

Insurance  Agency

Medicare Carve-out

January - December 2011



ISMA Insurance Agency
(317) 471-4229
(877) 647-2242
www.ismanet.org

Anthem Blue Cross Blue Shield[†] provides the medical and dental insurance plans for members of the Indiana State Medical Association and their employees. Anthem Blue Cross Blue Shield provides a special Claims Paying Unit for processing ISMA claims, with access through toll-free phone lines.

[†]Anthem Blue Cross Blue Shield is a member of the Blue Cross and Blue Shield Association, an Association of Independent Blue Cross and Blue Shield Plans.

**For information on a new policy,
contact:**

ISMA Insurance Agency
877-647-2242

**For information on an existing policy,
contact:**

ISMA Health Insurance Administration
800-257-4762

This brochure is provided to help you decide which plan to choose. It is not a contract and it is not a complete description of the benefits, exclusions and limitations of any plan. Effective January 1, 2011.

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When you attain age 65

When you attain age 65, you will become eligible for Medicare Parts A and B.

If you or your spouse work for an employer with 20 or more employees that pays any part of your health insurance premiums, the employer-provided health insurance will continue be primary, and Medicare will be secondary. You can wait to start Medicare Part B (for which you will pay a monthly premium) until you or your spouse retires, at which point Medicare will become primary.

If neither you nor your spouse work for an employer with 20 or more employees that pays any part of your health insurance premiums, Medicare will be primary and your Anthem health insurance policy will be changed to a Medicare Carve-out, which is a supplement to Medicare.

If Medicare will be your primary insurer, about 3 months before you attain age 65, you should call the Social Security Administration at 1-800-772-1213 to apply for Medicare Parts A and B. Your Medicare coverage will start on the first day of the month in which you attain age 65, unless your birth date is on the first day of a month, in which case your Medicare coverage will start on the first day of the month prior. (For example, if you attain age 65 on July 20, your Medicare coverage will start on July 1. If you attain age 65 on July 1, your Medicare coverage will start on June 1.)

If you want benefits for prescription drugs, you will also need to purchase a Medicare Prescription Drug Plan that covers your specific medications. You can ask your pharmacy for help in choosing a Medicare Prescription Drug Plan. Or, go to www.medicare.gov and follow the prompts to obtain a list of plans that cover your prescriptions. Or, call Donna at the ISMA at (317) 454-7743 for assistance.

If you have a spouse and/or children who are currently covered under your policy, they will be moved to a separate policy when you are moved to the Medicare Carve-out. Anthem will send them a new ID card with their own unique ID number. They will need to alert their health care providers and pharmacy to this new number to ensure proper claims administration.

ISMA Medicare Carve-out

For covered persons who are eligible for Medicare, ISMA offers a Medicare Carve-out policy. The term “carve-out” is fitting because under this adaptation of a complete major medical insurance policy, Anthem calculates the benefits the plan would pay if it were the subscriber’s only insurance, subtracts (or carves out) whatever Medicare pays, and then pays the difference.

Quality coverage at a reasonable price

After reviewing the details, we think you’ll agree that the ISMA Medicare Carve-out will provide you with the quality coverage you need at a reasonable price.

The plan works like this: Eligible charges covered under Basic benefits are paid in full with no deductible. You pay nothing*. Next, eligible charges covered under Major Medical benefits are subject to a \$100 annual deductible, then are covered at 80% for the next \$2,000 of expenses, then at 100% for the balance of the calendar year. You pay the first \$100, then 20% on the next \$2,000 of charges, then nothing* for the balance of the calendar year. *If Medicare’s allowable is greater than Anthem’s allowable, you may also be responsible for this difference.

A valuable benefit for

- Physicians who are members of the Indiana State Medical Association and their spouses.
- Employees of insured ISMA members who work at least 20 hours per week (on an ongoing basis) in a medical office or medically related facility, and their spouses.
- Surviving spouses of deceased ISMA members, assuming member was covered immediately prior to death.

You should know

Although each person’s situation is different, it is generally not advisable to purchase more than one supplement to Medicare. Benefits are not cumulative and are not often paid from more than one policy. You may wish to consult an insurance professional or other trusted advisor on this matter.

Underwriting requirements

If you are already insured with Anthem through the ISMA when you become eligible for Medicare as your primary carrier, you will automatically be changed to the Medicare Carve-out plan. If you are not already insured with Anthem through the ISMA, coverage is subject to underwriting approval and is not guaranteed.

Pre-existing conditions

A pre-existing condition is a condition (mental or physical) that was present and for which medical advice, diagnosis, care or treatment was recommended or received within the 3 month period ending on your enrollment date. Genetic information may not be used as a condition in the absence of a diagnosis.

A new subscriber who had (and who documents) prior creditable coverage will have no waiting period for pre-existing conditions. Prior coverage does not count as creditable if there was a break in coverage of 63 days or more prior to enrolling for coverage under this Plan.

A new subscriber who did not have prior creditable coverage within 62 days prior to enrolling for coverage under this Plan will have a 9 month waiting period (15 month waiting period for a late applicant) for expenses resulting from a pre-existing condition.

Effective date

Coverage begins effective the first day of the month following approval. After approved, you will be mailed a wallet identification card and a benefit booklet describing benefits, limitations, and claim filing in more detail.

About Medicare Prescription Drug Plans

The ISMA Medicare Carve-out does not provide benefits for prescription drugs. You may purchase a separate Medicare Prescription Drug Plan from a number of insurers through the state of your primary residence. For more information contact ISMA Insurance Agency at 1-877-647-2242.

General information

The ISMA Medicare Carve-out divides benefits into two categories:

1 Basic benefits

Basic benefits are paid in full with no deductible*. *If Medicare's allowable is greater than Anthem's allowable, you may also be responsible for this difference.

2 Major Medical benefits

Major Medical benefits are subject to the calendar year deductible, co-insurance, and lifetime major medical maximum benefit. For all major medical benefits *combined*, you pay a \$100 deductible, then 20% of the next \$2,000 per calendar year. After that, coverage is 100% for the remainder of the calendar year. *Your maximum annual out-of-pocket expense for eligible major medical charges is \$500**. *If Medicare's allowable is greater than Anthem's allowable, you may also be responsible for this difference.

Exclusions

Services not covered under the Medical Plans include:

- Services or supplies which are not medically necessary.
- Routine physical examinations, routine tests such as those given during physicals, and vaccinations.
- Dental care not caused by an accident unless you are covered under the Dental Plan.
- Cosmetic surgery.
- Eyeglasses or hearing aids.
- Services covered by Worker's Compensation.

A complete list of exclusions are printed in the benefit booklet.

Limitations

Unless otherwise noted, covered charges are eligible up to the Usual, Customary, and Reasonable Allowance which is measured and determined by comparing actual provider charges with the charges customarily made for similar services and supplies to individuals with similar medical conditions.

SERVICES	MEDICARE PAYS	ISMA MEDICARE CARVE-OUT PAYS	YOU PAY
HOSPITALIZATION			
Semi-private room and board, general nursing services and supplies such as intensive care units, diagnostic x-rays, MRIs, lab tests, operating and recovery room, anesthesia and rehabilitation.			
First 60 days:	All but \$1,132 deductible.	\$1,132*.	Nothing*.
61st through 90th day:	All but \$283 per day.	\$283 per day*.	Nothing*.
91st through 150th day:	All but \$566 per day.	\$566 per day*.	Nothing*.
Once 60 Lifetime Reserve Days are Used:	Nothing.	100% of all eligible expenses for a maximum of 365 days under Basic Benefits, then unlimited number of days under Major Medical Benefits*. ¹	Nothing for 365 days, then Major Medical Deductible and Co-Insurance ¹ , then nothing*.
SKILLED NURSING FACILITY Starting within 30 days after at least 3 consecutive days in the hospital.			
* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.			
First 20 days:	100% of Medicare's allowed amount.	No benefit needed.	Nothing*.
21st through 100th day:	All but \$141.50 per day.	\$141.50 per day*.	Nothing*.
After 100 Days:	Nothing.	Nothing.	All costs.
BLOOD, In-hospital			
After first three pints	100% of Medicare's allowed amount.	Unlimited amount under Major Medical Benefits*. ¹	Major Medical Deductible and Co-Insurance ¹ , then nothing*.
MEDICAL SERVICES			
Covers physicians' services in the hospital or office, hospital out-patient services, medical equipment, physical and speech therapies, etc.			
After Medicare Part B \$162 deductible	80% of Medicare's allowed amount.	<u>Inpatient:</u> One physician's visit and one consultation per day paid at 100%*. <u>Outpatient services:</u> Unlimited amount under Major Medical Benefits. ¹	Nothing*. Major Medical Deductible and Co-Insurance ¹ , then nothing*.
BLOOD, Outpatient			
After first three pints	80% of Medicare's allowed amount.	Unlimited amount under Major Medical Benefits*. ¹	Major Medical Deductible and Co-Insurance ¹ , then nothing*.
BENEFITS ABROAD			
	Nothing.	Same as if in the United States.	Same as if in the United States.
OUTPATIENT PRESCRIPTION DRUGS			
	Nothing.	Nothing.	All costs. For info on a Medicare Prescription Drug Plan call ISMA Insurance Agency at 1-877-647-2242.

¹See section entitled **Major Medical benefits** on page 5 for further details.

*If Medicare's allowable is greater than Anthem's allowable, you may also be responsible for this difference.

Basic benefits

Basic benefits are paid in full with no deductible.

- **Inpatient Hospital Care:** Unlimited number of days of semi-private room or ward accommodations and other necessary services not included in the room charges.
- **In-hospital Medical Care:** Visits by your doctors during confinement.
- **Diagnostic X-rays and Lab Tests:** Not included are routine tests such as those given during physicals.
- **Surgery.**
- **Anesthesia.**
- **Consultation:** Bedside consultations.
- **Radiation Therapy:** Treatment of abnormal growths by radiation (inpatient or outpatient basis).
- **Mental and Nervous Illness and Substance Abuse:** Up to 42 days hospital confinement per calendar year. Up to 92 professional visits per calendar year (42 in-hospital and 50 outpatient) covered as Major Medical benefit.

Major Medical benefits

Major Medical benefits are subject to the calendar year deductible, co-insurance, and lifetime major medical maximum benefit. For all major medical benefits *combined*, you pay a \$100 deductible, then 20% of the next \$2,000 per calendar year. After that, coverage is 100% for the remainder of the calendar year. *Your maximum annual out-of-pocket expense for eligible charges is \$500.*

- **Skilled Nursing Facility:** Provides benefits for 21st to 100th day of skilled nursing facility care, per benefit period. A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.
- **Doctor Home and Office Calls:** Routine checkups excluded.
- **Wellness Benefits:** Benefits provided each calendar year for one screening mammogram for women, one PSA test for men, and one colorectal exam for both sexes.
- **Ambulance.**
- **Approved Home Health Care Services:** Up to 100 visits per calendar year; includes private duty nursing. \$10,000 annual and \$50,000 lifetime maximum benefits.

- **Physical/Occupational Therapy** - Covers 60 visits per calendar year
- **Speech Therapy** - Covers 60 visits per calendar year.
- **Spinal Manipulation** - Covers 12 visits per calendar year.
- **Use of Durable Medical Equipment** at home, such as hospital beds and wheelchairs.
- **Artificial Limbs, Eyes, etc.**
- **Crutches and Braces:** Corrective shoes not included.
- **Hospice Care:** Approved program for terminally ill.
- **Foreign Travel:** Same benefits paid in or outside the U.S. Please have all bills translated into English.
- **Human Organ or Tissue Transplant Rider:** Covers these human to human organ and tissue transplants: bone marrow; heart; heart/lung; lung; liver; pancreas; and kidney/pancreas.
- **Benefit Management Program:** To help contain health-care costs, pre-notification is required for all hospital admissions (no penalty for non-compliance). In catastrophic and chronic high cost cases, alternative means of care may be offered, subject to approval of the insured and the attending physician. Examples include skilled nursing facility, home health care, hospice care, or special medical equipment such as ventilators and respirators.

Foreign travel

The ISMA Medicare Carve-out covers you when you travel outside of the United States. As explained on page 1 of this brochure, Anthem calculates the benefits the plan would pay as if it were the member's only insurance, subtracts what Medicare pays (which in the case of foreign travel is nothing), then pays the difference. "Medigap" policies provide limited benefits for foreign travel.

Optional Dental Plan

You may include Dental Plan coverage for the additional monthly rate shown in the rate chart. The Dental Plan is available only in addition to medical coverage.

Deductible

\$50 per person per calendar year.

Applies to all benefits except diagnostic, preventive, and orthodontia.

Diagnostic and Preventive

- No deductible; covered in full if service provided by Anthem Dental PPO provider, otherwise 80% benefit.
- Covered services include Oral evaluations, X-rays, cleanings, space maintainers and other selected diagnostic and preventive services.

General (Adjunctive), Restorative, Endodontic, Oral Surgery, Periodontal

- Subject to annual \$50 deductible; 80% benefit.
- Covered services include Emergency palliative treatment, consultations, general anesthesia and I.V. sedation for surgical procedures, office visits for observation, and other selected general services. Amalgam and composite restorations and pin retention procedures. Root canal therapy, apexification, therapeutic pulpotomy and other selected endodontic services. Simple and surgical tooth extractions and other selected oral surgery services. Gingivectomy, crown lengthening, osseous surgery, soft tissue grafts and other selected periodontal services.

Prosthodontic

- Covered after 12-month waiting period. Subject to annual \$50 deductible; 50% benefit.
- Covered services include crowns/onlays, partial and full dentures and other selected prosthodontic services.

Orthodontic

- Covered after 12-month waiting period. No deductible; 50% benefit; \$1,000 per person lifetime maximum benefit.
- Covered services include non-surgical dental services related to the supervision, guidance and correction of growing or mature teeth, examination, records, tooth guidance and repositioning (straightening) of the teeth. Orthodontia benefits cease at end of Benefit Period in which Member reaches age 19.

Annual maximum benefit

There is a maximum dental benefit of \$1,500 per person per calendar year.

Indiana Anthem Dental network

If you purchase the Anthem Dental Plan and your dentist is in the Indiana Anthem Dental network, you will not be responsible for amounts billed over the Usual and Customary Allowance. And your preventive and diagnostic services will not be subject to the deductible. To determine whether your dentist is in the Indiana Anthem Dental network, visit anthem.com and search for Indiana Anthem Dental network providers.

Exclusions for the Dental Plan

- Charges which the insured is not legally obligated to pay, such as services from a dental or medical department maintained by an employer, charges for U.S. Government Hospital confinement and services, and charges payable as Worker's Compensation claims.
- Charges for any portion of a dental procedure performed before the effective date or after the termination of the individual's insurance.
- Charges for facings on crowns, or pontics, posterior to the second bicuspid.
- Charges for replacement of lost or stolen appliances, dentures, or bridgework.
- Charges for appointments which are not kept.
- Be sure to check your dental plan booklet for a complete list of dental charges not covered.