The health care law, the Affordable Care Act, expands health insurance with more benefits and greater access for more people and more affordable coverage for many. A key part of the law is to strengthen Medicare.

**Medicare Benefits are Secure** – Under the new health care law, your guaranteed Medicare-covered benefits won’t be reduced or taken away.

**You Choose Your Doctor** – The new law does not change how you select your own doctor. You will continue to choose your doctors based on Medicare guidelines. If you are enrolled in a Medicare Advantage Plan or group health plan, different rules may apply. Check with your plan provider for details.

**Prescription Drugs** – The Medicare Part D prescription drug program is going through changes over the next few years.

Most Medicare drug plans have a coverage gap (known as the “donut hole”). This means there is an initial limit on what the drug plan will cover for prescription drugs. If you reach the coverage gap in your Medicare Part D prescription drug coverage, this table shows you what you will pay through 2020.

<table>
<thead>
<tr>
<th>Year</th>
<th>% You Pay for Brand Name Drugs in the Coverage Gap</th>
<th>% You Pay for Generic Drugs in the Coverage Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>47.5%</td>
<td>79%</td>
</tr>
<tr>
<td>2014</td>
<td>47.5%</td>
<td>72%</td>
</tr>
<tr>
<td>2015</td>
<td>45%</td>
<td>65%</td>
</tr>
<tr>
<td>2016</td>
<td>45%</td>
<td>58%</td>
</tr>
<tr>
<td>2017</td>
<td>40%</td>
<td>51%</td>
</tr>
<tr>
<td>2018</td>
<td>35%</td>
<td>44%</td>
</tr>
<tr>
<td>2019</td>
<td>30%</td>
<td>37%</td>
</tr>
<tr>
<td>2020</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
</table>

- Then, in the gap, you pay the cost of prescription drugs (at discounted rates) until you reach the coverage threshold ($4,750 in 2013). At this time, you qualify for “catastrophic coverage,” and you are responsible for only 5% of your prescription costs for the rest of the year.
- You will pay less for brand-name and generic prescription drugs while you are in the coverage gap. (These discounts do not apply for individuals who receive a low-income subsidy.)
- By 2020, once your deductible is met, you will pay only 25% of your covered drug costs. The reduced cost continues until you reach the yearly out-of-pocket spending limit.
- The drug coverage gap “donut hole” will be fully closed by 2020.

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The information provided in this document is based on current information, should not be considered comprehensive and should not be relied upon for benefit decisions. It should not be considered legal or tax advice.

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Preventive Services
• You will be able to get a yearly wellness exam without any out-of-pocket expenses.
• Medicare now covers certain preventive services at 100%. There is no added out-of-pocket cost for preventive care such as flu shots, preventive mammograms, colonoscopies, osteoporosis screening and immunizations.

Skilled Nursing Facilities and Services at Home
• Skilled nursing facilities will publish information about the owners and how they operate to help people compare places.
• High-need Medicare patients will have access to basic health care services in their homes. This will help prevent hospital stays and improve their satisfaction.

Tax Changes
• The Medicare Part A (hospital insurance) tax rate on wages will be increasing for higher-income taxpayers (individuals earning more than $200,000 and couples earning more than $250,000) by 0.9% – from 1.45% to 2.35%, beginning in 2013.
• The law freezes the income thresholds for the Medicare Part B and Part D income-related premium at 2010 levels ($85,000 for an individual, $170,000 for a couple) through 2019. It also adds a new income-related premium for Part D.

Resources for Medicare Beneficiaries
• Learn more and enroll in a health plan for 2014: bcbsil.com
• The official government site for all Medicare topics with Q&A, links, coverage and costs: Medicare.gov
• Email updates from the Department of Health & Human Services. Sign up on the website: www.hhs.gov/news/email/index.html

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