

Recommended by **ncoa**  
National Council on Aging

2016–2017 Medicare Insurance Guide

# Aon Retiree Health Exchange™ *help you can count on*



**AON**

# It's Time to Make an Important Decision

**Why? Medicare Parts A and B won't cover all your health care expenses.**

That means you could pay more than you'd expect for medical services that aren't covered. What's more, even if Part A or Part B covers a service or item, you'll still generally have to pay deductibles, coinsurance, and copayments—with no limit on what you could have to pay out of your own pocket.

To fill these gaps in coverage—and protect yourself from unexpected medical bills—you should consider more comprehensive Medicare insurance. It's easy. Here's all you need to do:

- 1** Make sure you're enrolled in both Medicare Parts A and B before you apply for additional coverage.
- 2** Choose a Medicare Advantage Plan or a Medicare Supplement (Medigap) Plan plus Medicare Part D Prescription Drug Plan.
- 3** Select, apply and enroll for the plan that best meets your needs.

This guide contains the information you need to understand your options, make a well-informed decision and apply.

## *Important notice*

You must already be enrolled in Medicare Parts A and B to obtain additional Medicare coverage. Please note that this guide is not intended to replace information available to all Medicare recipients in the *Medicare & You* handbook available through Medicare. We encourage you to review this and all information available at [www.medicare.gov](http://www.medicare.gov), which will provide you with complete details about Medicare plans, including beneficiary rights, coordination of care, preventive services, how to change plans, state assistance options, definitions and more.



# We're Here to Help

Welcome to the **Aon Retiree Health Exchange**—a service that gives you access to Medicare insurance products from more than 90 Medicare insurers. To decide which option is best for you, use our easy-to-understand website or speak with one of our Benefits Advisors.<sup>1</sup> Either way, you'll receive:

- **Clear, complete information about the insurance plans available in your area**
- **Help with evaluating your options, comparing and finding the plan that fits your needs and budget, and applying for coverage**
- **Continued assistance after you enroll**

The **Aon Retiree Health Exchange** was formed by caring people who wondered how Medicare-eligible individuals would navigate the ever-changing Medicare marketplace and make important health care decisions without help. Since then, we've helped hundreds of thousands of people like you find the health insurance they need.

*Please see your personalized letter included with this guide for the phone number, website address, and logon information you'll need to contact us.*



**The services you receive through the exchange come at no additional cost—you pay only for the insurance coverage you enroll in.**

Recommended by:



National Council on Aging

The **Aon Retiree Health Exchange** is the only exchange recommended by the National Council on Aging (NCOA) for continually meeting rigorous standards of excellence. For more than 60 years, NCOA has been a leading nonprofit organization committed to improving the health and economic security of older adults.

Aon also received an A<sup>+</sup> rating from the Better Business Bureau for quality and competency in assisting seniors in navigating Medicare health insurance, finding resources to learn about their Medicare insurance options and getting help enrolling in a plan that meets their needs and budget.

<sup>1</sup>Licensed insurance agents.

# Your Coverage Worksheet

Whether you'll be applying for additional Medicare coverage on your own or with help, here's what to do beforehand. By taking these steps, you'll be able to apply for your additional Medicare coverage more quickly and efficiently.

- Verify** that you have coverage in Medicare Parts A and B by checking your Medicare insurance cards so you can enroll for additional coverage. If you haven't yet enrolled in Medicare Part B, contact the Social Security Administration at [www.ssa.gov](http://www.ssa.gov) or by calling **1-800-772-1213 (TTY 1-800-325-0778)**.
- Confirm** your appointment with your Benefits Advisor if you plan to keep it and do not wish to enroll on your own. (For the date and time of your telephone appointment, see letter accompanying this guide.) Tell us at that time if you plan to have a Power of Attorney sign any enrollment forms on your behalf.
- Gather** the following information *before your telephone appointment* with your Benefits Advisor:

## Current Health Care Providers (primary care, specialists, etc.)

Name	Address	Phone Number

# Your Coverage Worksheet

Preferred Hospital	Address	Phone Number
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Preferred Pharmacy	Address	Phone Number
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## Current Prescriptions, Dosages, Frequency and Where/How

Medication	Dosage	Frequency	Pharmacy or Mail Order
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## Other Contacts (Power of Attorney, etc.)\*

Name	Address	Phone Number
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\*If a Power of Attorney will be signing any enrollment forms on your behalf, be sure to have all legal documentation ready to submit to the insurance company—and alert us when you call to confirm your appointment.

*Continued on next page*

# Your Coverage Worksheet

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**Be sure** to have the following handy before your call:

- Your Medicare insurance card (the red, white and blue card) and any other ID cards.
  - A list of features you like or dislike about your current health coverage.
  - All necessary legal documents if a Power of Attorney will be signing any enrollment forms on your behalf.
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**Go online** to the [Aon Retiree Health Exchange website](#) (see Web address in letter included with this guide) and:

- Activate your personal account.
  - Complete any action items you see in your online account, including the prescriptions you take.
  - Confirm your personal information, including your email address and whether you have a Power of Attorney.
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**Decide** which plan meets your needs and budget best:

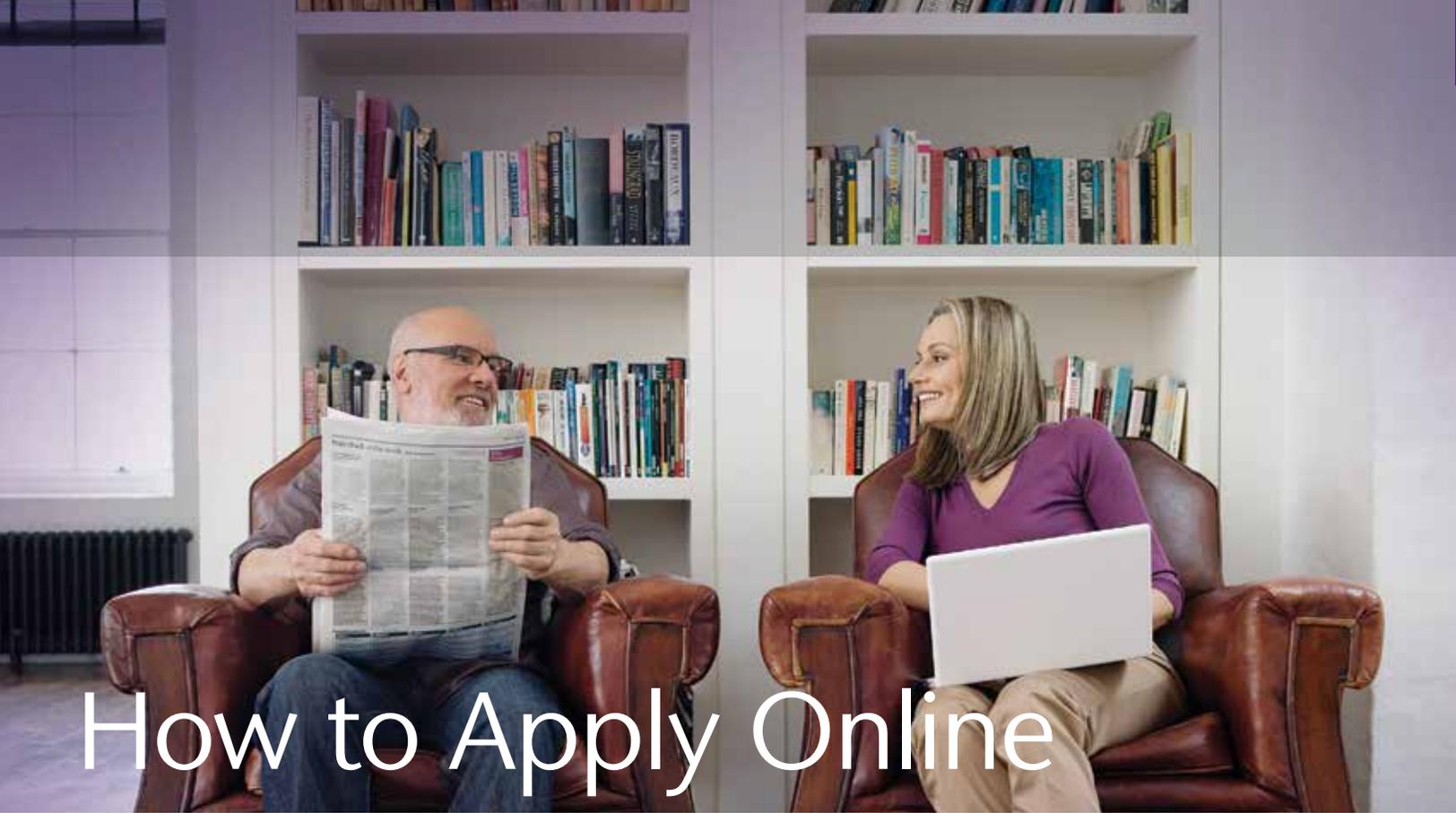
- Use this guide to get a better understanding of the types of plans available to you and which one best meets your health coverage needs.
- Get customized recommendations with online features that help you choose the perfect plan.

Use the “Help Me Choose” feature on our [website](#) to provide details about your preferred doctors and medications. This allows you to get customized plan comparisons, costs and recommendations based on your individual needs and budget. Don’t forget to consider dental and vision coverage to complete your overall health care benefits.

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**Apply** for coverage:

- Apply either [online](#) or over the phone with your Benefits Advisor.
- Choose automatic payment options that the insurance company offers to ensure timely payments of your premiums each month. This provides peace of mind that you won’t miss a payment.
- Your new insurance company will contact you to verify your enrollment (a Medicare requirement intended to protect you). Please take requested action promptly. Carefully review the insurance cards and plan information you receive.
- Begin making premium payments each month.



# How to Apply Online

The **Aon Retiree Health Exchange** offers a user-friendly website with all the information you need to choose additional Medicare coverage and feel confident in your choice. Applying online is quick, convenient and private. You can enroll whenever you want, day or night—there’s no waiting to meet with a Benefits Advisor. You can rest assured that the information you provide is always safe and secure.

Plus, it’s easy. To get started, refer to the letter that came with this guide. There you’ll find the individual account login information you’ll need to access the **Aon Retiree Health Exchange website** and activate your personal account. Then simply follow these steps:

- 1 Beginning October 1, 2016, you can get customized plan comparisons and costs based on your personal needs. Under “Find Plans” use the “Help Me Choose” option to refine your options and get recommendations for plans available to you in 2017.
- 2 Choose your coverage and add the plan to your shopping cart.
- 3 Be sure to complete and confirm all required fields on the online application (some information will be prefilled for your convenience) and then move through each step of the checkout process.
- 4 Once you complete your application, follow any special instructions you receive to complete the process including either an Electronic Signature or Voice Signature.
- 5 To learn more about individual dental and vision options, be sure to review the information provided in “Other Coverage” available online.

**Please note:** Each Medicare-eligible individual will need to take these steps to enroll in medical and prescription drug coverage online.

# Medicare Parts A and B

Medicare is the nation's largest health insurance program. It's designed to provide coverage for Medicare-eligible people due to age and/or disability, and people of any age with end-stage renal disease (permanent kidney failure requiring dialysis).

In general, here's what you should know about Medicare Parts A and B:

- **Part A** is *hospital* insurance that helps cover inpatient care in hospitals, skilled nursing facilities, and hospice, along with home health care.
- **Part B** is *medical* insurance that helps cover medically necessary services like doctors' services, outpatient care, durable medical equipment, home health services, and other medical services. It also covers some preventive services.  
To find out if you have Part B, check your Medicare card.

## How to sign up for Medicare Parts A and B

Before you can apply for Medicare insurance that includes additional medical coverage, you must enroll in Medicare Parts A and B. Here's how:

- Visit your local Social Security office
- Call Social Security at **1-800-772-1213 (TTY 1-800-325-0778)**
- Apply on the Social Security website, [www.ssa.gov](http://www.ssa.gov)
- If you worked for a railroad, call your local Railroad Retirement Board office or **1-877-772-5772**



### Questions?

To find out if something specific is covered under Part A and/or Part B, or for more information about Medicare, visit [www.medicare.gov](http://www.medicare.gov) or call **1-800-MEDICARE (1-800-633-4227; TTY 1-877-486-2048)** 24 hours a day, 7 days a week.

## Medicare Coverage at a Glance

	Medicare Part A	Medicare Part B
What's Covered	<p>Covered services include:</p> <ul style="list-style-type: none"> <li>• Inpatient care in hospitals (such as critical access hospitals, inpatient rehabilitation facilities and long-term care hospitals)</li> <li>• Inpatient care in a skilled nursing facility (not custodial or long-term care)</li> <li>• Hospice care services</li> <li>• Home health care services</li> <li>• Nursing home care</li> </ul>	<p>Part B covers two types of services:</p> <ul style="list-style-type: none"> <li>• <b>Medically necessary</b>—Services or supplies that are needed to diagnose or treat your medical condition and that meet accepted standards of medical practice</li> <li>• <b>Preventive</b>—Health care to prevent illness (like the flu) or detect it at an early stage</li> </ul> <p>Covered services include:</p> <ul style="list-style-type: none"> <li>• Doctor visits</li> <li>• Outpatient hospital care</li> <li>• Durable medical equipment and supplies</li> </ul>
What's Not Covered	<p>In general, here are the services and items that are NOT covered by Medicare Parts A and B:</p> <ul style="list-style-type: none"> <li>• Most outpatient prescription drugs*</li> <li>• Routine vision care</li> <li>• Long-term care</li> <li>• Routine dental care</li> <li>• Dentures</li> </ul>	<ul style="list-style-type: none"> <li>• Eye examinations</li> <li>• Cosmetic surgery</li> <li>• Acupuncture</li> <li>• Hearing aids and exams for fitting hearing aids</li> </ul>
What It Costs	<p>Many people don't have to pay a premium for Medicare Part A because they or their spouse paid Medicare taxes while working. This is referred to as "premium-free Medicare Part A." If you're not eligible for this and need to purchase Medicare Part A, you can expect to pay a premium of up to \$411 (in 2016) per month based on your work history.</p> <p>In most cases, if you choose to buy Part A, you must also have Part B and pay monthly premiums for both.</p>	<p>If you have Part B, you will pay a premium each month. Many people will pay the standard premium amount, which is \$121.80 (in 2016). <b>Social Security will contact those individuals who have to pay more based on their income.</b></p> <p>If you don't sign up for Part B when you're first eligible, you may have to pay a late enrollment penalty.</p>

\*With a few exceptions, most prescriptions are not covered. Financial protection is also limited under each part. Please refer to the complete *Medicare & You* handbook, available at [www.medicare.gov](http://www.medicare.gov), for a full review of Medicare Parts A and B coverage.

# Your Medicare Insurance Options

While Medicare Parts A and B cover a variety of hospital and medical costs, there may still be some gaps in coverage. For complete coverage, many people purchase additional Medicare insurance. The **Aon Retiree Health Exchange** is here to help you find an insurance plan that provides the safety net you need.

## Options to consider:

### OPTION 1

**Medicare Advantage Plans** provide medical benefits similar to those covered by Medicare Parts A and B, with greater financial protection. Most Medicare Advantage Plans also include Medicare Part D Prescription Drug coverage, although there are many plans available without that coverage (if desired).

OR

### OPTION 2

**Medicare Supplement (Medigap) Plans** are designed to “fill the gaps” of Medicare Parts A and B. However, these plans do not cover prescription drugs.



**Medicare Prescription Drug Plan (Part D)** coverage helps pay for the prescription drugs you may need.

## A quick comparison:

Coverage	Medical Services	Prescription Drugs	Financial Protection
Medicare Advantage	Covers at least the same services as Medicare Parts A and B and may cover additional services or supplies	More complete coverage (many plans)	More complete coverage (many plans)
Medicare Supplement (Medigap)	Helps pay for services and supplies not fully paid by Medicare Parts A and B and may cover other items	No coverage	No prescription coverage
Medicare Prescription Drug Plan (Part D)	None	More complete coverage	More complete coverage



**Medicare Cost Plans (available in some states)** are a type of Health Maintenance Organization (HMO). These plans may work in much the same way as Medicare Advantage Plans and have some of the same rules. In a Medicare Cost (MC) Plan, if you go to an out-of-network provider, the services are covered under Original Medicare. You would pay the Medicare Part A and Part B coinsurance and deductibles. Please ask your Benefits Advisor for further details related to MC Plans and to confirm if one is available in your state.

**Special Needs Plans (SNPs)** are plans specifically designed for those who are eligible for both Medicare and Medicaid, or who have been diagnosed with chronic conditions such as diabetes or cardiovascular disease. Contact a Benefits Advisor to better understand these plans and the options available in your area.

# Medicare Advantage

Medicare Advantage Plans, sometimes called “Part C” or “MA Plans,” are offered by private insurance companies and are approved by Medicare. If you join a Medicare Advantage Plan, you still have Original Medicare (Parts A and B). You will always have your Medicare Part A and Part B, but the insurance company is responsible for coordinating your care and paying claims.

In all types of Medicare Advantage Plans, you’re always covered for emergency and urgent care. Medicare Advantage Plans must cover all the services that Original Medicare covers except hospice care. Original Medicare covers hospice care even if you’re in a Medicare Advantage Plan. Medicare Advantage Plans aren’t supplemental coverage. Medicare Advantage Plans may offer extra coverage, such as vision, hearing, dental and/or health and wellness programs. Most Medicare Advantage Plans include Medicare Prescription Drug coverage (Part D).

## How much does a Medicare Advantage Plan cost?

In addition to your Medicare Part B premium, you will usually pay a monthly premium for your Medicare Advantage Plan. This premium may vary, depending on the services covered. Note that there may be plans available in your area that have no monthly plan premium. In many cases, there are no deductibles and for many medical services you will pay a copayment instead of coinsurance. Each plan is different, so you need to compare plans and understand the specifics of the plan before applying.

Medicare Advantage Plans have an out-of-pocket maximum, which provides you with financial protection by setting a yearly cap on how much you’ll have to pay for health services. This protection does not mean less coverage; however, Medicare Advantage Plans must cover all the services that Medicare Parts A and B cover, with the exception of hospice care (which remains covered under Medicare Part A).



### *Need prescription drug coverage? Be sure it's included!*

If you choose a Medicare Advantage HMO, Point-of-Service (POS), Preferred Provider Organization (PPO) Plan or Private Fee-For-Service (PFFS), you will *not* be able to enroll in a stand-alone Medicare Prescription Drug Plan (Part D). Be sure that your approach to Medicare insurance coverage includes prescription drug coverage before you apply.



### *Important considerations for plans*

- To apply for a Medicare Advantage Plan, you must be enrolled in Medicare Parts A and B.
- To receive maximum benefits from a Medicare Advantage Plan, you will generally need to receive care from the doctors, health care providers, facilities or suppliers who participate in the plan's network (if the plan includes network limitations).
- Before traveling, you should always check with your provider to understand benefits available to you.
- The design and specifications of Medicare Advantage Plans—including premiums, copayments, deductibles and covered services—may change each year. To ensure that your needs are met, [review available plans online](#) for a more customized experience. You can view plan comparisons, costs and recommendations based on your needs and budget. Or, set up an appointment with your Benefits Advisor to evaluate your options. We're here to help you every step of the way.

## Medicare Advantage Plan comparison chart

Type	Doctors and Hospitals	Referrals
Health Maintenance Organization (HMO) Plans	In most HMOs, you can only go to doctors, other health care providers or hospitals on the plan’s list except in an emergency. You may also need to get a referral from your Primary Care Physician (PCP).	Your PCP may need to provide referrals for hospital and specialized care.
Medical Savings Account (MSA) Plans	MSA Plans combine a high-deductible health plan with a bank account. Medicare deposits money into the account (usually less than the deductible). You can use the money to pay for your health care services during the year.	Typically, no referrals are needed for hospital or specialized care.
Point-of-Service (POS) Plans	POS Plans may allow you to visit doctors and hospitals outside their network for some covered services, usually for a higher copayment or coinsurance.	Some POS Plans do not require referrals for specialty services.
Preferred Provider Organization (PPO) Plans	In a PPO, you pay less if you use doctors, hospitals and other health care providers that belong to the plan’s network. You pay more if you use doctors, hospitals and providers outside of the network.	Typically, you don’t need a referral. However, you may need plan approval for certain services. Check with your plan provider for full details.
Private Fee-for-Service (PFFS) Plans	PFFS Plans are similar to Original Medicare in that you can generally go to any doctor, other health care provider, or hospital as long as they agree to treat you. The plan determines how much it will pay doctors, other health care providers, hospitals and how much you must pay when you get care.	No referrals are needed for hospital or specialized care. However, you may need plan approval for certain services. Check with your plan provider for full details.
Special Needs Plans (SNPs)	SNPs are specifically designed for those eligible for both Medicare and Medicaid—and anyone who has been diagnosed with certain chronic conditions such as diabetes or cardiovascular disease. You generally get care and services from doctors, other health care providers or hospitals in the plan’s network (except emergency care, out-of-area urgent care or out-of-area dialysis).	In most cases, referrals are needed. Certain services, like yearly screening mammograms, don’t require a referral. Check with your plan provider for full details.
<b>Other Types of Medicare Health Plans</b>		
Medicare Cost (MC) Plans	MC Plans are a type of Medicare Health Plan available in certain areas of the country.	No referrals are needed for hospital or specialized care. However, you may need plan approval for certain services. Check with your plan provider for full details.

## Medicare Advantage Plan comparison chart

Prescription Drugs	Notes
<p>HMO members cannot enroll in a stand-alone Medicare Part D Prescription Drug Plan. Be sure the HMO Plan you select includes prescription drug coverage before you enroll.</p>	<p>These plans are often the least expensive and can provide excellent value and well-coordinated care in areas where there are strong HMO Plans with an extensive network of providers.</p>
<p>You must enroll in a stand-alone Medicare Part D Prescription Drug Plan if you want drug coverage.</p>	<p>Your MSA will be funded up to a preset dollar amount each year. You use these funds to pay for services (excluding prescriptions) until you meet your deductible, which is usually higher than in other plans. Once you reach the deductible, you're responsible for paying coinsurance (a percentage of the costs) until you reach the out-of-pocket maximum, after which your insurer pays 100%. Any money remaining in your account at the end of the year carries over into subsequent years.</p>
<p>In most cases, yes, but ask the plan. If you want Medicare drug coverage, you must join an HMO Plan that offers prescription drug coverage.</p>	
<p>PPO members cannot enroll in a stand-alone Medicare Part D Prescription Drug Plan. Be sure the PPO Plan you select includes prescription drug coverage before you enroll.</p>	<p>PPO Plans offer flexibility to choose from a wide range of health care providers, often for an affordable price.</p>
<p>You can elect a PFFS Plan that has prescription drug coverage, or enroll in a stand-alone Medicare Part D Prescription Drug Plan.</p>	<p>Some health care providers do not accept PFFS Plans. Check with your doctors to make sure they accept PFFS Plans before enrolling.</p>
<p>All SNPs must provide Medicare Part D Prescription Drug coverage.</p>	<p>Plans should coordinate the services and providers you need to help you stay healthy and follow doctors' or other health care providers' orders. If you have Medicare and Medicaid, your plan should make sure that all the plan doctors or other health care providers you use accept Medicaid. If you live in an institution, make sure that plan providers serve people where you live.</p>
<p>You can elect an MC Plan that has prescription drug coverage, or enroll in a stand-alone Medicare Part D Prescription Drug Plan.</p>	<p>MC Plans are available in every state. Please check online or with your Benefits Advisor<sup>1</sup> to see if one is available in your area.</p>

# Medicare Supplement (Medigap) + Medicare Prescription Drug Plan (Part D)

## Medicare Supplement (Medigap)

As the name suggests, Medicare Supplement (Medigap) insurance is designed to fill gaps in Medicare Parts A and B coverage by assuming responsibility for various costs not covered by Original Medicare.

While there are a number of different Medicare Supplement (Medigap) Plans, their benefits are standardized in each state. This means that within your state, the coverage of each plan offered by one insurance company will be the same as the coverage for the same plan offered by any other insurance company. The difference among the Medicare Supplement (Medigap) Plans within your state lies in the details of how much coverage they offer and which gaps they fill.

### How much does a Medicare Supplement (Medigap) Plan cost?

You will pay a monthly premium for your Medicare Supplement (Medigap) policy in addition to your monthly Medicare Part B premium. Premiums vary based on the plan you choose. Insurance companies may charge different premiums for exactly the same coverage.



#### *Be informed*

Medicare Supplement (Medigap) Plans do not cover prescription drugs. If you choose a Medicare Supplement (Medigap) Plan, consider enrolling in a Medicare Prescription Drug Plan (Part D) as well.

The table below is a summary of what each standardized Medicare Supplement (Medigap) Plan (A to N) covers.

With Plan F, you only pay the monthly premium and pay nothing additional for a Medicare-covered procedure when you see a doctor or go to a hospital that accepts Medicare.

(A check mark [✓] indicates areas where the plan pays 100% of the benefit cost.)

## 2016 Medicare Supplement (Medigap) Plans

Medicare Supplement (Medigap) Benefits	A	B	C	D	F <sup>1</sup>	G	K <sup>2</sup>	L <sup>2</sup>	M	N <sup>3</sup>
Medicare Part A Coinsurance and Hospital Costs (up to 365 days after Medicare benefits are used up)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part A Deductible		✓	✓	✓	✓	✓	50%	75%	50%	✓
Skilled Nursing Facility Care Coinsurance			✓	✓	✓	✓	50%	75%	✓	✓
Medicare Part A Hospice Care Coinsurance or Copayments	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Medicare Part B Deductible			✓		✓					
Medicare Part B Coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓ <sup>3</sup>
Medicare Part B Excess Charges					✓	✓				
Blood (first three pints)	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Foreign Travel Emergencies (up to plan limits)			80%	80%	80%	80%			80%	80%

<sup>1</sup>Some insurance companies offer a high-deductible version of Plan F, which requires you to pay a deductible of \$2,180 before these costs are covered (in 2016).

<sup>2</sup>Maximum out-of-pocket expenses of \$4,940 for Plan K and \$2,470 for Plan L apply (in 2016).

<sup>3</sup>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 don't result in an inpatient admission (in 2016).

**Medicare Supplement (Medigap) Plans and their benefits: All states except Massachusetts, Minnesota, and Wisconsin. Plans in these states are different. If you live in one of these states, go online to review the plans available in your area, or discuss your options with your Benefits Advisor.**

# Medicare Supplement (Medigap) + Medicare Prescription Drug Plan (Part D)

## Medicare Prescription Drug Plan (Part D)

**Medicare Prescription Drug Plan coverage helps you pay for prescription drugs that are not covered by Medicare Parts A and B.** Medicare Prescription Drug Plan coverage is insurance available from an insurance company or other private company that is approved by Medicare.

There are two ways in which you can obtain the prescription drug coverage you need:

- **Medicare Prescription Drug Plans (PDPs)** can be added to Medicare Parts A and B, and while most commonly added to Medicare Supplement (Medigap) Plans, they can also be added to other types of Medicare Plans (Medicare Cost Plans, etc.).
- **Medicare Advantage Prescription Drug (MAPD) Plans** are Medicare Advantage Plans (see page 10 for details) that include prescription drug coverage. If you enroll in a Medicare Prescription Drug Plan, you will not need to enroll in a separate PDP. Note that while most Medicare Advantage Plans cover prescription drugs, some plan types allow you to add drug coverage if it's not already included.



### *Important considerations for plans*

- You must be enrolled in Medicare Part A and/or Part B before you can apply for a Medicare Prescription Drug Plan.
- Unless you have coverage from another source that is considered comparable to Medicare's (known as "creditable" coverage), you may pay a penalty if you don't enroll in Medicare Prescription Drug Plan coverage when you are first eligible.
- Each Medicare Prescription Drug Plan has a "formulary," which is a list of approved drugs. All drugs listed on your plan's formulary will be covered by the plan. The good news is that all Medicare Prescription Drug Plans must cover medications that treat almost every medical condition.
- If you have limited income and assets, you may be eligible for the Extra Help program to pay your premiums and drug costs. Contact the Social Security Administration at [www.ssa.gov](http://www.ssa.gov) or by calling **1-800-772-1213 (TTY 1-800-325-0778)** for more information.
- If you have other prescription drug coverage, such as Veterans Affairs (VA) coverage, you may not need additional Part D drug coverage. Be sure to discuss any other drug coverage, like TRICARE®, Federal Employee Health Benefits coverage or State Pharmaceutical Assistance Programs, with your Benefits Advisor.

## How much does Medicare Prescription Drug Plan (Part D) coverage cost?

The cost of Medicare Prescription Drug Plan coverage varies with the plan you choose. As with most other insurance plans, you must pay a monthly premium for your Medicare Prescription Drug Plan. Here's how the coverage works:

Expense	Description	Your Cost (varies by plan; 2016 approximate ranges)
Premium	This is the monthly cost of your Medicare Prescription Drug Plan coverage in addition to your Part B premium. Regardless of whether you use your plan to purchase prescription drugs, you will be responsible for paying this premium.	\$0–\$100 per month
Deductible	This is the amount you pay out-of-pocket for your prescriptions each year before your plan begins to pay. Some plans don't have a deductible.	\$0–\$360 per year
Coinsurance	Once you've satisfied your deductible (if required), you and the Medicare Prescription Drug Plan share the cost of your prescriptions. This is a percentage of the total cost of the prescription. The amount may vary depending on whether you require a brand-name or generic prescription.	Depends on plan
Copayment	Some plans require that you pay a set dollar amount for each prescription, as opposed to a percentage of its cost (see "Coinsurance" above). This amount may vary depending on whether you require a brand-name or generic prescription. Coinsurance and copayments are often "either/or," so you'll rarely have to pay both.	Depends on plan
Coverage Gap, or Donut Hole	Most Medicare Prescription Drug Plans have a coverage gap, or "donut hole." This means that after you and your plan have spent a certain amount of money for covered prescriptions, you may have to pay higher costs out-of-pocket for other prescriptions, up to an annual limit.	Once you enter the coverage gap, you pay 45% of the plan's costs for covered brand-name drugs and pay 58% of the plan's cost for covered generic drugs until you reach the end of the coverage gap. Some plans provide additional coverage in the donut hole. There will be additional savings in the coverage gap each year through 2020.
Catastrophic Coverage	Once you've spent \$4,850 out-of-pocket in 2016, you're out of the coverage gap. Once you get out of the coverage gap (Medicare prescription drug coverage), you automatically get "catastrophic coverage." It assures you only pay a small coinsurance amount or copayment for covered drugs for the rest of the year.	After your out-of-pocket costs (including the rebate for brand-name drugs purchased in the coverage gap) reach \$4,850 (in 2016), you will then pay only a small percentage of your prescription costs.

# Making the Right Choice: Medicare Advantage or Medicare Supplement?

Finding the right Medicare insurance can be challenging, but the **Aon Retiree Health Exchange** provides the support and resources you need to make an informed decision. By using our website or speaking with a Benefits Advisor, you can explore your options, understand the differences between individual plans, and then apply—all at no additional cost to you. We’re dedicated to helping you find a plan that fits your needs while protecting you against the unexpected medical costs.

## Compare Medicare Advantage and Medicare Supplement (Medigap) Plans:

	Medicare Advantage (with prescription drug coverage)	Medicare Supplement (Medigap) + Medicare Prescription Drug Plan
Copayments/ Coinsurance/ Deductibles	Varies by plan	Varies by plan
Health Care Provider	Varies by plan; some restrictions or network pricing for certain providers may apply	See any Medicare provider
Prescription Drug Coverage	Yes (often included or available via enrollment in a stand-alone Medicare Prescription Drug Plan)	Yes (via enrollment in a stand-alone Medicare Prescription Drug Plan)
Other Considerations	<ul style="list-style-type: none"> <li>• Can be a good value since less expensive than Medicare Supplement (Medigap) Plans</li> <li>• Plans can change every year</li> <li>• Some plans have extra benefits available</li> <li>• Medical underwriting not required</li> </ul>	<ul style="list-style-type: none"> <li>• Generally a good value if you need frequent medical care</li> <li>• Plans are standardized</li> <li>• Covers Medicare services only</li> <li>• Medical underwriting may be required</li> </ul>
Might Make Sense if You...	<ul style="list-style-type: none"> <li>• Are open to potentially changing your doctors since the network is defined</li> <li>• Visit your doctors rarely and don't mind paying per-visit copayments and coinsurance</li> <li>• Would prefer to receive your benefits from one plan, have one card and pay one premium</li> </ul>	<ul style="list-style-type: none"> <li>• Want flexibility in choosing your doctors since Medicare Supplement (Medigap) is accepted by all doctors who accept Medicare</li> <li>• Visit your doctors frequently since copayments and coinsurance for visits are generally covered by your premium, depending on the plan you select</li> <li>• Travel extensively since Medicare Supplement (Medigap) is widely accepted</li> </ul>



## *Important plan information*

- The benefit information provided in this guide is a brief summary, not a complete description of benefits.
- Limitations, copayments and restrictions may apply.
- Benefits, formulary, pharmacy network, premium and/or copayments/coinsurance may change. Be sure to read any information sent to you by your insurance company.
- You must continue to pay your Medicare Part B premium to maintain enrollment in a medical plan.
- A Private Fee-for-Service (PFFS) Plan is not a Medicare Supplement (Medigap) Plan, it is a Medicare Advantage Plan. Providers who do not contract with the plan are not required to see you except in an emergency.
- Medical Savings Account (MSA) Plans combine a high-deductible Medicare Advantage Plan and a trust or custodial savings account (as defined and/or approved by the IRS). The plan deposits money from Medicare into the account. You can use this money to pay for your health care costs, but only Medicare-covered expenses count toward your deductible. The amount deposited is usually less than your deductible amount, so you generally have to pay out-of-pocket before your coverage begins.

Medicare MSA Plans don't cover prescription drugs. If you join a Medicare MSA Plan, you can also join any separate Medicare Prescription Drug Plan.

- There are additional restrictions to join an MSA Plan, and enrollment is generally for a full calendar year unless you meet certain exceptions. Those who disenroll during the calendar year will owe a portion of the account deposit back to the plan. Contact the plan for additional information.
- Medicare has neither reviewed nor endorsed this information.



# Help After You Enroll

Services through the **Aon Retiree Health Exchange** do not stop after you enroll. If you have questions about your plan or problems resolving an issue with your insurance carrier, help is just a phone call away. If you enrolled in a Medicare insurance plan through us, our advocacy services are available at no additional cost.

Our advocates are experienced with Medicare insurance plans, billing procedures, claims and appeals, and solving access-to-care problems. Beyond their professional expertise, they also understand how frustrating and stressful any issues you encounter can be. That's why they're dedicated to providing guidance and the solutions you need, when you need them.

## What to do if you have questions or issues:

- 1 **Start by contacting your insurance plan provider.** If you have an issue regarding a bill or have a coverage question, always call your insurance company first to attempt to resolve the issue.
- 2 **Contact the Aon Retiree Health Exchange.** Our team of professionals can help resolve your issue—whether that means finding a solution themselves or connecting you with someone who can.

## Overview of what advocates can do for you:

- Help navigate Medicare insurance claims, billing disputes and other issues.
- Research and provide guidance on tough health care and benefit issues, including access to care, eligibility, claims and Medicare questions.
- Apply their comprehensive understanding of your benefits plan to research and identify solutions to help address your challenges.



### *We are here to help you*

Your personalized letter includes a special phone number that will connect you to a Benefits Advisor, as well as account log in information for our website. **You can also contact us as follows:**

**Web:** [retiree.aon.com](https://retiree.aon.com)

**Phone:** **1-800-350-1470 (TTY use 711 relay),**  
Monday–Friday, 8 a.m.–8 p.m. Central Time. Closed on holidays.



## What to expect going forward

Generally, you do not need to enroll each year, provided you continue to be satisfied with your plan and can continue to pay the premiums. However, here are a few things to consider each fall:

- We will send you a reminder that the Medicare Open Enrollment Period is approaching. The Medicare Open Enrollment Period is usually October 15–December 7 each year.
- Your insurance provider is required to send you information about plan or pricing changes as well. Always open, review and save information provided by your insurance carrier(s).
- If you are comfortable with those changes, no action is required.
- You can visit our website for more customized plan comparisons and recommendations based on your individual needs and budget. Enter details about your doctors and medications to get a more accurate estimate of your coverage costs to help in selecting the best plan for you. Be sure to explore our plans for dental and vision to complete your overall health care benefits, if supported by your employer.

# Contacts and Resources

## Aon Retiree Health Exchange



Go online [retiree.aon.com](https://retiree.aon.com)



Call **1-800-350-1470 (TTY use 711 relay)**, available Monday–Friday from 8 a.m. to 8 p.m. Central Time; closed holidays

## My Benefits Advisor:

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## Medicare

- Go online [www.medicare.gov](https://www.medicare.gov)
- Call **1-800-MEDICARE (1-800-633-4227; TTY 1-877-486-2048)**, available 24 hours a day, 7 days a week

## Social Security

- Visit your local Social Security office
- Go online [www.ssa.gov](https://www.ssa.gov)
- Call **1-800-772-1213 (TTY 1-800-325-0778)**

## Railroad Retirement Benefits

- Call your local Railroad Retirement Board office or **1-877-772-5772**
- Go online [www.rrb.gov](https://www.rrb.gov)

## Other Resources:

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## About Us

**Aon Retiree Health Exchange** is available through Aon Hewitt Health Market Insurance Solutions, Inc., a third party marketing organization (TMO), retained to promote or sell a plan sponsor's Medicare products on the plan sponsor's behalf who holds the contract with the Federal government.

Aon Hewitt Health Market Insurance Solutions Inc. is an Aon Hewitt company.

## About Aon Hewitt

Aon Hewitt empowers organizations and individuals to secure a better future through innovative talent, retirement and health solutions. We advise, design and execute a wide range of solutions that enable clients to cultivate talent to drive organizational and personal performance and growth, navigate retirement risk while providing new levels of financial security, and redefine health solutions for greater choice, affordability and wellness. Aon Hewitt is the global leader in human resource solutions, with over 35,000 professionals in 90 countries serving more than 20,000 clients worldwide across 100+ solutions. For more information on Aon Hewitt, please visit [www.aonhewitt.com](http://www.aonhewitt.com).



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