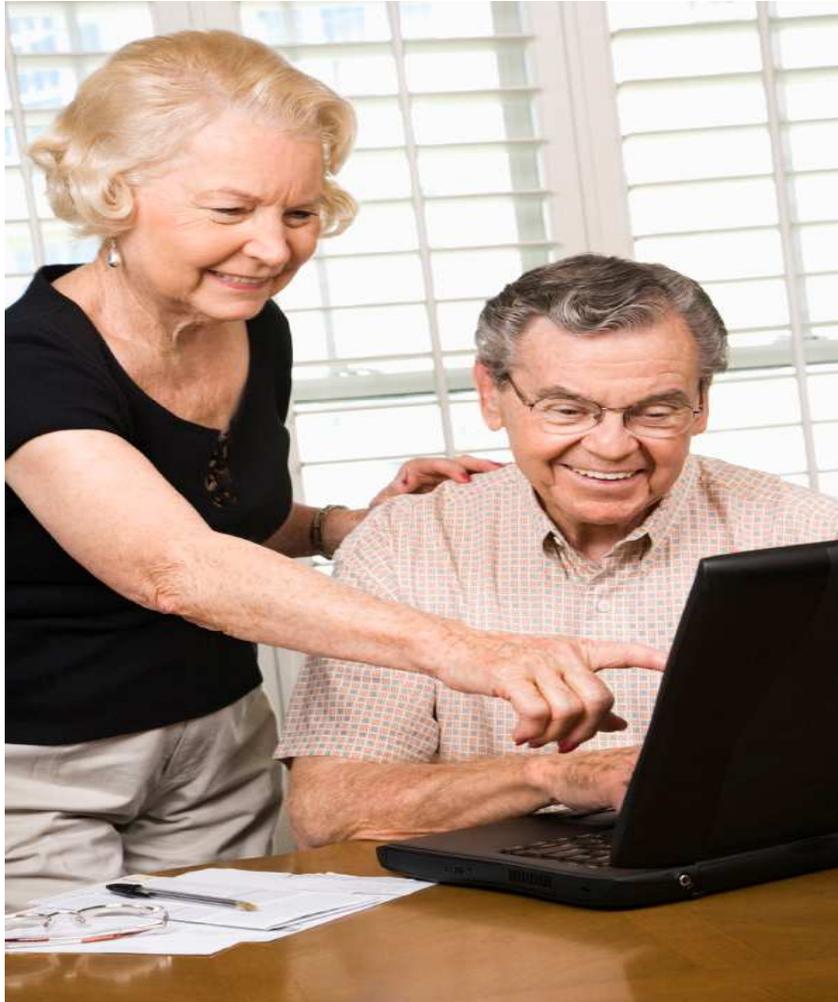
- Is there any fee for the review?
- What is the role of Double Health USA?

Answers

- No – Double Health USA is a licensed agency, compensated by insurance companies.
- To provide you with as much information as needed for your decision. The Decision is always up to you.



Contact Double Health USA



David Kee, CEO

dkee3@ameritech.net

dkee@doublehealthusa.com

(313) 378-9900

(866) 600-7083 (toll free)



We hope we can help!

**THANK
YOU**