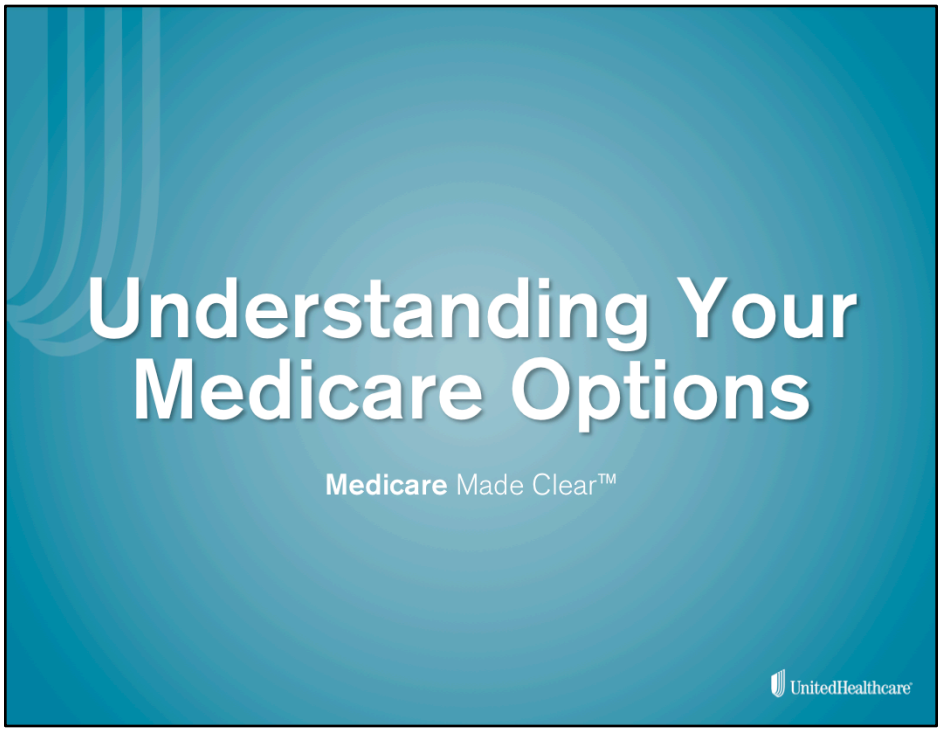
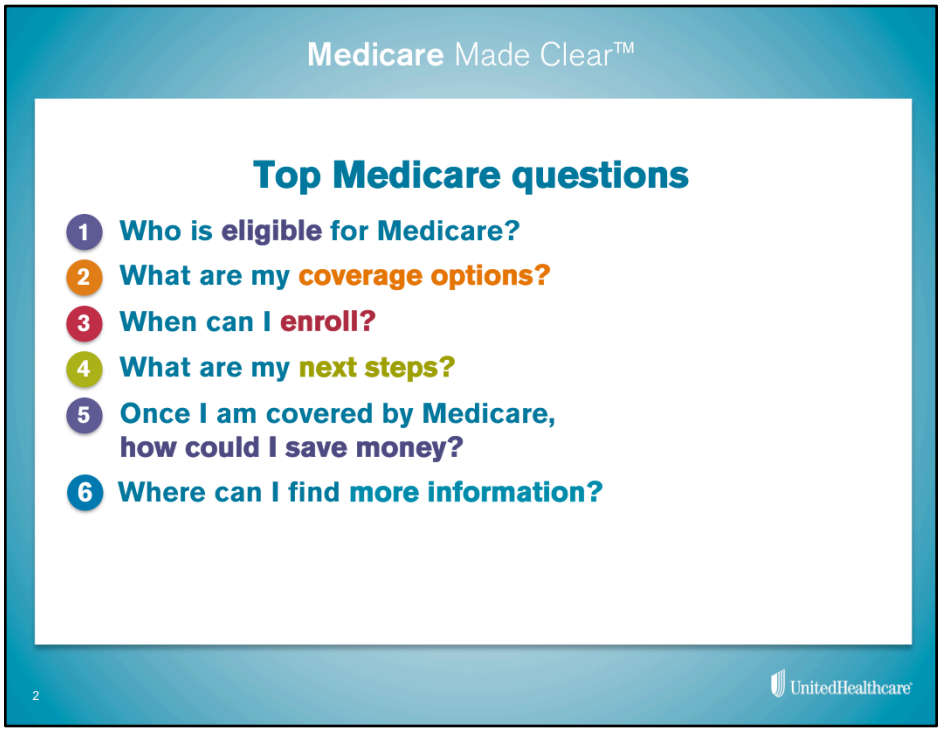

Understanding Your Medicare Options
Medicare Made Clear™
UnitedHealthcare

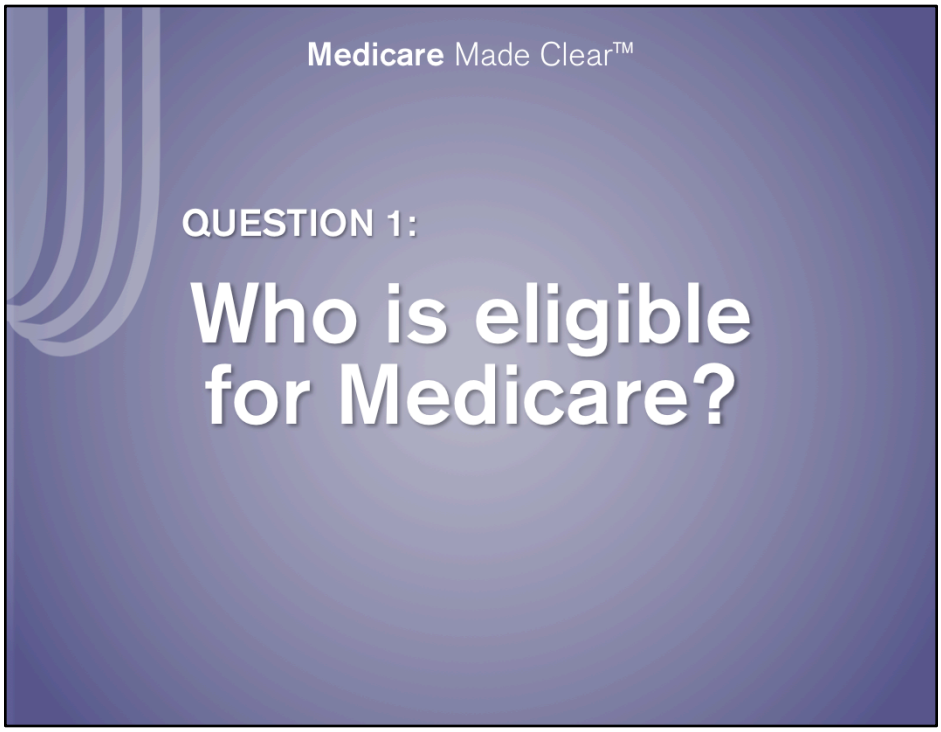


Today, we're going to talk about the basics of Medicare.

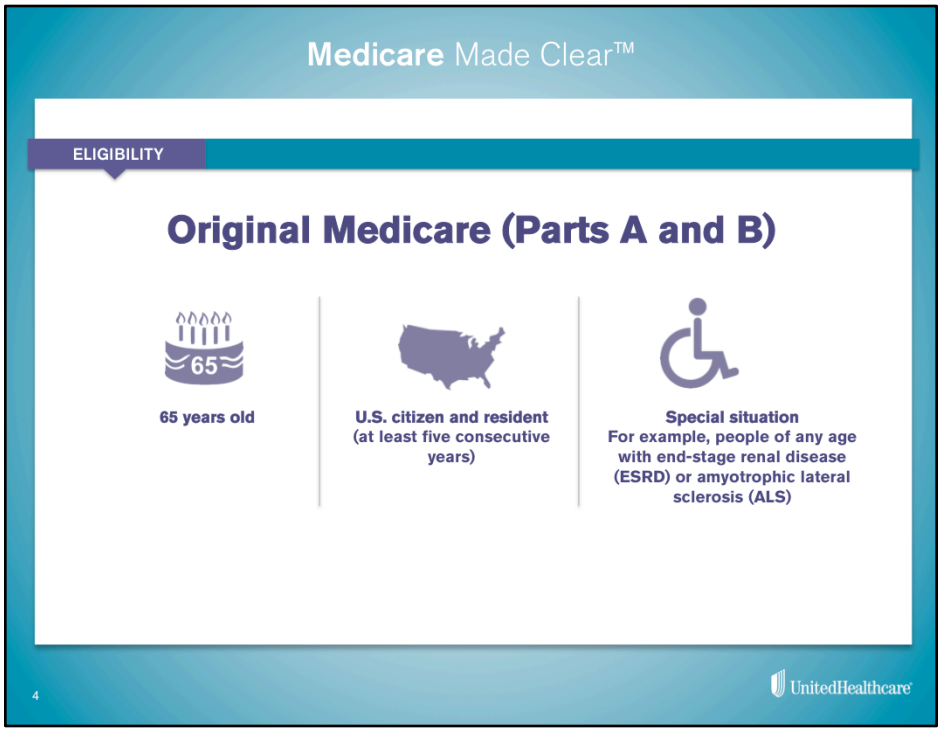
Medicare helps nearly 50 million Americans[1] get health care, but there are some important things you should know before signing up. At UnitedHealthcare, we have tried to simplify the information as much as possible through our Medicare Made Clear™ program. We hope you'll walk away with a better understanding of what Medicare is and how it works.

Here are the questions we'll answer today. First, we'll go over who is eligible for Medicare. Next, we'll talk about all the different Medicare coverage options. Then, I'll explain the different enrollment periods, so you can understand when you can enroll. Last, we'll talk about next steps, how you can save money and where you can find more information.

[1]http://www.whitehouse.gov/sites/default/files/docs/the_aca_helps_seniors.pdf



So, let's talk a little bit about eligibility.

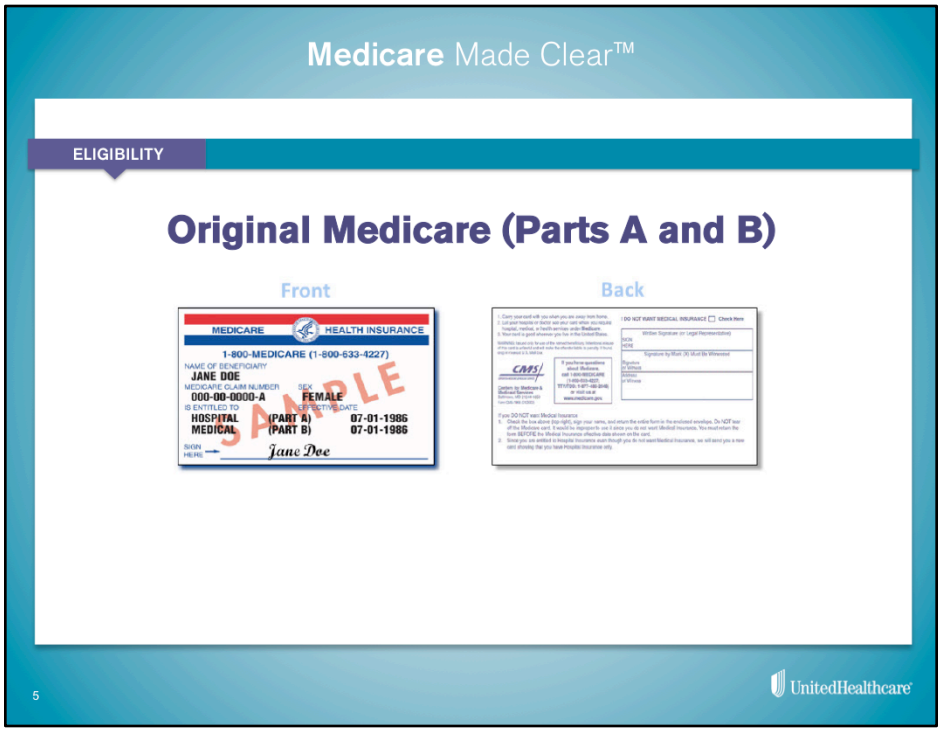


You're eligible to join Original Medicare (Parts A and B) if:

You're 65 years old OR you're under 65 and qualify on the basis of disability or some other special situation
AND
You must have been a U.S. citizen or a legal resident who has lived in the U.S. for at least five consecutive years. If you (or your spouse) have contributed payroll taxes to Medicare throughout your working life, you are eligible for Medicare when you reach age 65 — regardless of your income or health status.

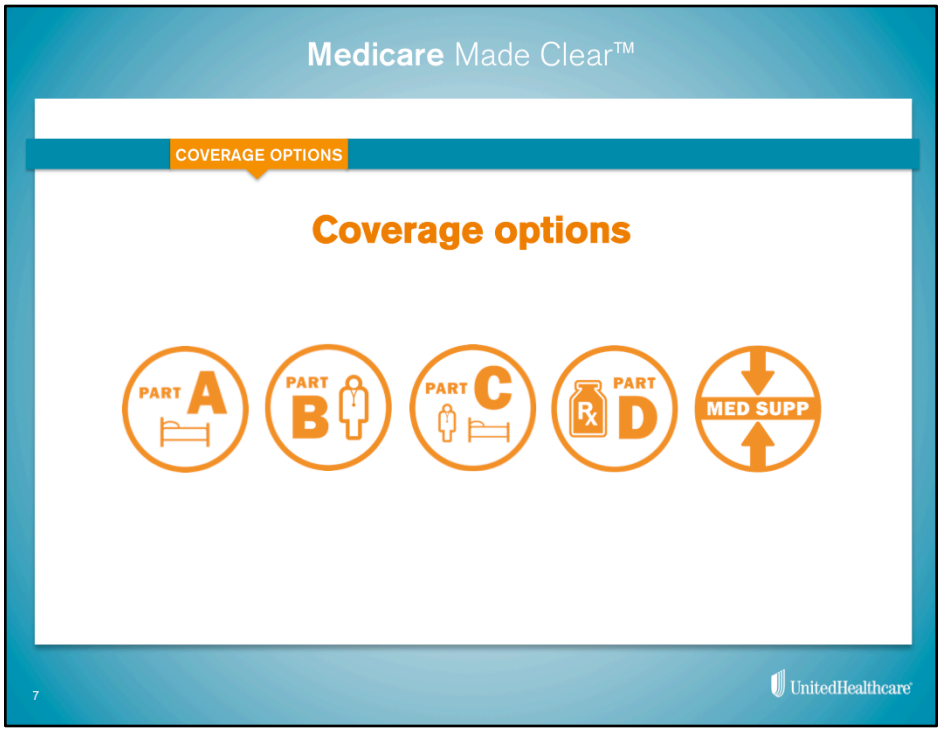
Some things to know about the "age 65" rule:

Even if you're already collecting Social Security, you must wait until you're 65 to enroll in Medicare.
You must be 65 — your spouse's age doesn't count.
Even if you're not collecting Social Security yet, you're eligible at age 65 to join Medicare Parts A and B.



If you are eligible based on age, you will receive a letter with your Medicare card from the federal government. Follow the instructions on the back of your card to deny Part B (medical insurance).

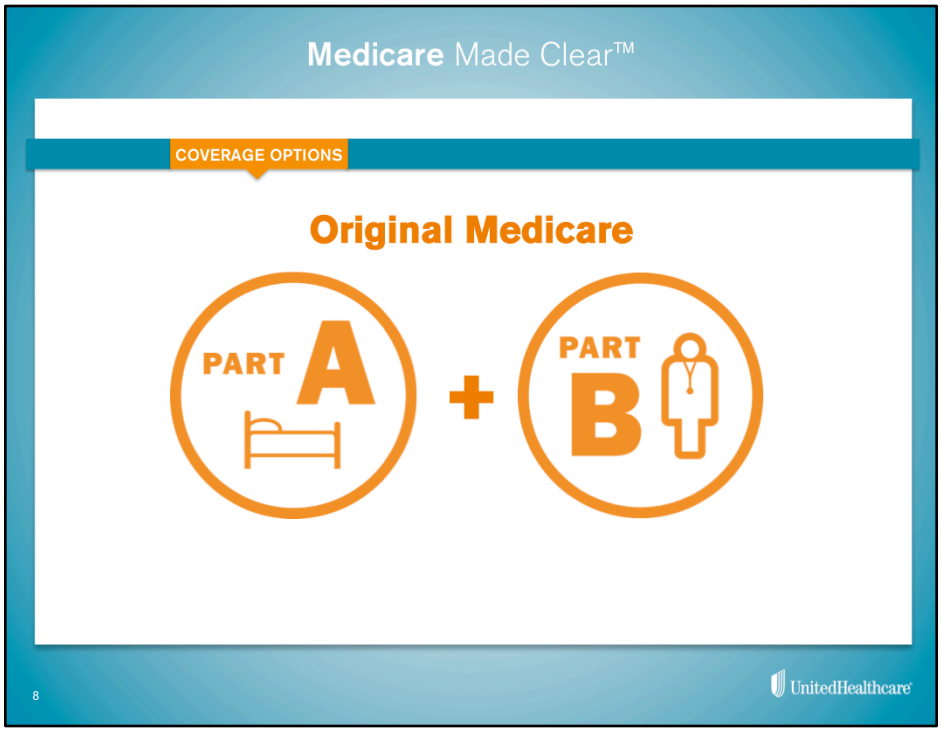
Now that you know whether you are eligible to sign up, let's discuss your different coverage options.



Medicare has four parts that provide coverage for different health-related services: Part A, Part B, Part C and Part D.

There's also something called standardized Medicare supplement insurance plans.

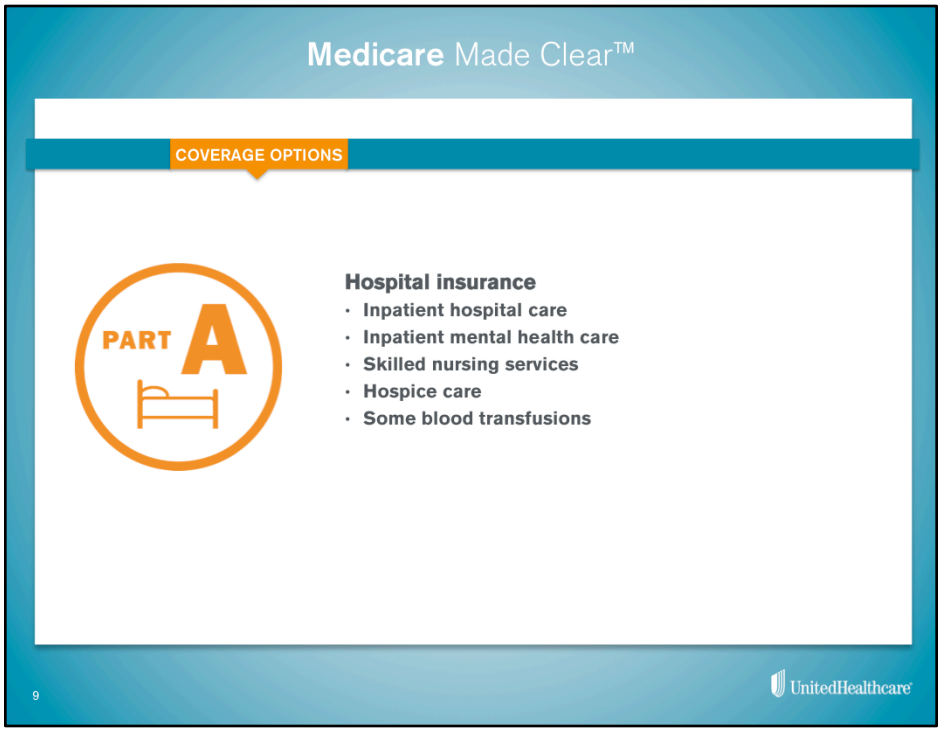
We'll describe each one in more detail, which will help you choose the option that best fits your healthcare needs and budget.



When you become eligible, you may enroll in Original Medicare.

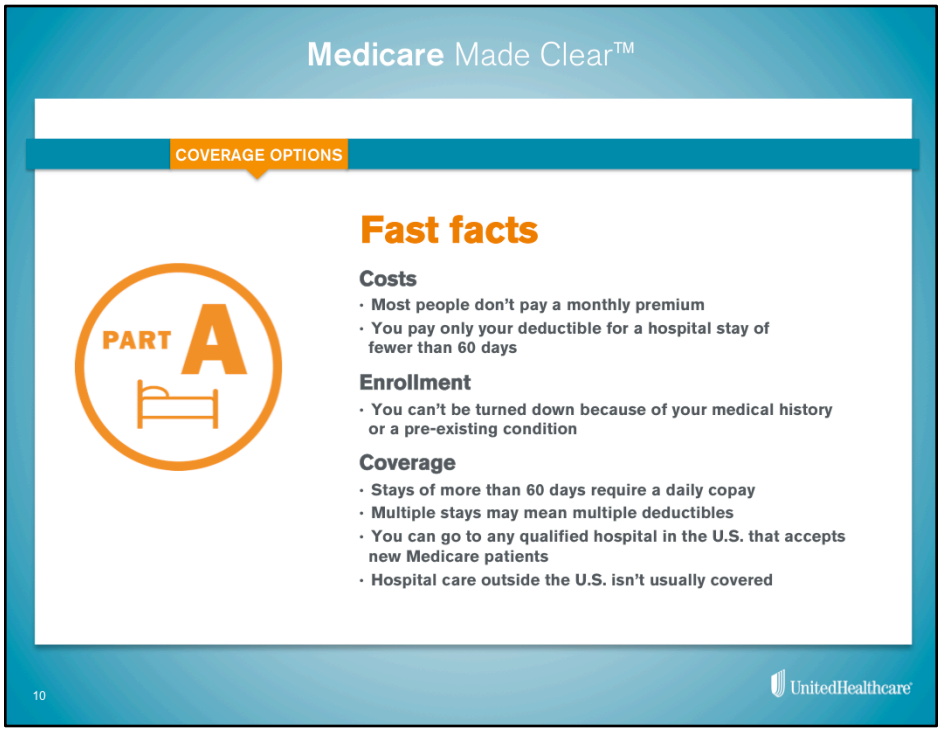
Original Medicare is provided by the federal government and consists of Parts A and B.

Let's break down what each part covers.



Part A is sometimes called “hospital insurance” because it covers most inpatient services, including:

- Inpatient hospital care
- Inpatient mental health care
- Skilled nursing services
- Hospice care
- Some blood transfusions



Costs:

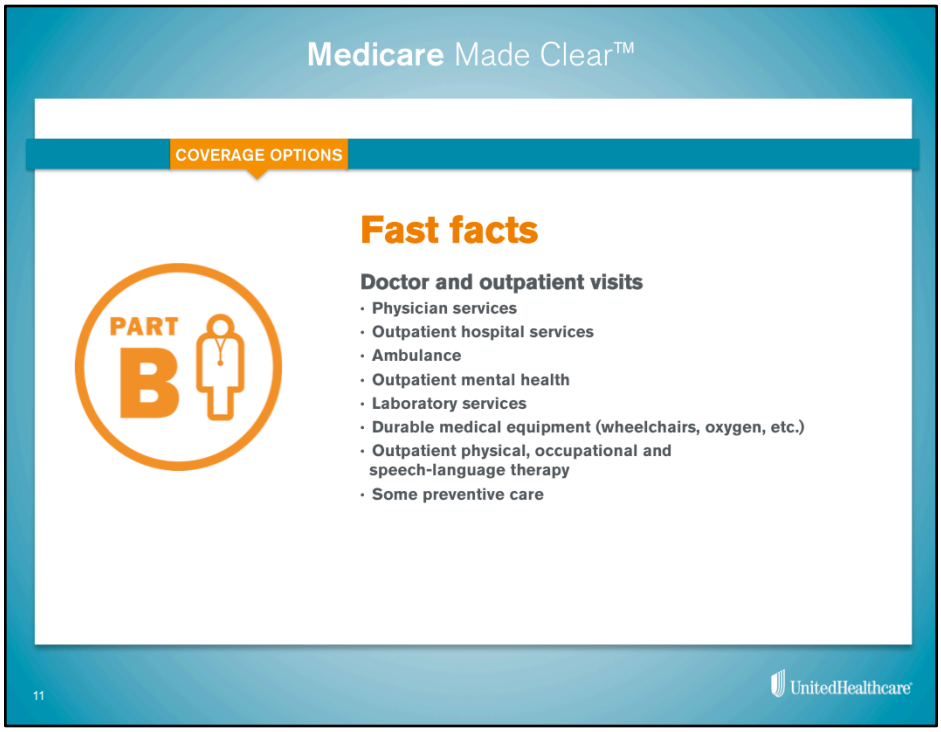
- Most people don't pay a monthly premium
- You only pay your deductible — the first $1,288 in 2016 — for a hospital stay of less than 60 days

Enrollment:

- Enrollment is easy. You can't be turned down because of your medical history or pre-existing condition

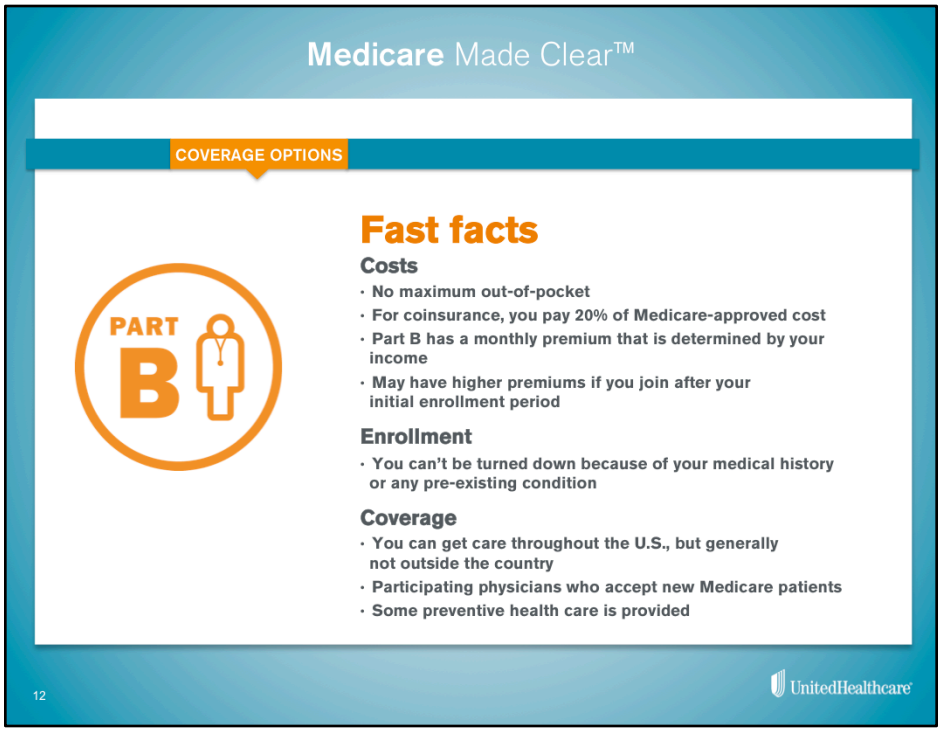
Coverage:

- Long hospitalizations can be expensive. Stays of more than 60 days require a daily copayment
- Multiple stays may mean multiple deductibles
- You can go to any qualified hospital in the U.S. that accepts new Medicare patients.
- Hospital care outside the U.S. isn't usually covered



Part B covers doctor and outpatient visits. This includes:

- Physician services
- Outpatient hospital services
- Ambulance
- Outpatient mental health
- Laboratory services
- Durable medical equipment (wheelchairs, oxygen, etc.)
- Outpatient physical, occupational and speech-language therapy
- Some preventive care



Costs:

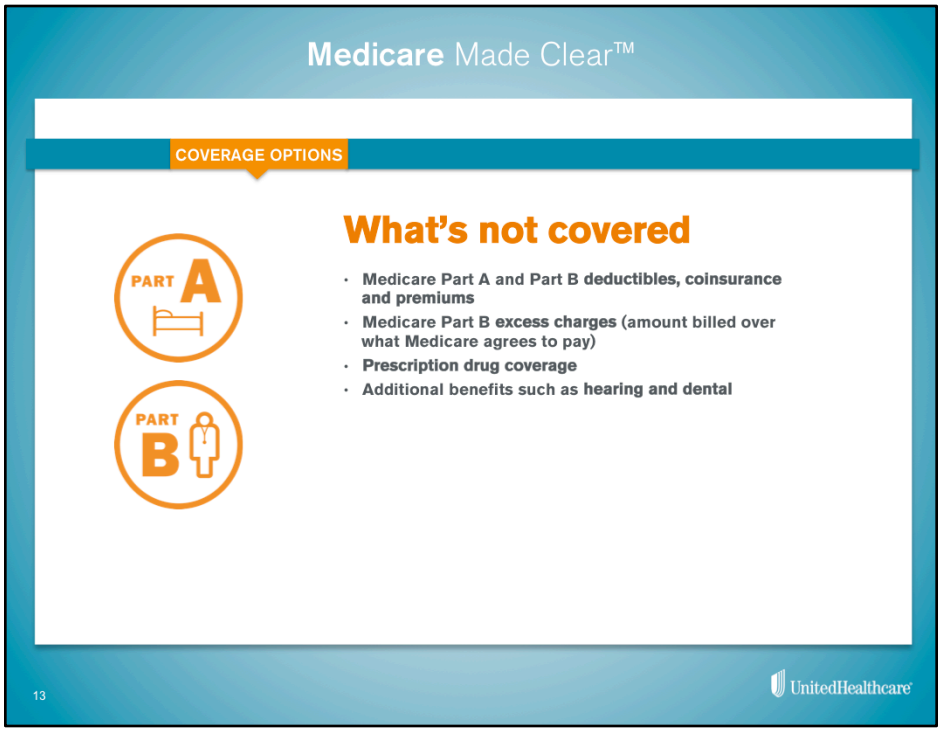
- There is no maximum out-of-pocket
- For coinsurance, in general, you pay 20% of the Medicare-approved cost
- Part B has a monthly premium that is determined by your income. Most people have it deducted from their Social Security check
- If you wait to join until after your initial enrollment period, you may have to pay a higher premium

Enrollment:

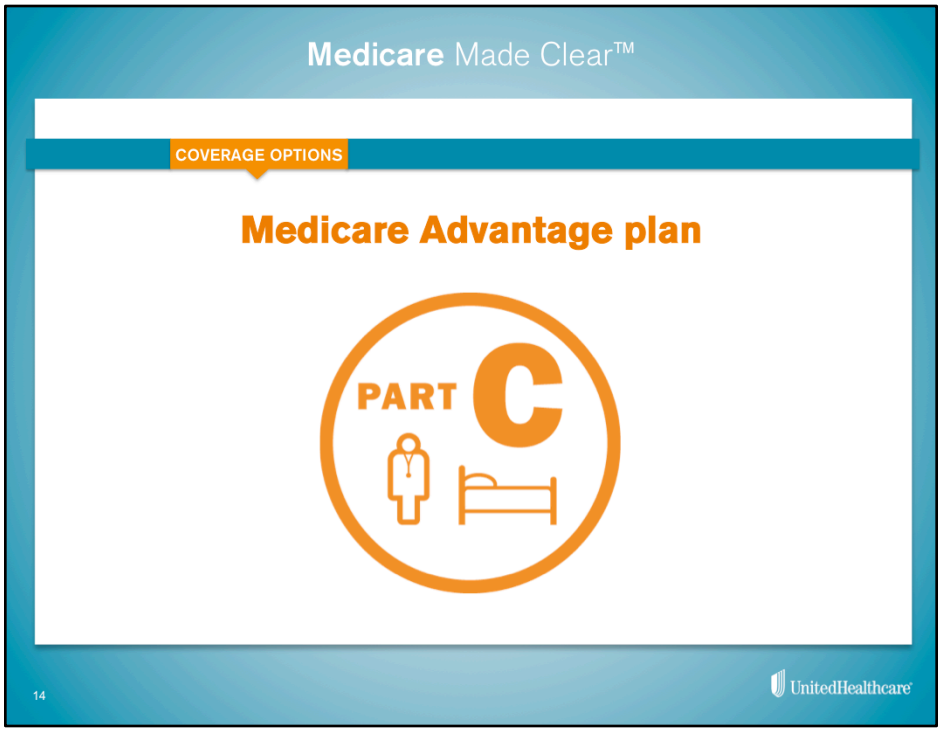
- Enrollment is easy. Your medical history or pre-existing condition doesn't matter

Coverage:

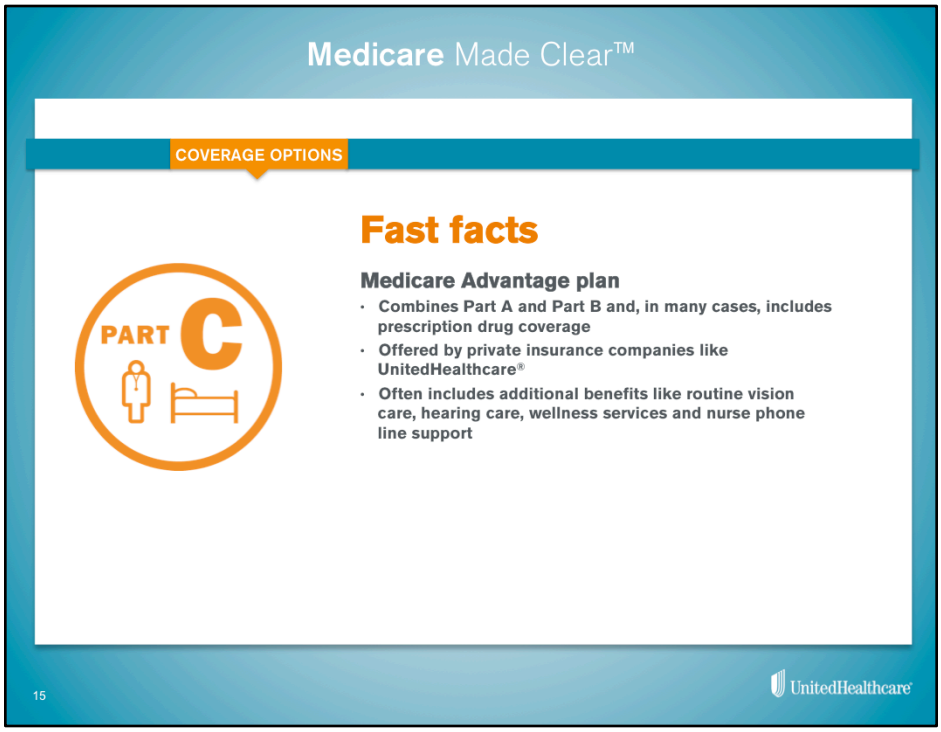
- Part B works the same way throughout the U.S. You can get care wherever you are. Generally, care outside the U.S. is not covered
- You can receive care from any participating physician who accepts new Medicare patients
- Some preventive health care is provided



Medicare Parts A and B don't cover all your health care costs. You are still responsible for any deductibles and coinsurance, premiums, excess charges and prescription drug coverage. Additional benefits, such as hearing and dental coverage, may not be covered under Original Medicare.



Now let's talk about Part C, or a Medicare Advantage plan.



Part C plans are also known as Medicare Advantage plans. These are single plans offered by private insurance companies that combine coverage for Original Medicare (Parts A and B) and sometimes prescription drug coverage (Part D).

Part C covers:

Part A: All the benefits of Part A, except hospice care
- Hospital stays, skilled nursing and home health

Part B: All the benefits of Part B:
- Doctor's visits, outpatient care, screenings, shots and lab tests

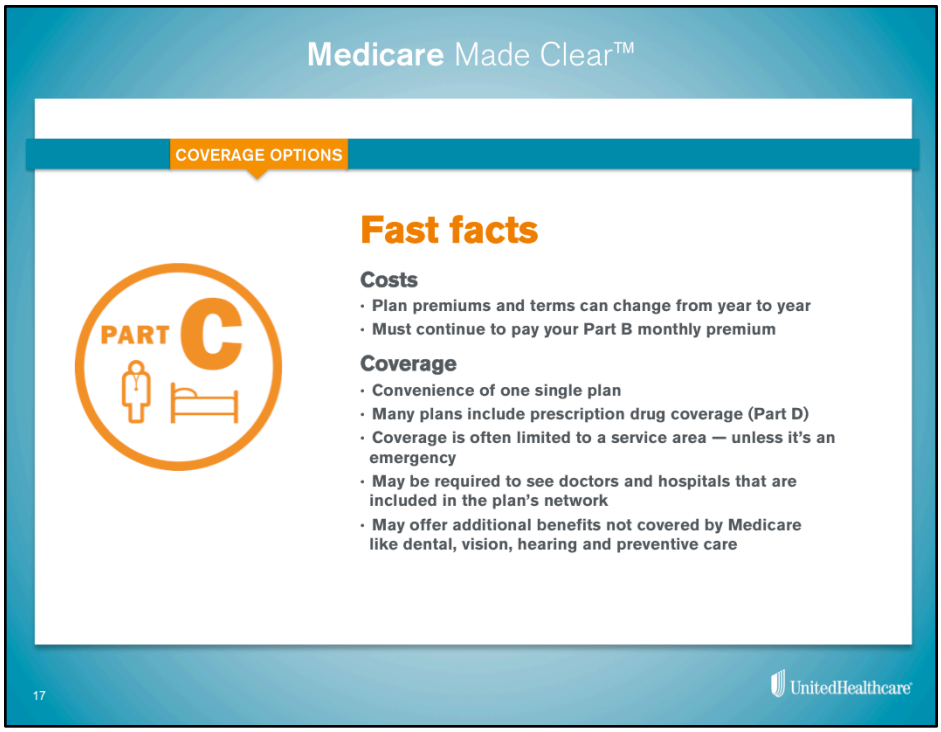
Part D: Prescription drug coverage is included in many Part C plans, but not all of them

+ Additional benefits
- May include routine vision care, hearing, wellness services and nurse phone line support

To be eligible for Part C, you must:

- Be enrolled in Medicare Parts A and B
- Live in the plan service area
- Your eligibility for enrollment is not affected by your health or financial status
- Not have end-stage renal disease (ESRD)

There are special rules for end-stage renal disease (ESRD). People with ESRD may be able to join a Medicare Special Needs Plan (SNP) if one is available in their area

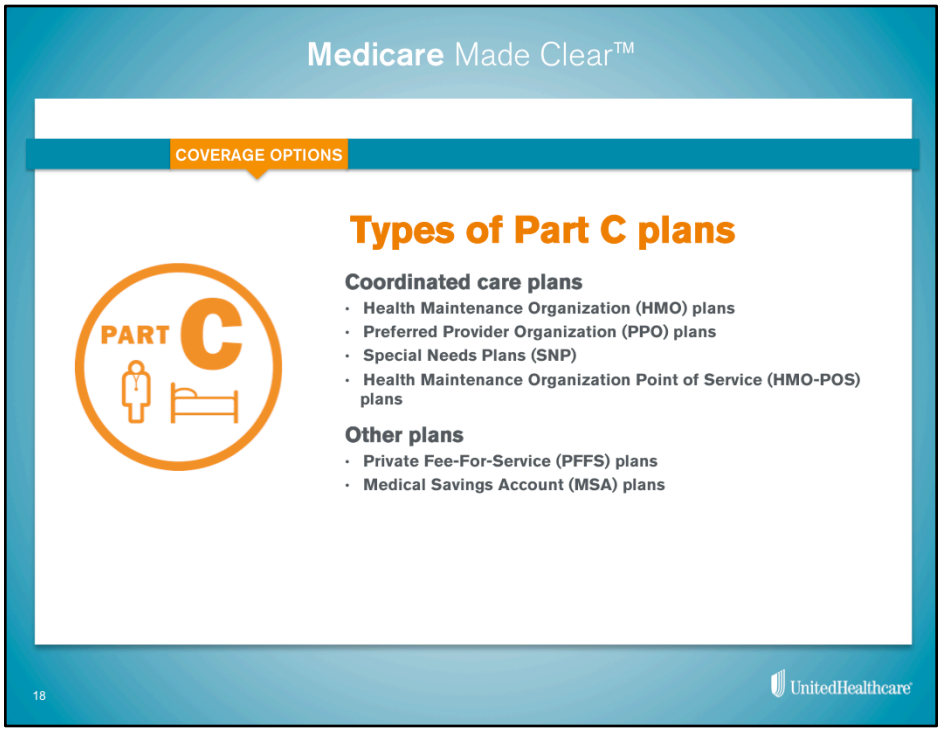


Costs:

- Plan premiums and terms can change from year to year
- You must continue to pay your Part B monthly premium

Coverage:

- Convenience of one single plan
- Many plans include prescription drug coverage (Part D)
- In most plans, you receive your coverage in a service area — unless it's an emergency
- For some plans, you're required to see doctors and hospitals that are included in the plan's network
- Many plans offer additional benefits not covered by Medicare (e.g., dental, vision, hearing, fitness memberships and preventive care)



There are different types of Part C plans.

Coordinated care plans
- Health Maintenance Organization (HMO) plans
- Preferred Provider Organization (PPO) plans
- Special Needs Plans (SNP)
- Health Maintenance Organization Point of Service (HMOPOS) plans

Other plans
- Private Fee-For-Service (PFFS) plans
- Medical Savings Account (MSA) plans

What's an HMO?
- Health Maintenance Organization
- Plan with a network of physicians, hospitals and other health care professionals
- Generally, you must get routine care from an approved network of doctors and hospitals
- Many plans include prescription drug coverage and additional benefits

What is a PPO?
- Preferred Partner Organization
- Hospital costs, doctor and outpatient care in one plan
- Many plans include prescription drug coverage and additional benefits

What is an SNP?
- Special Needs Plan
- Designed for people with special or complex health care needs
  - Residents of nursing homes
  - People eligible for both Medicare and Medicaid
  - People with certain chronic diseases such as diabetes or heart disease

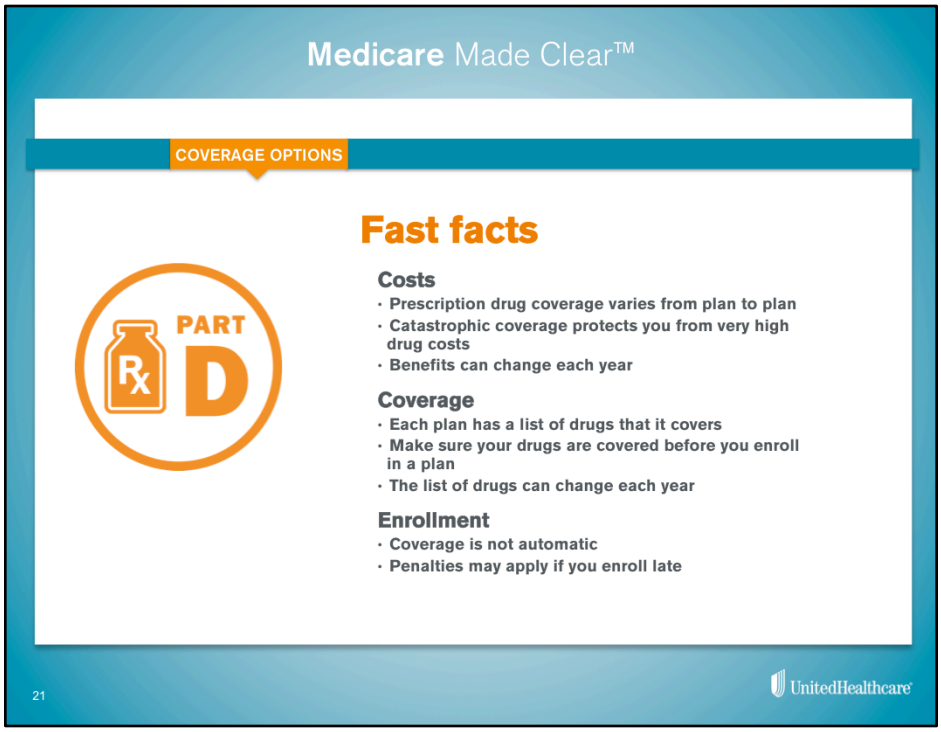
What is a PFFS?
- Private Fee-For-Service
- Offered by private insurance companies
- Many plans may offer prescription drug coverage

Keep in mind:
- Doctors and hospitals must accept the payment terms and conditions of the private insurance company
- Payment comes from the Private Fee-For-Service plan, not Medicare
- Important to make sure your doctor or hospital will accept payment from your specific plan each time before receiving services

Now let's discuss Part D prescription drug plans.

Part D plans help you with the cost of prescription drugs. You can only receive Part D coverage through a private insurance company. We suggest that you shop around and find a Part D plan that covers the medications you're currently taking.

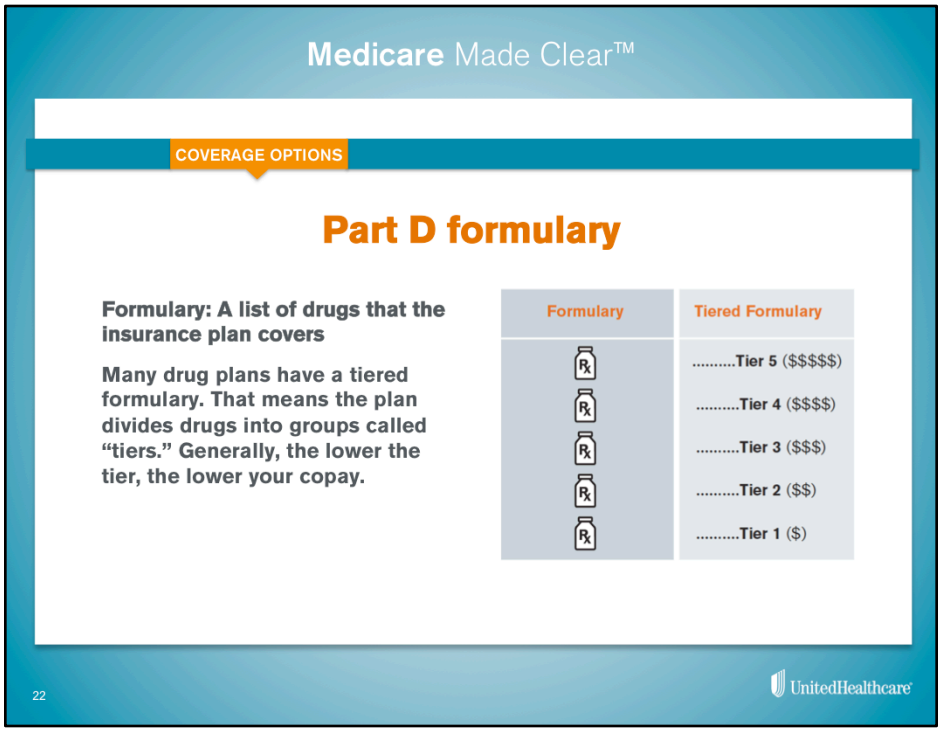
Note that you must also continue to pay your Medicare Part B premium with a prescription drug plan.



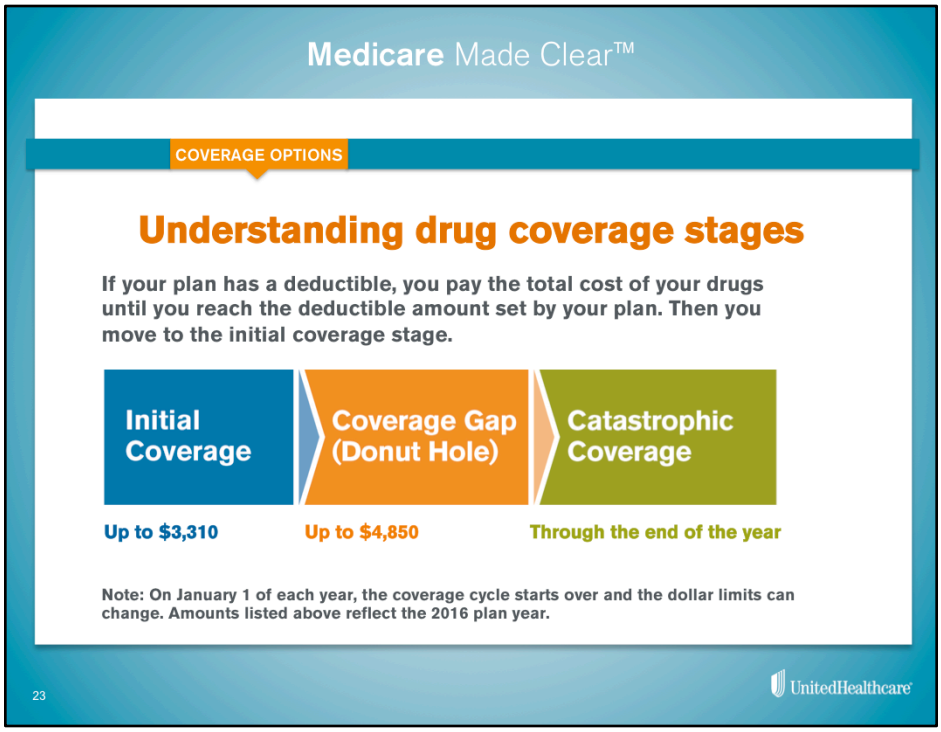
Things to keep in mind:

How much does it cost? You'll want to look at the premiums, the copayments and the coinsurance associated with the medications you take, whether there's any additional coverage as part of that Part D plan, and you'll also want to look at the medications you're currently taking to ensure they are on the list of covered drugs for that Part D plan.

Unless you qualify for an exception, if you don't enroll before your initial enrollment deadline, there will be a penalty. But you can reach out to insurance companies, like UnitedHealthcare, as soon as you are eligible to avoid that penalty.



- Plans build their specific formularies by selecting drugs from these groups (see: left side of graphic)
- Many plans use tiered formularies to group covered drugs according to cost (see: right side of graphic)
- Medicare provides guidelines about the types of drugs to be covered, but not the specific drugs
- Each plan has its own formulary, so be sure to review each plan's drug list since an insurance company may have multiple formularies for different plans
- Medicare has excluded some types of drugs, but some plans may include them as part of an enhanced formulary
- Medications not on a plan's formulary may not be covered or may cost more



Let's talk about drug coverage stages and how they work.

The deductible is the amount of money you pay out of your pocket each year before the initial coverage begins. Not all plans have a deductible, but if your plan does, you will pay up to that deductible before the initial drug coverage stage begins. Once the initial drug coverage stage begins, you pay a flat fee (copay) or a percentage of the drug's total cost (coinsurance) for each prescription that you fill. The plan pays the rest until your total drug costs reach $3,310 in 2016.

If your total drug costs go beyond $3,310, you reach what's called the "drug coverage gap stage." You may have heard this referred to as the "donut hole." During this stage in 2016, you pay 45% of the total cost for brand-name drugs and 58% of the total cost for generic drugs. The dollar amounts in that coverage gap can change from year to year. If your total out-of-pocket costs in 2016 reach $4,850, you then move to the catastrophic drug coverage stage.

In this stage, you pay only a copay or coinsurance amount for each filled prescription. The plan and Medicare pay the rest until the end of the calendar year.

Medicare Made Clear™

COVERAGE OPTIONS

Total annual savings with Medicare Part D plan: $5,930

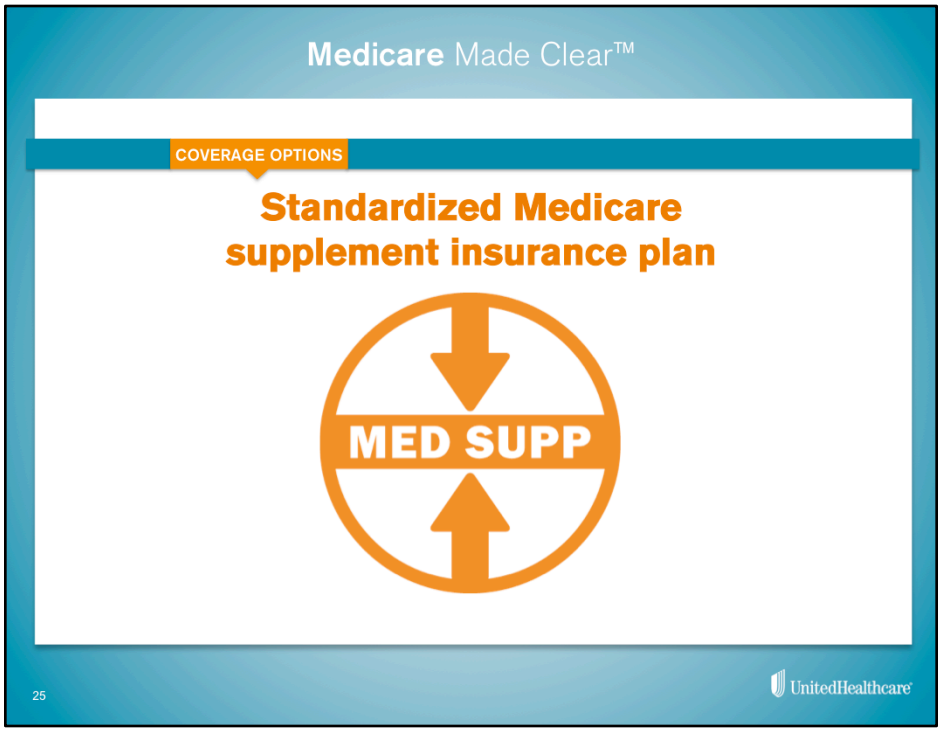
Example

Heavy prescription drug spending.

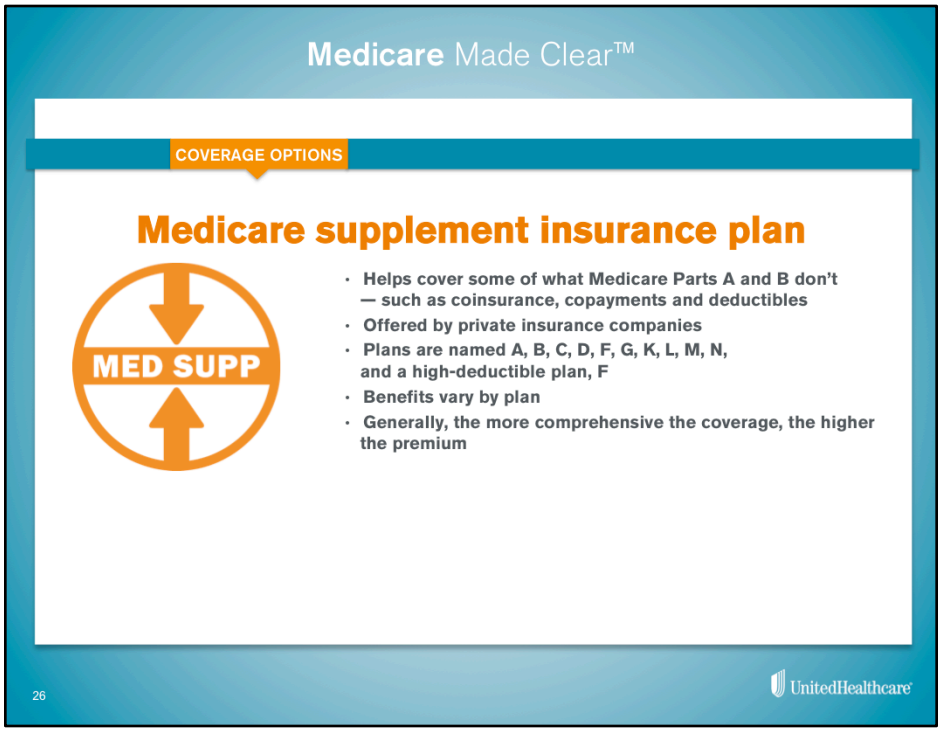
Enrico, age 66, has several chronic conditions. Without coverage he spends more than $950 a month on drugs. He has Original Medicare (Medicare Part A and Part B), plus a stand-alone Medicare Part D drug plan with a $384 annual premium. Because his drug costs are high, he reaches Stage 3, catastrophic coverage.

Total annual drug costs without a Medicare Part D drug plan ($950 per month x 12 months)	$11,400
Annual premium for Part D drug plan ($32 per month x 12 months)	$384
Stage 1 – Initial coverage (Enrico's share during this stage)	$720
Stage 2 – Coverage gap (his additional cost-sharing up to the limit)	$4,130
Stage 3 – Catastrophic coverage (his share during this stage)	$236
Total Enrico pays out-of-pocket for the year	$5,470

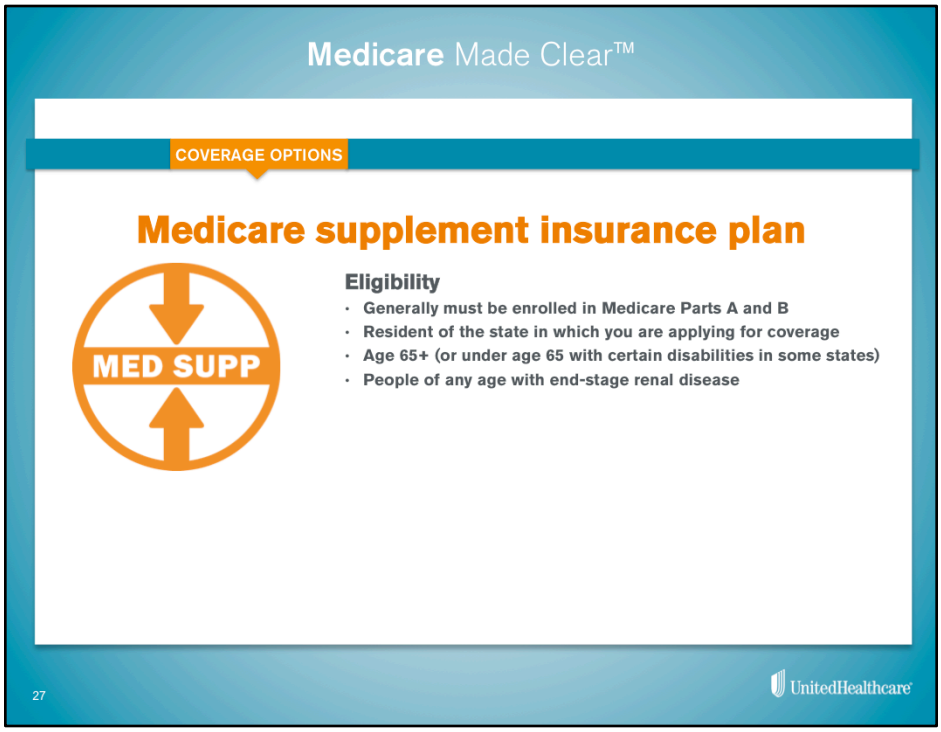
UnitedHealthcare



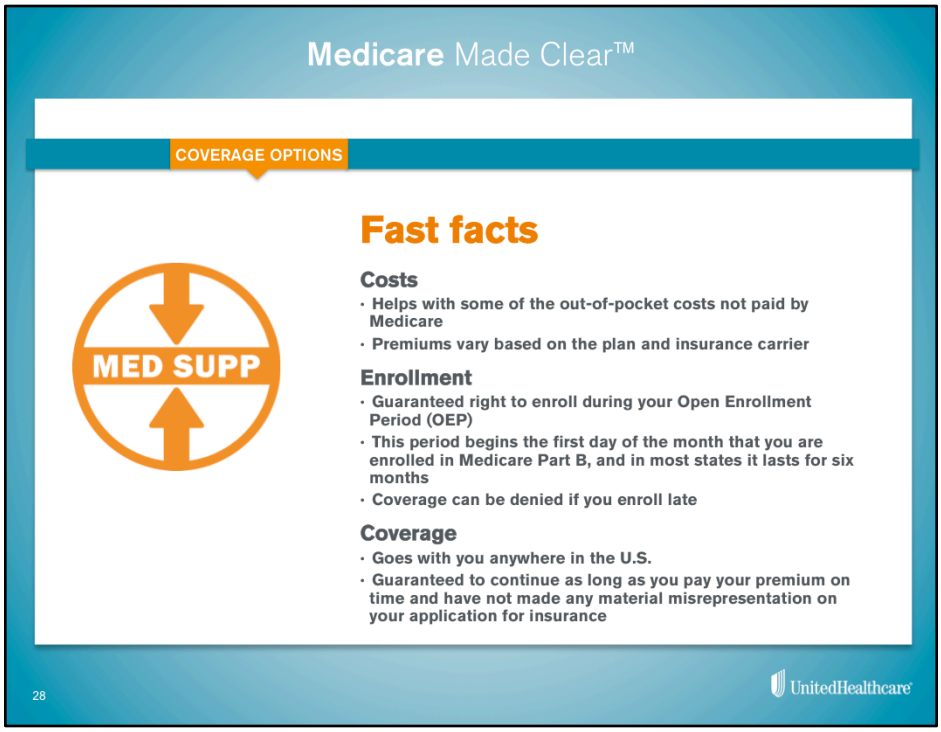
Now let's talk about standardized Medicare supplement insurance plans.



- You may have also heard Medicare supplement insurance plans referred to as a "Medigap" policy
- They are offered by private insurance companies to help cover some of what Medicare Parts A and B don't pay, meaning they cover coinsurance, copayments and deductibles not covered by Original Medicare
- Plans (not to be confused with "Parts") are named A, B, C, D, F, G, K, L, M, N, and a high-deductible plan, F
- Benefits vary by plan
- Generally, the more comprehensive the coverage, the higher your premium will be



- Generally you must be enrolled in Medicare Parts A and B at the time your Medicare supplement insurance coverage will begin
- You must be a resident of the state in which you are applying for coverage
- You must be age 65 or older (or under age 65 with certain disabilities in some states)
- People of any age with End-Stage Renal Disease



Costs:

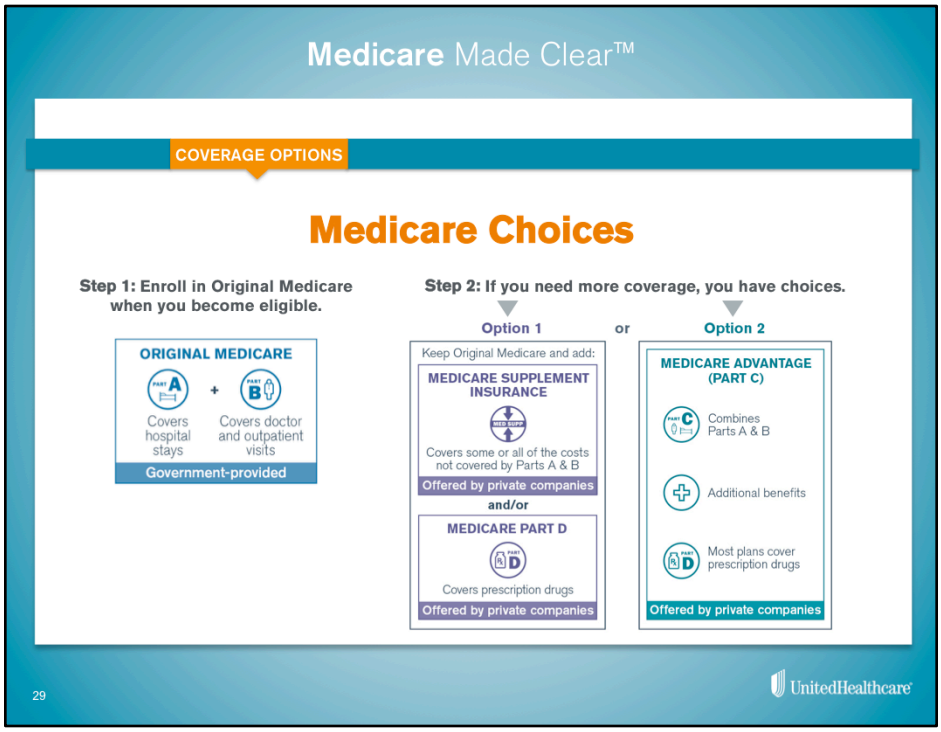
- Helps with some of the out-of-pocket costs not paid by Medicare
- Premiums vary based on the plan and insurance carrier. In some states and plans, premiums rise as your age increases.

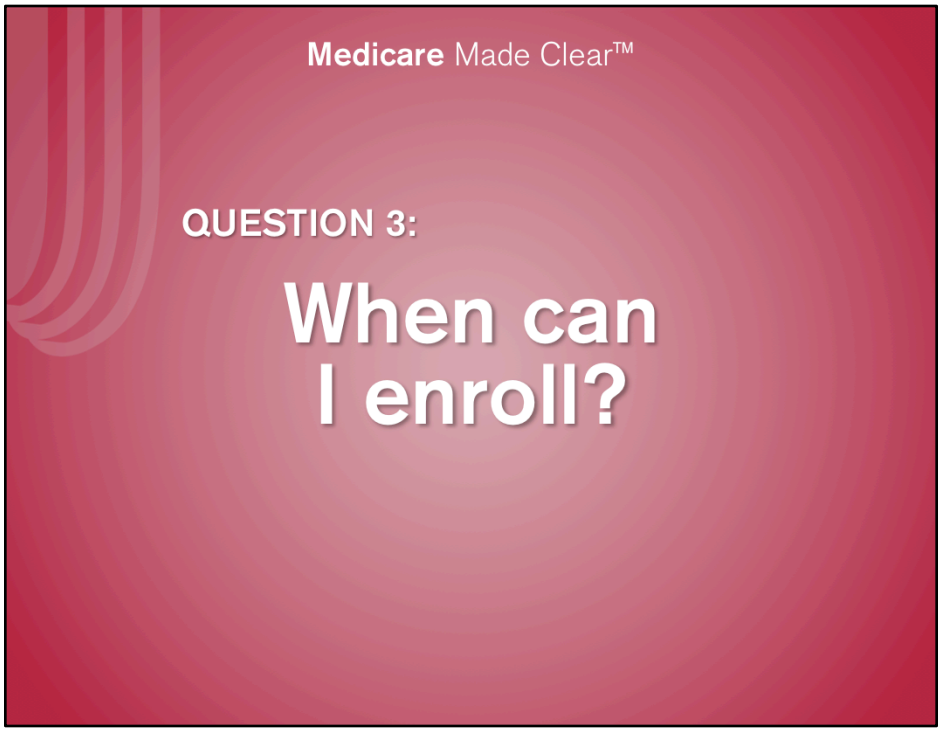
Enrollment:

- You are guaranteed the right to buy a Medicare supplement insurance plan during your Open Enrollment Period
- In some states and plans, if you apply after your Open Enrollment Period, you can be denied coverage based on your health
- This period begins the first day of the month that you are enrolled in Medicare Part B. In most states it lasts for six months

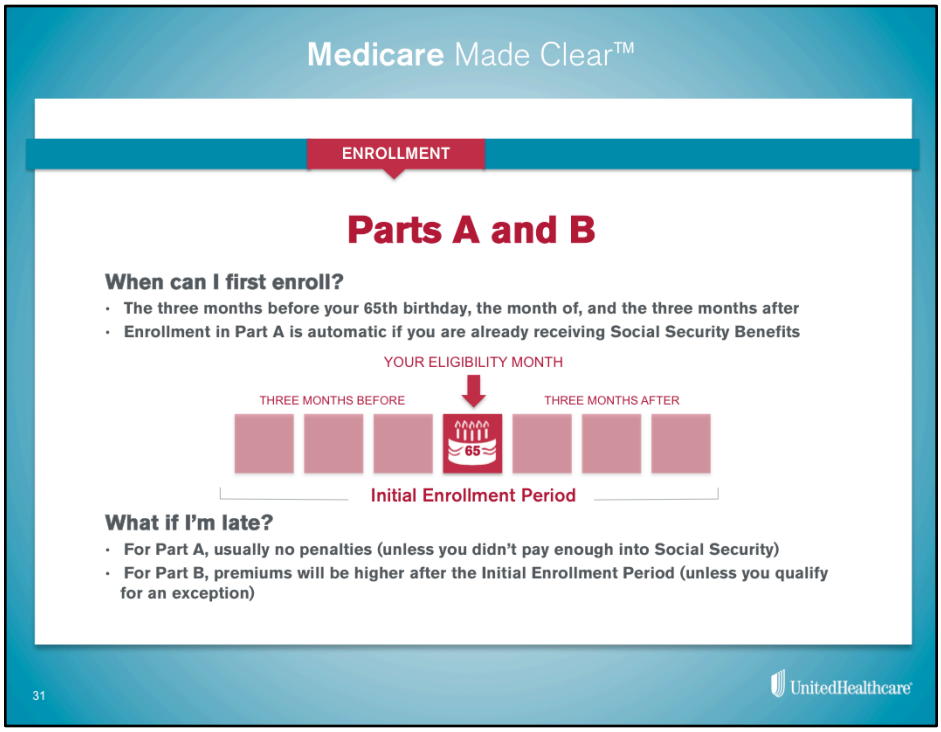
Coverage:

- No network restrictions and virtually no referrals required
- Coverage may go with you when you move or travel anywhere in the U.S.
- With some plans you have a foreign travel benefit for emergency medical services
- Coverage is guaranteed to continue as long as you pay your premium on time and have not made material misrepresentation on your application for insurance


Medicare Made Clear™
COVERAGE OPTIONS
Medicare Choices
Step 1: Enroll in Original Medicare when you become eligible.
ORIGINAL MEDICARE
PART A
+
PART B
Covers hospital stays
Covers doctor and outpatient visits
Government-provided
Step 2: If you need more coverage, you have choices.
Option 1
or
Option 2
Keep Original Medicare and add:
MEDICARE SUPPLEMENT INSURANCE
Covers some or all of the costs not covered by Parts A & B
Offered by private companies
and/or
MEDICARE PART D
Covers prescription drugs
Offered by private companies
MEDICARE ADVANTAGE (PART C)
PART C
Combines Parts A & B
Additional benefits
PART D
Most plans cover prescription drugs
Offered by private companies
29
UnitedHealthcare



Now let's talk about when you can enroll. We'll go through each of the Medicare parts separately.



When can I first enroll in Part A?
The three months before your 65th birthday, the month of, and the three months after or when you otherwise become eligible for Medicare. Enrollment will be automatic if you are already receiving Social Security benefits; otherwise, you'll have to enroll at your local Social Security office.

If you are on disability, you also become eligible after your 24th month of receiving Social Security Disability. Your IEP is the three months before and the three months after your 25th month of Disability.

What if I'm late?
Generally, there are no penalties for signing up late for Part A. You may pay a penalty on your premium for signing up late if you are one of the people who pays a monthly premium for Part A because neither you nor your spouse contributed enough to Social Security.

If you enroll in Part B after the initial enrollment period, premiums will be higher by 10% for each full 12-month period, unless you qualify for an exception. Contact Medicare to learn more about these exceptions.

Medicare Made Clear™

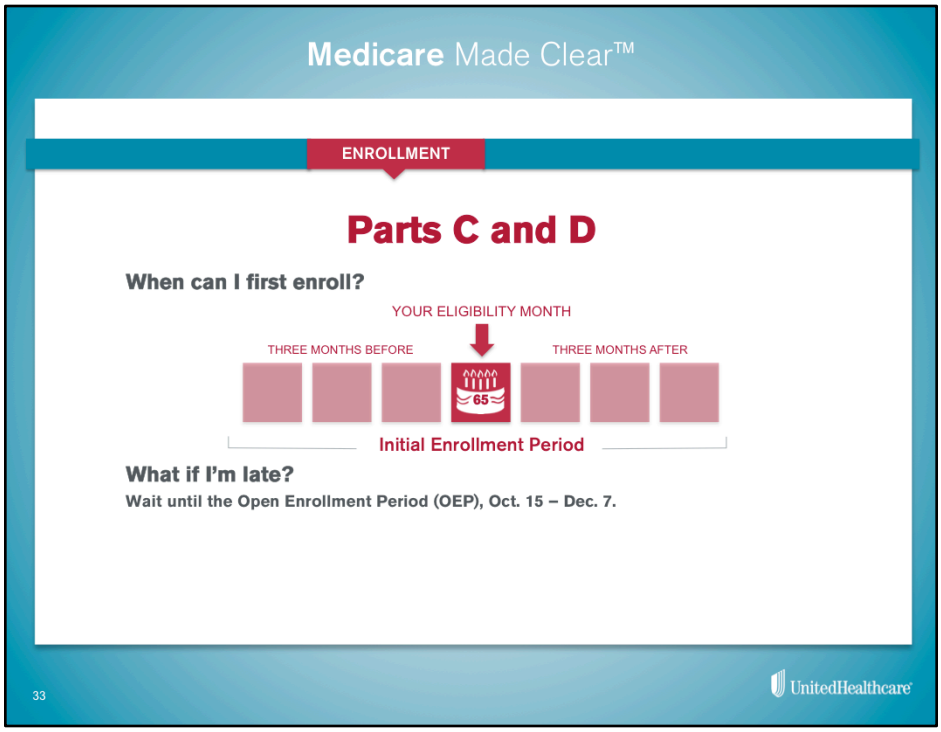
ENROLLMENT

Example

Enrolling after the Initial Enrollment Period.
Susan waited to sign up for Part B three full years after she was eligible. She'll pay a 10% penalty for each full 12-month period she waited. The penalty is added to the Part B monthly premium, which is $121.80 in 2016.

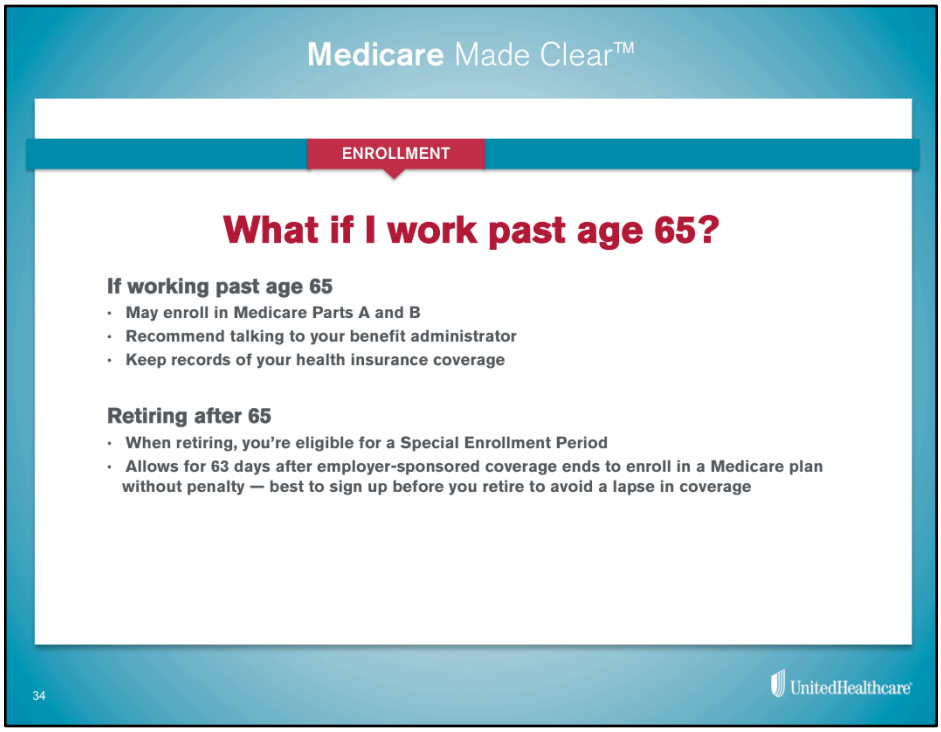
2016 standard Part B premium	$121.80
3 years x 10% = 30% of $121.80	$36.54
Susan's part B monthly premium for 2016	**$158.34**

UnitedHealthcare

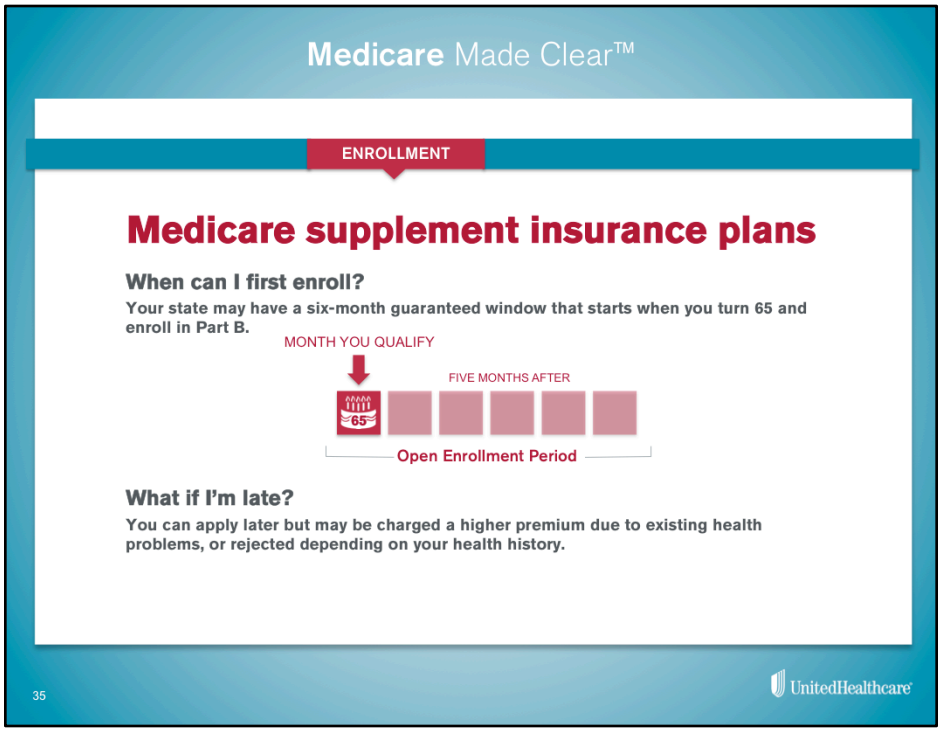


When can I first enroll in Parts C or D?
There is a seven-month window. Generally, for most, you can first enroll three months before your 65th birthday month, during your birthday month and up to three months after your birthday month.

What if I'm late?
If you miss the enrollment window, you must wait to join a plan until the Open Enrollment Period (between October 15 and December 7), unless you qualify for an exception, such as a special enrollment period.



- You can enroll in Parts A and B but you may choose to delay enrollment in Part B since there is a monthly premium cost
- We recommend you contact your benefit administrator to find out the options and how your coverage works with Medicare
- When you retire, you become eligible for a Special Enrollment Period (SEP) and can sign up for Part B without penalty - this Part B SEP will run for 8 months and begins the month after your employment ends
- If you enroll in Part B after the 8-month SEP, you may have to pay a late enrollment penalty and you'll have to wait until the next General Enrollment Period (GEP) to enroll.

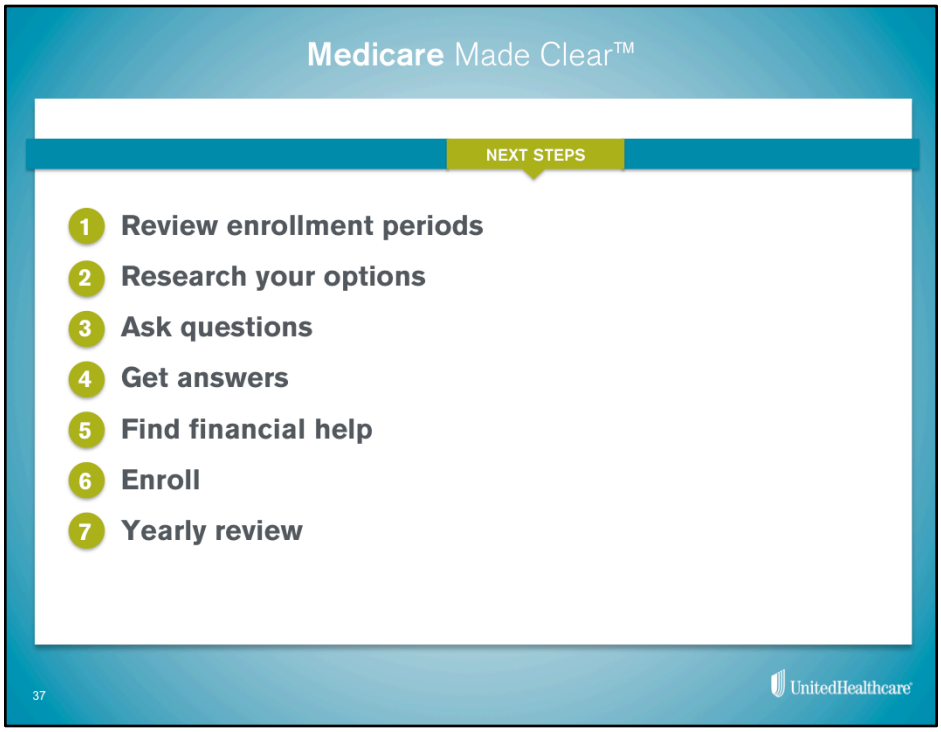


When can I first enroll in a Medicare supplement insurance plan?
The Medicare Supplement Insurance Open Enrollment Period begins the first day of the month that you turn 65 and are enrolled in Medicare Part B. In most states, this period lasts for six months. Some states allow ongoing open enrollment and some states require that coverage be offered to people who are under the age of 65 and eligible for Medicare due to a disability or end-stage renal disease.

An individual can drop a policy and apply for another whenever they like. But they could be charged a higher premium or refused entirely.

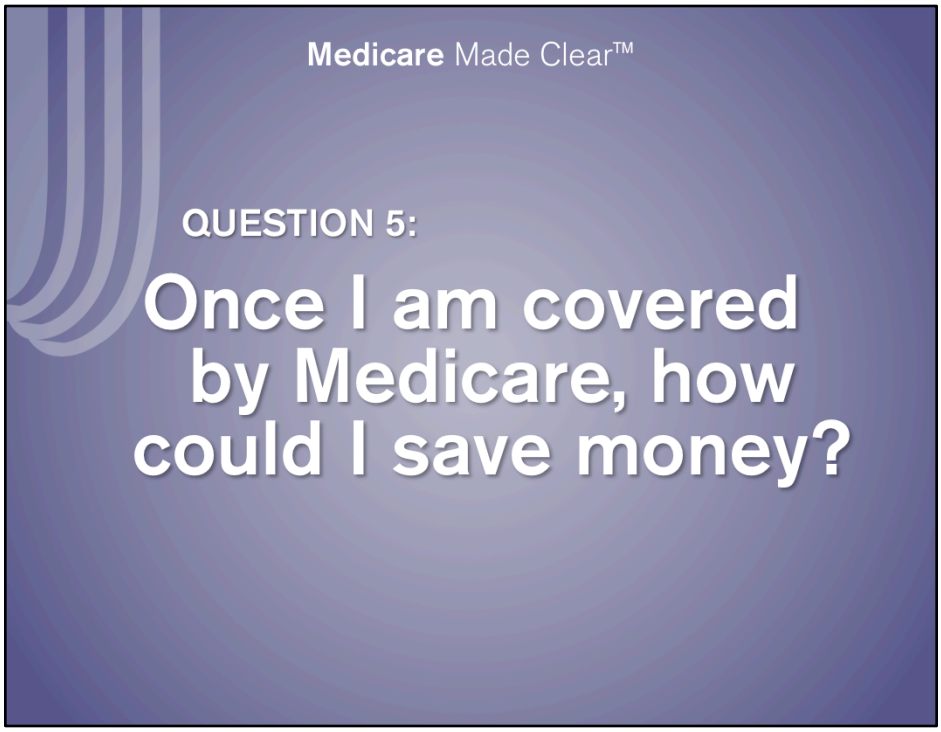
What if I'm late?
If you miss the window, you can apply later at any time. But you may be charged a higher rate or be rejected if you have a health history that makes you appear to be at a higher risk.

Before we wrap up, let's talk about your next steps for choosing a plan that's a good fit for you.



Next steps

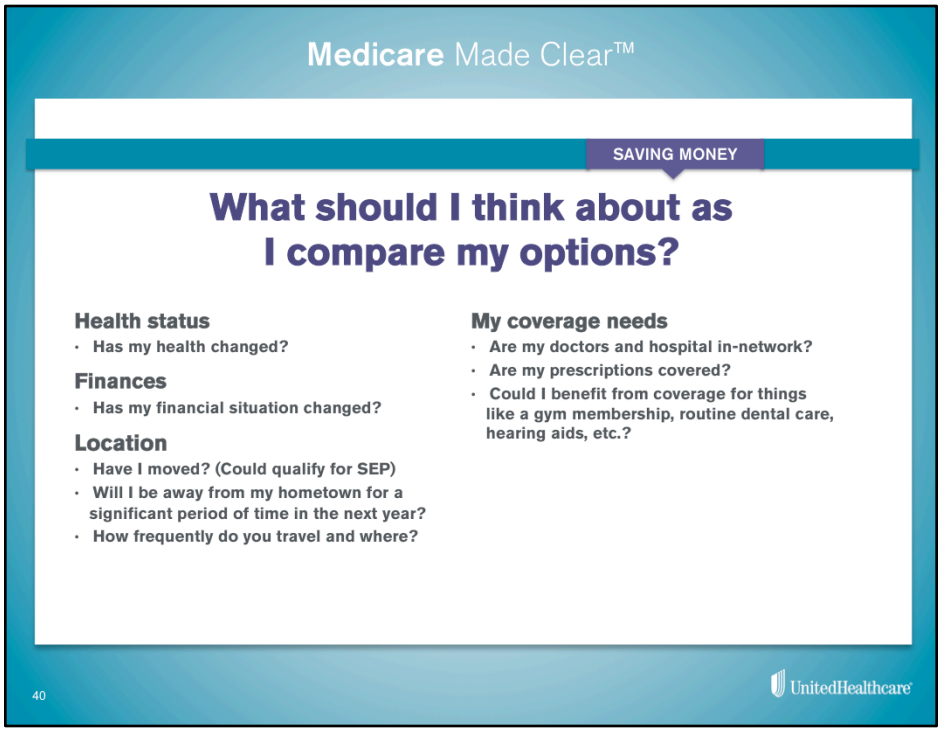
1. **Review enrollment periods:** Understand when you qualify for coverage.
2. **Research:** Compare plans and find the coverage that's a good option for you.
3. **Ask questions:** Ask yourself important questions about your medical needs, such as: Do you take prescription drugs regularly? How frequently do you generally need care?
4. **Get answers:** Use free resources to help answer all of your Medicare questions. Visit MedicareMadeClear.com, Medicare.gov or the Social Security Administration's website.
5. **Find financial help:** See if you qualify for financial assistance programs. Contact your local Social Security and state Medicaid office.
6. **Enroll:** Once you know what plan type is right for you, go online to Medicare.gov's plan finder to see plans available in your area.
7. **Yearly review:** Mark your calendar and make any changes to your plan if needed during the Medicare Open Enrollment Period (OEP), October 15 – December 7 each year.

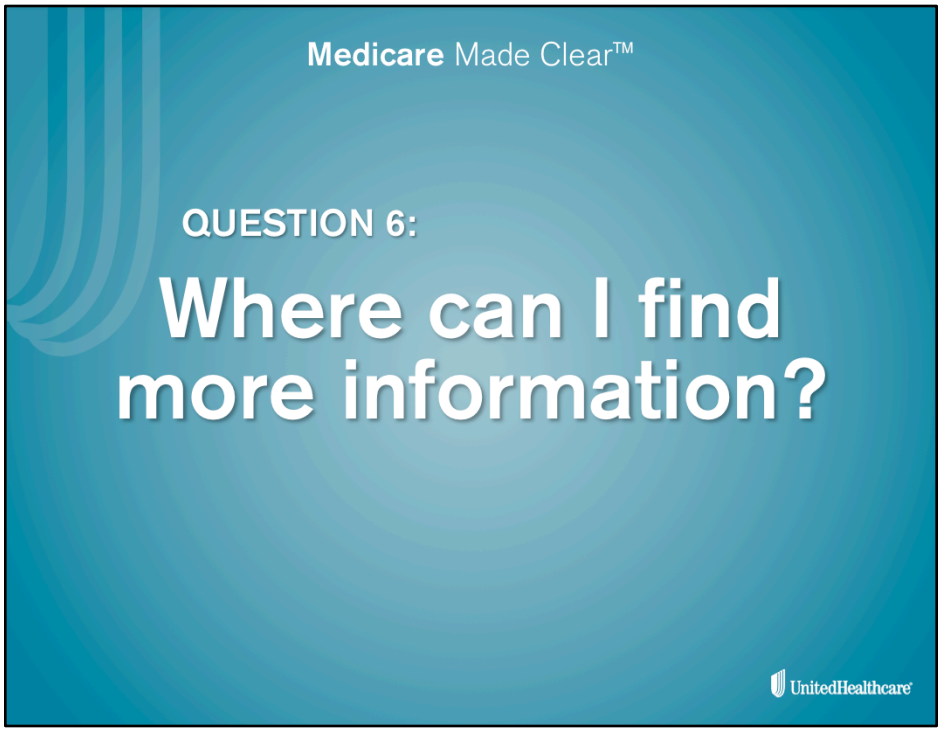


So, let's talk a little bit about additional ways to help save on health care costs.

Earlier we went over the Part D coverage gap. If you and your plan spend more than $3,310 in prescription drug costs, you will enter the "donut hole." Once you are in the donut hole, you will pay most of the costs of your prescription drugs. If you reach this stage, you may be able to save money by talking with your doctor to see if the medication you take has a generic or lower tiered drug option.

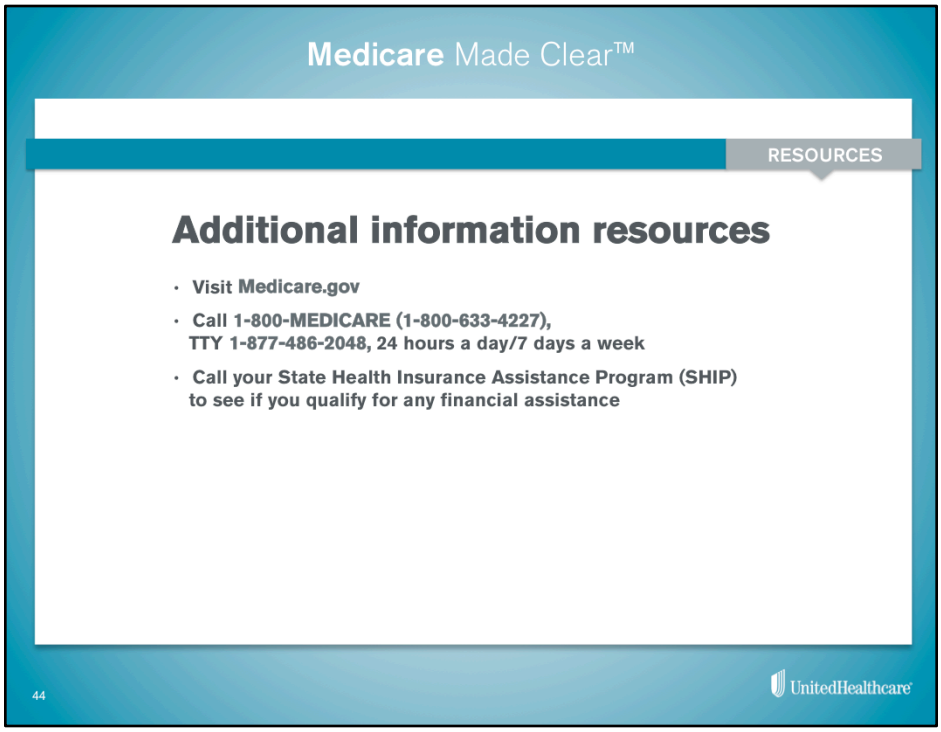
- It's important to utilize the preventive services that may be included in your coverage to save money in the long term.
- Be sure to stay in your plan's network of doctors and pharmacies to help save you money.


Medicare Made Clear™
SAVING MONEY
What should I think about as I compare my options?
Health status
• Has my health changed?
Finances
• Has my financial situation changed?
Location
• Have I moved? (Could qualify for SEP)
• Will I be away from my hometown for a significant period of time in the next year?
• How frequently do you travel and where?
My coverage needs
• Are my doctors and hospital in-network?
• Are my prescriptions covered?
• Could I benefit from coverage for things like a gym membership, routine dental care, hearing aids, etc.?
40
UnitedHealthcare


Medicare Made Clear™
QUESTION 6:
Where can I find more information?
UnitedHealthcare

Check out MedicareMadeClear.com to watch videos, sign up for our newsletter, take quizzes, find tools and get answers to your Medicare questions.

- Since 2012, UnitedHealthcare has celebrated National Medicare Education Week (NMEW), September 15–21
- Designed to help consumers learn about Medicare and find the coverage that meets their needs
- Local events, online tools and resources to help millions of people learn about Medicare
- Support from leading health and wellness organizations as well as organizations that support the needs of the aging population



You can also find resources and helpful information at Medicare.gov, which is the official U.S. government website for Medicare. Or you can call them at the number listed here.

You may want to talk to your State Health Insurance Assistance Program to see if you qualify for any financial assistance.

Field questions from the audience.

Medicare Made Clear™

Plans are insured through UnitedHealthcare Insurance Company or one of its affiliated companies, a Medicare Advantage organization with a Medicare contract and a Medicare-approved Part D sponsor. Enrollment in the plan depends on the plan's contract renewal with Medicare.

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