Medicare for Seniors

Health products underwritten by Mutual of Omaha Insurance Company

For Producer Use Only. Not for use with the general public.

Why Mutual of Omaha?

- A financially strong company with:
  - -brand name recognition
  - -quality products, excellent service and
  - -committed to our community as demonstrated with our Wild Kingdom and sponsorship programs

Why Mutual of Omaha?

- A financially strong company since 1909
- Rated A+ (Superior) by A.M. Best
- Second of 16, for financial strength and ability to meet contractual obligations

Why Mutual of Omaha?

- A provider of Medicare supplement insurance since 1966

- Our companies have paid $7.5 billion in Medicare supplement benefits*

- We paid $1.2 billion in Medicare supplement benefits in 2010 alone*

*Mutual of Omaha Actuarial Research, 2011

Why Mutual of Omaha?

- Our Medicare supplement rates are top in the industry
- We have timely underwriting
- We have a competitive compensation package
- Offer world class travel with incentive trips

Top in the Industry

- Ranked top three provider
- Ranked 1st in agent sold Medicare supplement policies
- Our earned premium has increased 82.2% since 2006

Medicare Coverage

Medicare Coverage

Medicare serves 47.5 million Americans

- 39.6 million seniors
- 7.9 million disabled persons
- Average benefit per enrollee-$10,863

Source: "2011 Medicare Trustee Report"

Medicare - What is it?

Medicare is a government regulated health insurance program that provides coverage to:

- People age 65 and older
- People who are disabled
- People who are in permanent kidney failure
- People who have ALS (Lou Gehrig's disease)

Medicare Eligibility-Part A

A person is eligible for Part A at age 65* whether working or retired, if that person has been covered by Social Security long enough to qualify for benefits.

* Some states allow coverage for individuals under age 65.

Medicare Eligibility-Part A

- A person who is under age 65 can get Part A benefits without paying premiums if he or she has received Social Security or Railroad Board disability benefits for 24 months.
- People with ALS get Part A the month their disability benefits begin.
- Persons, aged 65, who are not eligible under these conditions may enroll in Part A by paying the full cost.

Medicare Enrollment-Part A

Part A is premium-free for those who are eligible for Social Security or Railroad Retirement benefits.

Medicare Enrollment-Part B

- Everyone who is entitled to Part A is automatically enrolled in Part B, but may reject it.
- There is a premium charge for Part B.
- Participants are encouraged to purchase Part B because the federal government pays three-fourths of the premium cost.

Initial Enrollment Period

An individual may join Medicare:

- No sooner than three months prior to the month of his or her 65th birthday.
- During the month of his or her 65th birthday.
- No later than three months after the month of his or her birthday.
- In most instances, Mutual takes Medicare Supplement applications six months prior to an individual turning age 65.

Medicare Coverage

Medicare is divided into two parts:

- Part A—in-patient hospital insurance
- Part B—supplemental medical insurance

Medicare – Part A

Part A provides in-patient hospital care

- Pays for a portion of services in
  - hospitals,
  - skilled nursing facilities,
  - home health care and
  - hospice care
- Doesn’t cover physician or medical services

Covered Hospital Services

Mutual of Omaha

Part A covered hospital services :

- Room and board (semiprivate)
- Operating and recovery room costs
- Laboratory tests and x-rays
- Drugs and medical supplies such as dressings
- General nursing and rehabilitation services
- Durable Medical Equipment
- Blood Transfusions (after first three pints)

Benefit Periods

Mutual of Omaha

A benefit period:

- BEGINS the first day a person receives Medicare covered services in a hospital and
- ENDS when the patient has been out of the hospital or skilled nursing facility for 60 days in a row.

New Benefit Period

- If a person enters a hospital again after 60 days, a new benefit period begins.

- All Part A benefits (except for the lifetime reserve days) are renewed.

- There is no limit to the number of benefit periods a person can have for hospital or skilled nursing facility care.

Reserve Days

- Hospital inpatient reserve days are a lifetime reserve of 60 days.
- A reserve day can be used only one time.
- Reserve days are not renewable for a second benefit period the way the first 90 days are.

Inpatient Hospital Benefits

Inpatient Hospital Coverage - Part A

- Participant pays $1,156.00 for first 60 days
- The participant's coinsurance is:
  - $289 for days 61-90
  - $578 for days 91-150 (Lifetime Reserve)
  - Full cost for days 151st and after

  (Medicare pays $0 cost)

Skilled Nursing Facility Care

- Medicare helps pay up to 100 days of care during a benefit period.

- Medicare will pay benefits only if the skilled nursing facility (primarily provides skilled nursing and rehabilitation services) is certified by Medicare.

Skilled Nursing Facility Care

Mutual of Omaha

Skilled Nursing Care Services:

- Semiprivate room and all meals
- Regular nursing and rehabilitation services
- Medications and medical supplies and appliances

Skilled Nursing Care Benefits

- Participant's Coinsurance is:
  - $0 for the first 20 days (Medicare pays 100%)
  - $144.50 a day for days 21-100
  - 100% (Medicare pays 0% after day 100)

Home Health Care Services

Covered home health care services when confinement is at home include:

- Part-time nursing care
- Physical, speech and occupational therapy
- Medical social and home health aide services
- Use of medical supplies and durable medical equipment

There is no longer a requirement for hospitalization nor any maximum on the number of visits.

Home Health Care Benefits

To receive Medicare home health care benefits, an individual must meet four conditions:

1. A physician certifies the individual needs care at home and develops a plan of care.
2. The individual needs skilled nursing care or therapeutic nursing services.
3. The individual must be confined to home.
4. The agency must be Medicare approved.

Home Health Care Benefits

Home Health Care benefits:

- Participant pays nothing except for durable medical equipment which is subject to a 20% coinsurance under Part B.

Services must be provided by a Medicare certified home health agency. A home health agency is defined as a public or private agency that specializes in skilled nursing services and other therapeutic nursing services.

Hospice Benefits-Part A

Part A can pay for hospice care for terminally ill persons. Covered services include:

- Physician services/Nursing care
- Medical appliances and supplies
- Outpatient drugs for pain relief
- Short-term in-patient care
- Counseling/therapies
- Home health aide and homemaker services

Hospice Benefits

Hospice benefits are paid as follows:

- Medicare pays 100% for covered services.
- Participant pays: limited cost for outpatient drugs and inpatient respite care.

Blood

- Blood is covered under Medicare Part A and Part B.
- When blood is required, participant pays for first three pints.

Medicare – Part B

Mutual of Omaha

Part B can help pay for:

- Physician and surgeon services
- Home health visits for patients requiring skilled care
- Physical therapy and speech pathology services on an outpatient basis and on a limited basis in the patient's home.
- Miscellaneous medical services and supplies

Medicare Part B Benefits

The Participant pays:

- The Part B calendar year deductible -$140
- 20% of the Coinsurance

Medicare Approved Charges

- Medicare bases it payments on “reasonable charges.”
- Medicare can pay only 80% of the **approved** charge, even if it is less than the actual charge.
- For entities not taking “assignment” the Medicare beneficiary would pay any excess charges.

Medicare 2012 Deductibles

In-Patient Hospital Benefit	Cost to Participant
First 60 days	$1,156 for each benefit period
Days 61-90	$289 per day
Days 91-150	$578 per “lifetime reserve day”
Days 151 and after	Full cost of all hospital charges

Medicare 2012 Deductibles

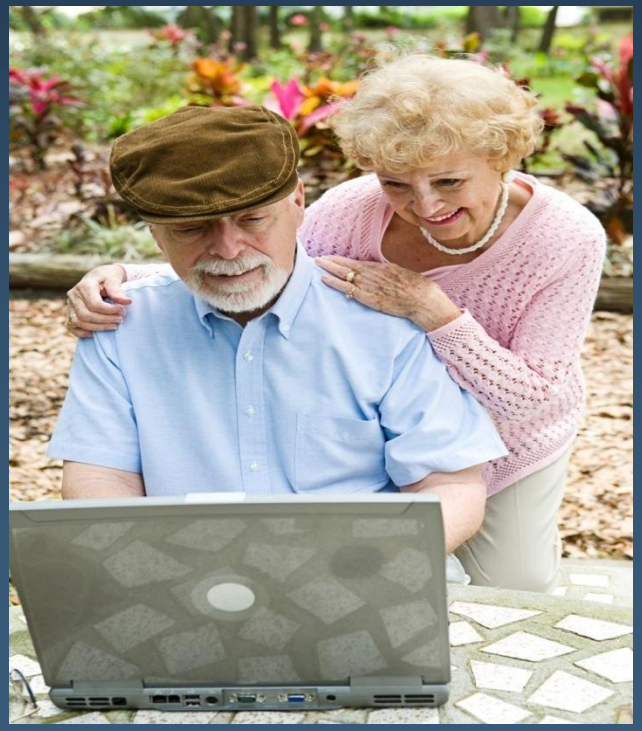
Home Health Care	•$0 for home health care services •20% for durable medical equipment
Hospice Care	•$0 for hospice care •Co-pay up to $5 per prescription •5% of approved inpatient respite care
Skilled Nursing Facility Stay	•$0 for first 20 days each benefit period •$144.50 for days 21-100 in a benefit period •All costs after day 100 in a benefit period
Part B Deductible	$140 yearly for Part B covered services or items

Exclusions

Medicare provides basic protection, it does not cover all of a person's health care expenses. It does not pay for:

- Services not reasonable, necessary or outside the U. S.
- Personal comfort items and most immunizations
- Cosmetic surgery, drugs or medicines taken at home (except for hospice)
- Eye exams/Dental /Foot care/Hearing aids/Acupuncture
- Private nurses
- Custodial care/intermediate care/skilled care beyond 100 days a year.

Medicare 2012



Medicare Background

- **Omnibus Budget Reconciliation Act of 1990-**developed model law to standardize core plan and allowed companies to sell up to nine standard plans
- **Medicare Modernization Act of 2003-**added plans K and L and Part D
- **Medicare Improvements for Patients and Providers Act of 2008-**authorized states to put a revised Medigap law and regulation into effect

Medicare Background

- **Patient Protection and Affordable Care Act-**expanded health insurance and reformed the health care delivery system.
- **Health Care and Education Reconciliation Act of 2010-** amended the Patient Protection and Affordable Care act

Medicare Changes

- Medicare Part B
  - Increased Premiums for High-Income Beneficiaries
  - Physician Compare Website
  - Expanded Coverage of Preventive Services

Medicare Changes

- Medicare Part C
  - Cost-sharing
  - Disenrollment
  - Plan Formularies
  - Payment rates to MA plans
  - Special Needs Plans

Medicare Changes

- Medicare Part D
  - Annual Coordinated Election Period
  - Coverage Gap
  - Formularies
  - Low Income Subsidy
  - TrOOP

Medicare Supplement Plans

Medicare Supplement Insurance

Mutual of Omaha

Basic Things You Should Know:

- Duplicate coverage is not allowed.
- Must provide an outline of coverage and "Guide to Health Insurance for People with Medicare" to each Medicare client at the time of sale.
- Mailing a blank application for prospecting is not allowed.
- Policy must be delivered within 30 days from date of issue.

Medicare Supplement Insurance

- Plans and outlines-filing the same underwriting company and plan letters (A, C, D, F, G, and M) as our current plans in various states (not marketing in MA)
- Underwriting rules-no changes to current rules
- Applications- changes based upon specific states (see Forms and Materials on SPA)

Medicare Supplement Plans

Mutual of Omaha

Medicare Plans A – G

- Part A deductible
- Part A coinsurance
- Lifetime reserve days
- Additional 365 days
- Skilled nursing facility care
- Blood (first three pints)

Medicare Supplement Plans

Mutual of Omaha

Medicare Plans A – G

- Part B deductible
- Part B coinsurance
- Emergency care outside the U.S.
- Part B excess charges

Medicare SELECT

- Medicare SELECT contains a group of participating network hospitals.
- Part A deductible is waived when services are received from participating network hospitals.
- If services are received out of network, Part A deductible is not waived.
- We will cover the cost of Part A deductible when Insured receives emergency services from a nonparticipating hospital.

Medicare SELECT

Plans B – G

- Part A deductible
- Part A coinsurance
- Lifetime reserve days
- Additional 365 lifetime reserve days

Medicare SELECT

Plans B – G

- Skilled nursing facility care
- Hospice
- Part B deductible
- Part B coinsurance
- Blood (first three pints)
- Part B excess charges
- Emergency care outside the U.S.

Underwriting

Underwriting

Health

- Policies are selectively issued
- No eliminations, benefit limitations or premium rate-ups will be used
- Applicant will be accepted or declined
- If any health question is answered “Yes” the applicant is not eligible for coverage.

Underwriting

Guarantee Issue for Eligible Persons

- Guarantee issuance if individual applies within 63 days of losing coverage and
- He or she submits evidence of the date of the termination with the application.

Completing the Application

Basic points to follow when completing the application.

- Only completed applications may be sent through the mail
- Black ink is preferred
- No blank spaces, “not applicable”, “N/A” or a wavy line can be accepted as an answer to a question.
- Any section which is “X’d” out, lined out, whited out or blocked out is not acceptable.
- Always recheck the application and the entire application must be received intact by Mutual.

Completing the Application

- You must be licensed to sell in the state where the prospect is at the time of solicitation.
- The applicant's state of residence controls the application, forms and premium.
- Incomplete application submissions will be returned to you.
- If you solicited the business, you must sign the application.
- You cannot sign blank applications.

Underwriting

- Our underwriting team wants to get your business issued quickly.
- Call them to discuss the details of a case and expedite the underwriting process.

1-800-995-9324 - Medicare Supplement

Medicare Supplement e-Application

Mutual of Omaha

You can complete and submit Medicare Supplement Applications online.

- It's fast and easy
- Has embedded underwriting rules
- Contains a database of prescription drugs and dosages
- One signature covers all forms
- Client has option of electronic or voice signature.

Medicare Modernization Act

Mutual of Omaha

Medicare Part D

What is Medicare Part D?

- Outpatient prescription drug benefit
- Operated by private companies that are subsidized by the government
- Plans may vary substantially, covering different drugs, charging their own premiums and co-pays
- Must be comparable to the "Standard Coverage"

What is Medicare Part D?

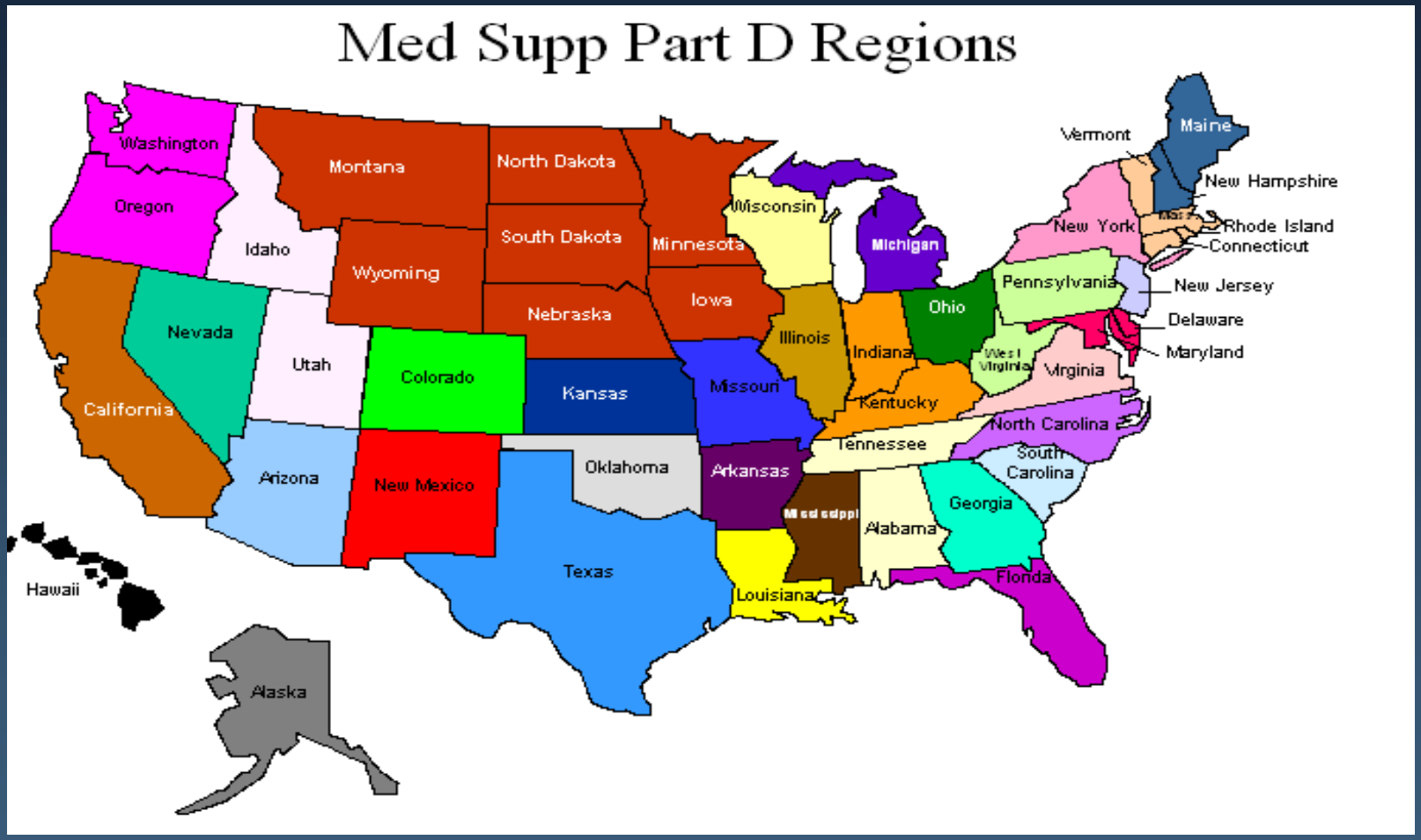
Mutual of Omaha

Prescription Drug Plans will decide which drugs they will cover

- "Formulary" or preferred drug list

- In most cases, at least two drugs will be covered in each "therapy class"
  - Drugs for heart conditions,
  - High cholesterol, diabetes, etc.

Part D Regions



Medicare Part D - Eligibility

Who is eligible for Part D?

Your client must be entitled to the benefits under Medicare Part A and/or enrolled in Part B, and live in the plan's service area, to take advantage of the Part D program.

Medicare Part D - Eligibility

When can a person turning 65 apply for Part D?

People turning age 65 after the initial Medicare Part D open enrollment period may enroll in Part D, 3 months before or after the month in which they turn age 65. (a seven-month period)

Example: If your 65th birthday is June 21st you can enroll as early as March 1st - or as late as September 30th.

Part D Timelines

2012 Annual enrollment period

October 15-December 7

Part D

Program Effective Dates

Part D policies are effective the first day of the month following enrollment form submission. Accurately completed enrollment forms that are received seven or more days prior to the end of the month generally will result in a plan effective date the first day of the next month.

Example: Enrollment form received on March 22 and it does not need follow-up, coverage will be effective on April 1. Incomplete or inaccurate enrollment forms could delay the effective date!!

Consumer Choices

Current Coverage	***What the choices are***
Traditional Medicare- Parts A and B only	Enroll in Part D or Medicare Advantage with drug coverage
Traditional Medicare with a Med supplement - no drug coverage	Enroll in Part D to complement coverage
Medicare Advantage	Medicare Advantage plans will offer Part D or no drug coverage

Consumer Choices

Current Coverage	***What the choices are***
Employer drug coverage	Employers may continue drug coverage or may help retirees enroll in Part D.
Medicaid	Drug coverage will be provided by a Part D plan. If a plan isn't selected-a plan will be assigned.
State pharmacy assistance program	States may provide help with costs for a Part D plan.

How to help Clients select a Plan

- What is Part D?
- What Part D plans are available in my region?
- How much am I paying today for prescriptions?
- Will my current prescriptions be covered under Part D?
- What pharmacies are in the plan's network?

How to help Clients select a Plan

- Will there be a monthly premium and/or deductible with the plan I choose?
- Are there any gaps in coverage?
- What enhanced or additional benefits may be available with the plan?
- How much money can I save by joining a plan?
- Who is the plan sponsor, is it reliable?

Part D

Annual Certification Required

The government requires that people selling Part D plans be certified with each company they sell it through.

Each company may provide various methods to become certified. (classroom training, website, etc.)

Penalties

CMS may:

- Suspend new enrollments
- Withhold payment for new enrollees

You are personally liable!

Medicare Advantage Plans

Medicare Advantage Plans

- Formerly Medicare Part C
- Government-subsidized private health plans
- Direct alternative to Medicare (Parts A & B)
- Combine “core” Medicare benefits with certain supplemental benefits.

Medicare Advantage Enrollment

- Must have Medicare Part A and Part B coverage.
- Must live in the service area of the plan.
- Must not have end stage renal disease.
- May enroll at any time, if accepting enrollees.

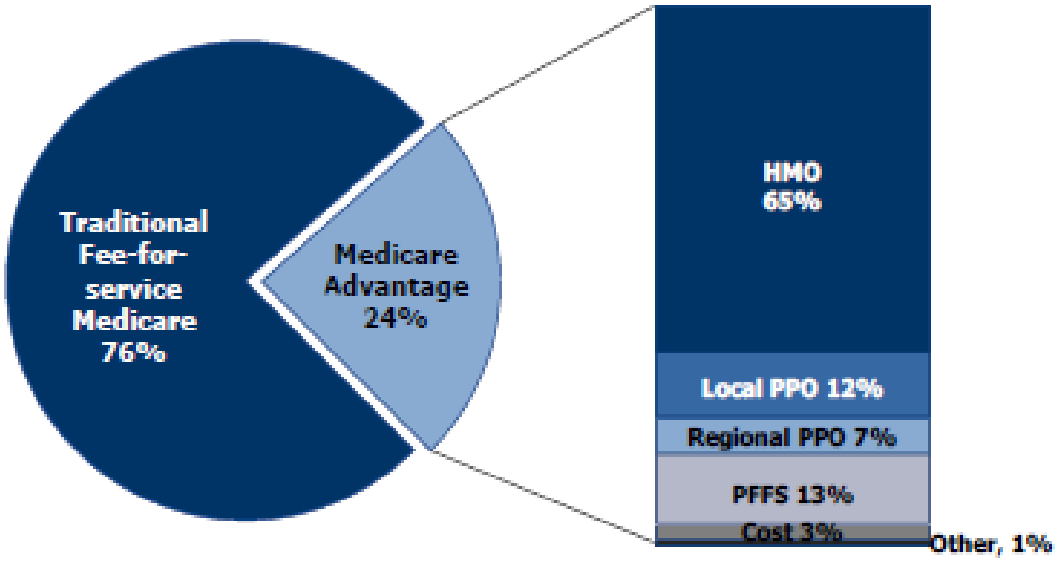
Medicare Advantage Plans

1. Managed Care programs, HMOs , PPOs, POS plans
2. Private Fee-for-Service plans, (PFFS)
3. Special Needs Plans
4. Regional PPOs

Participation in Plans

Exhibit 1

Distribution of Enrollment in Medicare Advantage Plans, by Plan Type, 2010



Total Medicare Advantage Enrollment, 2010 = 11.1 Million

Source: MPR / KFF analysis of the Centers for Medicare and Medicaid Services (CMS) Medicare Advantage enrollment files.

Medicare Advantage Plans

Depending on the type of plan, enrollees may pay:

- Deductibles
- Co-payments
- Cost-sharing for additional benefits
- Additional premiums for some benefits and/or services

Medicare Advantage Plans

- Hard to budget monthly health care expenses
- Plan may be cancelled and can terminate its members
- Can choose from a network of providers, which can fluctuate
- Pre-certification may be required for some types of care
- Can only use doctors and hospitals in the network

Medicare Advantage Plans

- All Medicare Advantage Plans must provide some prescription drug coverage.
- If a Medicare Advantage participant enrolls in a Part D plan, the Medicare Advantage plan will be cancelled.

Medicare Advantage Plans

Encourage your clients to look closely before they decide what's best for them.

Medicare

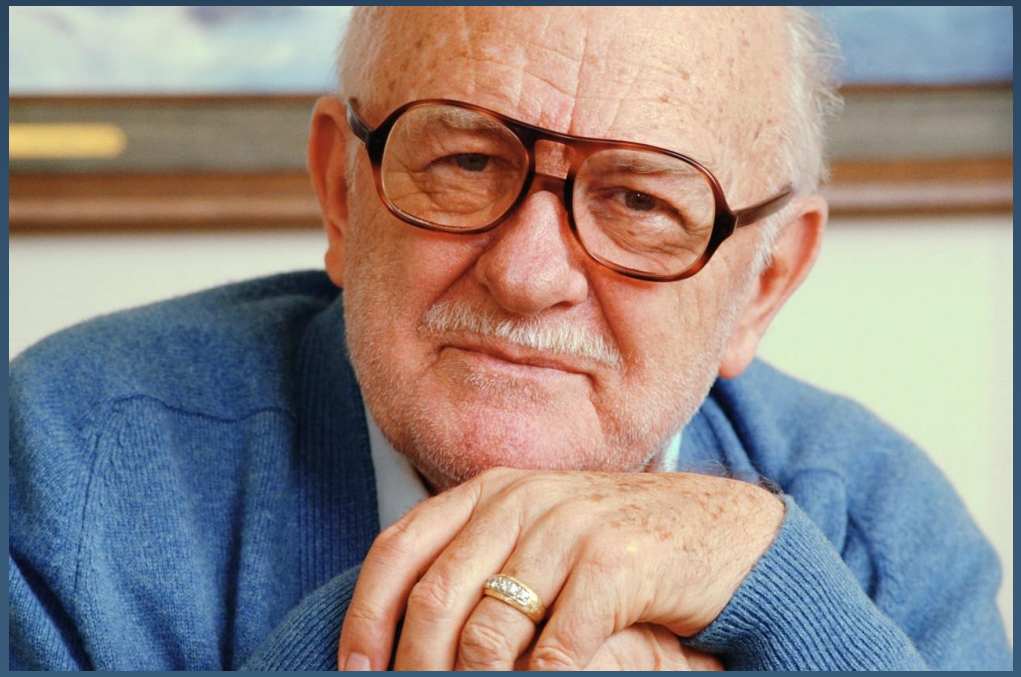
Mutual of Omaha

Questions?

Health products underwritten by Mutual of Omaha Insurance Company

For Producer Use Only. Not for use with the general public.

Mutual's Medicare Supplement Plans



Medicare Supplement

Mutual of Omaha

Plan A	Plan B	Plan C	Plan D	Plan F	Plan G
Basic, plus 100% Part B coinsurance	Basic, plus 100% Part B coinsurance	Basic, plus 100% Part B coinsurance	Basic, plus 100% Part B coinsurance	Basic, plus 100% Part B coinsurance	Basic, plus 100% Part B coinsurance
		Skilled Nursing Coinsurance	Skilled Nursing Coinsurance	Skilled Nursing Coinsurance	Skilled Nursing Coinsurance
	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible
		Part B Deductible		Part B Deductible/ Part B Excess (100%)	Part B Excess (100%)
		Foreign Travel	Foreign Travel	Foreign Travel	Foreign Travel

Medicare Supplement

Plan M
Basic, plus 100% Part B coinsurance
Skilled Nursing Facility Coinsurance
50% Part A Deductible
Foreign Travel

Medicare SELECT

- Medicare SELECT contains a group of participating network hospitals.
- Part A deductible is waived when services are received from participating network hospitals.
- If services are received out of network, Part A deductible is not waived.
- We will cover the cost of Part A deductible when Insured receives emergency services from a nonparticipating hospital.

Medicare SELECT

Mutual of Omaha

Plan B	Plan C	Plan D	Plan F	Plan G
Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits
	Skilled Nursing Coinsurance	Skilled Nursing Coinsurance	Skilled Nursing Coinsurance	Skilled Nursing Coinsurance
Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible
	Part B Deductible		Part B Deductible	
	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency
			Part B Excess	Part B Excess

Medicare SELECT

Plan M
Basic, plus 100% Part B coinsurance
Skilled Nursing Facility Coinsurance
50% Part A Deductible
Foreign Travel

Unauthorized Entities

Florida

Unauthorized Entities-Florida

- The state of Florida has taken a very strong position on the issue of unauthorized entities.
- An unauthorized entity is an insurance company that is not licensed by the Florida Department of Insurance.
- Agents and brokers have the responsibility for conducting reasonable research to ensure that they are not writing policies or placing business with unauthorized entities.

Unauthorized Entities-Florida

- Lack of careful screening can result in significant financial loss to Florida residents due to unpaid claims and /or theft of premiums.
- Producers may be liable when representing unauthorized entities.
- It is the responsibility of producers to give fair and accurate information regarding the companies they represent.
- Questions can be directed to the Florida Department of Insurance at 1-800-342-2762.