

Some people think that Medicare is all the health insurance they will need after they turn age 65. However, Medicare costs can add up to hundreds—even thousands of dollars.

The Medicare Supplement is a plan to supplement Medicare benefits offered by Anthem Blue Cross Life and Health Insurance Company. Your Medicare Supplement Plan policy provides many significant advantages and benefits when you need medical care. Benefits are designed to supplement Medicare coverage.

Medicare Supplement is available only to retirees and spouses of retirees who are enrolled in both Parts A and B of Medicare.

Enhanced Benefits To Supplement Medicare Health Insurance

Medicare Supplement Plan provides the following enhanced benefits to supplement Medicare health insurance coverage:

- It pays your Medicare Part A hospitalization medical copayments and deductible during a benefit period. In addition, if your Medicare hospital benefits and your Medicare lifetime reserve days are exhausted, Medicare Supplement Plan pays additional hospital benefits for the remainder of that benefit period, up to a lifetime maximum of 365 days.
- It pays your skilled nursing facility's service copayment from the 21st to the 100th day

A benefit period is the way Medicare measures your use of hospital and skilled nursing facility (SNF) services. A benefit period begins the day you first enter a hospital or SNF. The benefit period ends when you have not received any hospital or skilled care (in a SNF) for 60 days in a row. If you go into the hospital after one benefit period has ended, a new benefit period begins.

The Medicare Supplement plan covers twenty percent of your Medicare Part B expenses beyond Medicare's coverage.

You must pay:

- Amounts in excess of Medicare's Allowable Charge amount

For many seniors, Medicare Supplement provides a good value. It also offers the following important features including:

- Emergency care coverage for travel outside of the United States
- A toll-free dedicated customer service number

Emergency Care

Your Medicare Supplement Plan covers emergency inpatient or outpatient care...anywhere, anytime. Because medical emergencies require immediate attention, call 911 or go for immediate treatment at the closest emergency facility. An emergency is a sudden, serious and unexpected illness, injury or health problem. This includes any illness, injury or health problem you reasonably believe could endanger your health if you don't receive medical care right away.

Notice

This contract may not fully cover all of your medical costs. This outline of coverage does not give all the details of Medicare coverage. Contact the local Social Security office or consult *The Medicare & You Handbook* for further details and limitations applicable to Medicare.

Your Certificate of Insurance Provides Helpful Information

Your **Certificate of Insurance** contains important terms of your health plan. It explains the exact terms and conditions of your coverage including the exclusions and limitations of your plan. You should receive a copy after enrolling.

Questions?

For routine questions regarding your Medicare Supplement coverage, please call the Customer Service number on your insured person's ID card.

For questions regarding grievance and appeals and complaints regarding health plans, you may call the California Department of Insurance, toll-free, at (888) 927-4357.

The hearing and speech impaired may use the California Relay Service's toll-free telephone numbers (800) 482-4833 (TDD) to contact the department. The department's Web site, www.insurance.ca.gov, has online instructions and complaint forms.

Lifetime maximum: \$1,000,000

Covered Services	Plan Payment of of Covered Expense	Insured Person's Responsibility
Part A – Hospitalization		
➤ Semi-private Room and Board	First 60 days: Medicare Part A deductible	None
➤ General Nursing Care		
➤ Operating and Treatment Room	61st - 90th day: Medicare Part A daily copayment	None
➤ Anesthesia Services		
➤ Rehabilitation Services	Medicare Lifetime Reserve Days:	
➤ Medical Supplies	91st - 150th day: Medicare Part A daily copayment	None
➤ Special Care Units	<i>(excludes services for Mental or Nervous Disorders)</i>	
➤ Inpatient Drugs and Medications		
➤ X-ray and Laboratory Tests	Additional Hospital Benefits: After Medicare is exhausted 151st - 515th day: 100% of reasonable charges for medically necessary Part A eligible expenses up to a 365-day lifetime maximum <i>(excludes services for Mental or Nervous Disorders)</i>	Amounts in excess of reasonable charges through the 515 th day. 100% after the 515th day
➤ Inpatient Mental or Nervous Disorders	Same as above, except no coverage after the 90th day of each benefit period or beyond the lifetime maximum of 190 days	Same as above, except member pays 100% after the 90th day of each benefit period, and beyond the lifetime maximum of 190 days
➤ Skilled Nursing Facility (when approved by Medicare)	First 20 days: no coverage	None
– Semiprivate room and board	21 st – 100 th day: Medicare Part A daily copayment	None
– General nursing care	Beyond 100 th day:	
– Inpatient drugs and medications	no coverage	100% of charges after the 100 th day
– Necessary Medical supplies and appliances		

Covered Services	Plan Payment of of Covered Expense	Insured Person's Responsibility
Part A – Hospitalization (continued)		
➤ Blood used during a Hospital stay or Skilled Nursing Facility stay	Part A deductible and the first three pints of unreplaced blood or blood products used during each calendar year, up to Medicare's allowable expense (<i>unless already paid for under Part B</i>)	Amounts exceeding Medicare's allowable expense for the first three pints of unreplaced blood or blood products
➤ Travel coverage for hospitalization while traveling outside the U.S. for less than six consecutive months	100% of reasonable inpatient hospital charges for a semi-private room or ward, intensive care and medically necessary services, up to 90 days for each hospital stay	Any charges above the reasonable charges for the first 90 days. 100% after 90 days
Part B – Medical Expenses		
➤ Outpatient Hospital Care ➤ Anesthesiologist ➤ Doctor Visits ➤ Radiation Therapy ➤ Surgeon and Assistant Surgeon ➤ Mammography ➤ Outpatient Mental or Nervous Disorders ➤ X-ray and Laboratory Tests ➤ Ground Ambulance ➤ Appliances ➤ Physical and Occupational Therapy ➤ Speech Therapy ➤ Blood or Blood Products	20% of Medicare's allowable charges The first three pints of unreplaced blood or blood products used during each calendar year, up to Medicare's allowable expense (<i>unless already paid for under Part A</i>)	<i>Any amounts over the allowable charges</i> Amounts exceeding Medicare's allowable expense for the first three pints of unreplaced blood or blood products
➤ Travel coverage for medical expenses while traveling outside the U.S. for less than six consecutive months	100% of reasonable charges for medically necessary services including surgery, assistance surgeon's fees, anesthesia and in-hospital doctor visits.	Amounts in excess of the customary and reasonable charges
Benefits Beyond Medicare		
➤ Acupuncture and Chiropractic Care up to 20 combined visits a year	100% of reasonable charges	\$15 copay per visit
➤ Hearing Aid Services	80% of reasonable charges	20% plus amounts in excess of \$1000 within a 36 month period
➤ Vision Care One exam and two lenses per	100% of reasonable charges	Any amount in excess of Reasonable Charges

Calendar Year

One set of frames during a 24-month period

Maximum Allowances:

\$20 Exam

\$30 Frames

Each Lens:

\$20 Single Vision

\$35 Bifocal

\$45 Trifocal

\$50 Lenticular

\$100 Contact Lenses

➤ Smoking Cessation Programs

80% of reasonable charges

20% up to \$100 per year

This Summary of Benefits is a brief review of benefits. Once enrolled, insured persons will receive a Certificate of Insurance, which explains the exclusions and limitations, as well as the full range of covered services of the plan, in detail.

Medicare Supplement Plan Exclusions & Limitations

Not Medically Necessary. Services or supplies that are not medically necessary, as defined.

Air Ambulance. Services of or transportation by an air ambulance.

Experimental or Investigative. Any experimental or investigative procedure or medication.

Services outside the United States. Services and supplies provided outside the United States, except as specified as covered in the Certificate.

Crime or Nuclear Energy. Conditions that result from: (1) the insured person's commission of or attempt to commit a felony; or (2) any release of nuclear energy, whether or not the result of war, when government funds are available for treatment of illness or injury arising from such release of nuclear energy.

Not Covered. Services received before the insured person's effective date or after coverage ends, except as specified as covered in the Certificate.

Excess Amounts. Any amounts in excess of:

- Allowable Charges as determined by Medicare for benefits provided under the Hospital Inpatient Benefits (Part A) and Medical Benefits (Part B) provision of the plan; and
- The negotiated rate, for professional Part B services of a participating provider who does not accept Medicare assignment; and
- Reasonable charges, as determined by Anthem Blue Cross, for benefits provided under the Hospital Benefits After Medicare Is Exhausted and Benefits Outside the United States provisions of the plan; and
- The Lifetime Maximum for all covered services, and other maximum payments and benefits stated in the Certificate.

Work Related. Work related conditions if benefits are recovered or can be recovered, either by adjudication, settlement or otherwise, under any workers' compensation, employer's liability law or occupational disease law, even if the insured person does not claim those benefits. If there is a dispute or substantial uncertainty as to whether benefits may be recovered for those conditions pursuant to workers' compensation, benefits will be provided subject to our right of recovery and reimbursement under California Labor Code Section 4903, as described as covered in the Certificate.

Government Treatment. Any services provided by a local, state or federal government agency, except when payment under this plan is expressly required by federal or state law.

Services of Relatives. Professional services received from a person who lives in the insured person's home or who is related to the insured person by blood or marriage.

Voluntary Payment. Services for which the insured person has no legal obligation to pay, or for which no charge would be made in the absence of insurance coverage or other health plan coverage, except services received at a non-governmental charitable research hospital. Such a hospital must meet the following guidelines:

- It must be internationally known as being devoted mainly to medical research;
- At least **10%** of its yearly budget must be spent on research not directly related to patient care;
- At least one-third of its gross income must come from donations or grants other than gifts or payments for patient care;
- It must accept patients who are unable to pay; and

- Two-thirds of its patients must have conditions directly related to the hospital's research.

Not Specifically Listed. Services not specifically listed in this plan as covered services.

Private Contracts. Services or supplies provided pursuant to a private contract between the insured person and a provider, for which reimbursement under the Medicare program is prohibited, as specified in Section 1802 (42 U.S.C. 1395a) of Title XVIII of the Social Security Act.

Inpatient Diagnostic Tests. Inpatient room and board charges in connection with a hospital stay primarily for diagnostic tests which could have been performed safely on an outpatient basis.

Mental or Nervous Disorders. Academic or educational testing, counseling, and remediation. Mental or nervous disorders, including rehabilitative care in relation to these conditions, except as specified as covered in the Certificate.

Nicotine Use. Smoking cessation programs or treatment of nicotine or tobacco use. Smoking cessation drugs.

Orthodontia. Braces and other orthodontic appliances or services.

Dental Services or Supplies. Cosmetic dental surgery or other dental services for beautification. Dental plates, bridges, crowns, caps or other dental prostheses, dental services, extraction of teeth or treatment to the teeth or gums, except for surgery of the jaw or related structures, setting fractures of the jaw or facial bones, or services that would be covered when provided by a physician. This exclusion also does not apply to general anesthesia and associated facility charges when the insured person's clinical status or underlying medical condition requires that dental procedures be rendered in a hospital or ambulatory surgical center. This applies only if the insured person is developmentally disabled or his/her health is compromised and general anesthesia is medically necessary. Charges for the dental procedure itself, including professional fees of a dentist, are not covered.

Hearing Aids or Tests. Hearing aids and routine hearing tests.

Optometric Services or Supplies. Optometric services, eye exercises including orthoptics, routine eye exams and routine eye refractions. Eyeglasses or contact lenses, except as specified as covered in the Certificate.

Outpatient Physical and Occupational Therapy. Outpatient physical and occupational therapy, except as specified as covered in the Certificate.

Outpatient Speech Therapy. Outpatient speech therapy, except as specified covered in the Certificate.

Cosmetic Surgery. Cosmetic surgery or other services performed solely for beautification or to alter or reshape normal (including aged) structures or tissues of the body to improve appearance. This exclusion does not apply to reconstructive surgery (that is, surgery performed to correct deformities caused by congenital or developmental abnormalities, illness, or injury for the purpose of improving bodily function or symptomatology or to create a normal appearance), including surgery performed to restore symmetry following mastectomy. Cosmetic surgery does not become reconstructive surgery because of psychological or psychiatric reasons.

Obesity. Services primarily for weight reduction or treatment of obesity. This exclusion will not apply to treatment of morbid obesity as determined by Anthem Blue Cross if we authorize the treatment in advance as medically necessary and appropriate.

Sex Transformation. Procedures or treatments to change characteristics of the body to those of the opposite sex.

Sterilization Reversal. Reversal of sterilization.

Infertility Treatment. Any services or supplies furnished in connection with the diagnosis and treatment of infertility, including, but not limited to, diagnostic tests, medication, surgery, artificial insemination, in vitro fertilization, sterilization reversal, and gamete intrafallopian transfer.

Orthopedic Supplies. Orthopedic shoes (other than shoes joined to braces) or non-custom molded and cast shoe inserts, except for therapeutic shoes and inserts for the prevention and treatment of diabetes-related foot complications as specified as covered in the Certificate.

Air Conditioners. Air purifiers, air conditioners, or humidifiers.

Custodial Care and Rest Cures. Inpatient room and board charges in connection with a hospital stay primarily for environmental change or physical therapy. Custodial care or rest cures. Services provided by a rest home, a home for the aged, a nursing home or any similar facility. Services provided by a skilled nursing facility, except as specified as covered in the Certificate.

Chronic Pain. Inpatient room and board charges in connection with a hospital stay primarily for treatment of chronic pain.

Exercise Equipment. Exercise equipment, or any charges for activities, instrumentalities, or facilities normally intended or used for developing or maintaining physical fitness, including, but not limited to, charges from a physical fitness instructor, health club or gym, even if ordered by a physician.

Personal Items. Any supplies for comfort, hygiene or beautification.

Education or Counseling. Educational services, nutritional counseling or food supplements.

Telephone and Facsimile Machine Consultations. Consultations provided by telephone or facsimile machine.

Routine Exams or Tests. Routine physical exams or tests which do not directly treat an actual illness, injury or condition, including those required by employment or government authority, except as specified as covered in the Certificate.

Acupuncture. Acupuncture, acupressure, or massage to control pain, treat illness or promote health by applying pressure to one or more specific areas of the body based on dermatoses or acupuncture points.

Eye Surgery for Refractive Defects. Any eye surgery solely or primarily for the purpose of correcting refractive defects of the eye such as near-sightedness (myopia) and/or astigmatism. Contact lenses and eyeglasses required as a result of this surgery.

Outpatient Prescription Drugs and Medications. Outpatient prescription drugs or medications and insulin, except as specified as covered in the Certificate. Any non-prescription, over-the-counter patent or proprietary *drug* or medicine. Cosmetics, dietary supplements, health or beauty aids.

Contraceptive Devices. Contraceptive devices prescribed for birth control, except as specified as covered in the Certificate.

Diabetic Supplies. Prescription and non-prescription diabetic supplies, except as specified as covered in the Certificate.

Private Duty Nursing. Inpatient or outpatient services of a private duty nurse.

Lifestyle Programs. Programs to alter one's lifestyle which may include but are not limited to diet, exercise, imagery or nutrition. This exclusion will not apply to cardiac rehabilitation programs approved by us.

Scalp hair prostheses. Scalp hair prostheses, including wigs or any form of hair replacement.

Clinical Trials. Services and supplies provided in connection with a clinical trial except for routine costs associated with a clinical trial for which Medicare provides benefits.

Medicare Part B Deductible. Any charges the insured person incurs that are applied toward the Medicare Part B deductible.

Pre-existing Condition Exclusion - No payment will be made for services or supplies for the treatment of a pre-existing condition. This exclusion applies only to conditions for which medical advice, diagnosis, care, or treatment was recommended or received within a six-month period prior to the insured person's coverage under this plan. Generally, this six-month period ends the day before the insured person's coverage becomes effective. However if the insured person was subject to a waiting period for coverage, the six-month period ends on the day before the waiting period begins.

The pre-existing condition exclusion does not apply to pregnancy. Also if an insured person was covered under creditable coverage, as outlined in the insured person's Certificate, the time spent under the creditable coverage will be used to satisfy, or partially satisfy, the six-month period. This exclusion does not apply if the insured person was previously covered under another Anthem Blue Cross Life and Health Insurance Company plan or another company's plan which supplements Medicare and immediately transferred to this plan or if we transfer the insured person to this Anthem Blue Cross Life and Health Insurance Company plan.

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