MedicareBlue℠ Rx (PDP)
A Medicare Prescription Drug Plan

2025
How Medicare Works

An informational guide to help you make the most of your Medicare coverage

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Find the answers you need

This guide will help you better understand Medicare costs and benefits, and the choices you can make about your coverage. Explore this guide to learn about Medicare and determine the best level of coverage for your needs.

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Medicare's parts

Original Medicare is made up of two parts:

- **Medicare Part A:** Hospital insurance that is offered to most Medicare-eligible beneficiaries at no cost. Part A covers inpatient hospital stays, skilled nursing facility care and some home healthcare. Learn more on page 4.
- **Medicare Part B:** Medical insurance that is offered for a monthly premium that is set by the federal government each year. Part B covers certain doctors' office visits, outpatient care, some medical supplies and preventive services. Learn more on page 5.

You have options for adding more coverage:

- **Medicare Part C:** Often called Medicare Advantage or MA plans, Part C is offered by private insurance companies. If you enroll in a Part C plan, you get your Part A and Part B benefits through the Medicare Advantage plan, not Original Medicare. You may pay a monthly premium and any cost sharing amounts to your Medicare Advantage plan. Learn more on page 6.
- **Medicare Part D:** Prescription drug coverage that is an optional benefit and is offered by private insurance companies. You pay a monthly premium and any cost sharing amounts to your prescription drug plan. Learn more on page 7.

<table>
<tr><th>Original Medicare</th><th colspan="2">Coverage that you can add to Original Medicare</th></tr>
<tr><td rowspan="2">Part A (hospital insurance)
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Part B (medical insurance)</td><td>Part D</td><td>Medicare supplement insurance (Medigap) plan</td></tr>
<tr><td>• Covers prescription drugs
• Must have Part A and/or Part B to enroll
• Offered by private insurance companies</td><td>• Helps pay copays and other costs Medicare doesn't cover
• Must have Part A and Part B
• Offered by private insurance companies</td></tr>
<tr><td>Part C (covers all Part A and Part B services)</td><td colspan="2">• Replaces Original Medicare
• Most plans include Part D drug coverage
• Usually has lower deductibles and copays than Original Medicare
• Often includes additional benefits (e.g., vision, dental, hearing)
• Must have Part A and Part B to enroll
• Offered by private insurance companies</td></tr>
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Part A coverage: Hospital insurance

Most people paid Medicare taxes while they worked, so they do not pay a monthly premium for Part A coverage. Part A covers certain medical services and supplies in hospitals and other healthcare settings. You may pay copayments, coinsurance or deductibles for services covered by Part A. Contact Medicare (see page 13) if you have questions or need specific cost information.

What's covered	2025 Part A benefits
Hospital stays	• Semi-private room, meals, general nursing and drugs as part of inpatient treatment for up to 90 days per benefit period • A benefit period begins the first day of a hospital stay and ends when you have been out of the hospital/skilled nursing facility for 60 days in a row • You pay a $1,676 deductible for each benefit period • For the first 60 days, eligible care is covered in full after you pay the full deductible • For days 61 through 90, you pay $419 per day • For day 91 and for each lifetime reserve day after day 90 (up to 60 days over your lifetime), you pay $838 per day
Skilled nursing facility care	• Up to 100 days for eligible services in a Medicare-certified skilled nursing facility after at least a three-day covered hospital stay • Care is covered in full for the first 20 days • You pay $209.50 per day for days 21 through 100 • You pay all costs for days 101 and beyond
Home healthcare	• Medicare Part A and/or Part B cover eligible home health services like: » Part-time or intermittent skilled nursing care » Physical therapy » Occupational therapy » Speech-language pathology services » Medical social services » Part-time or intermittent home health aide services
Hospice care	• May include drugs to control symptoms and relieve pain, short-term respite care and home health services • Care must be provided by a Medicare-certified hospice program • You pay part of the cost for outpatient drugs and inpatient respite care

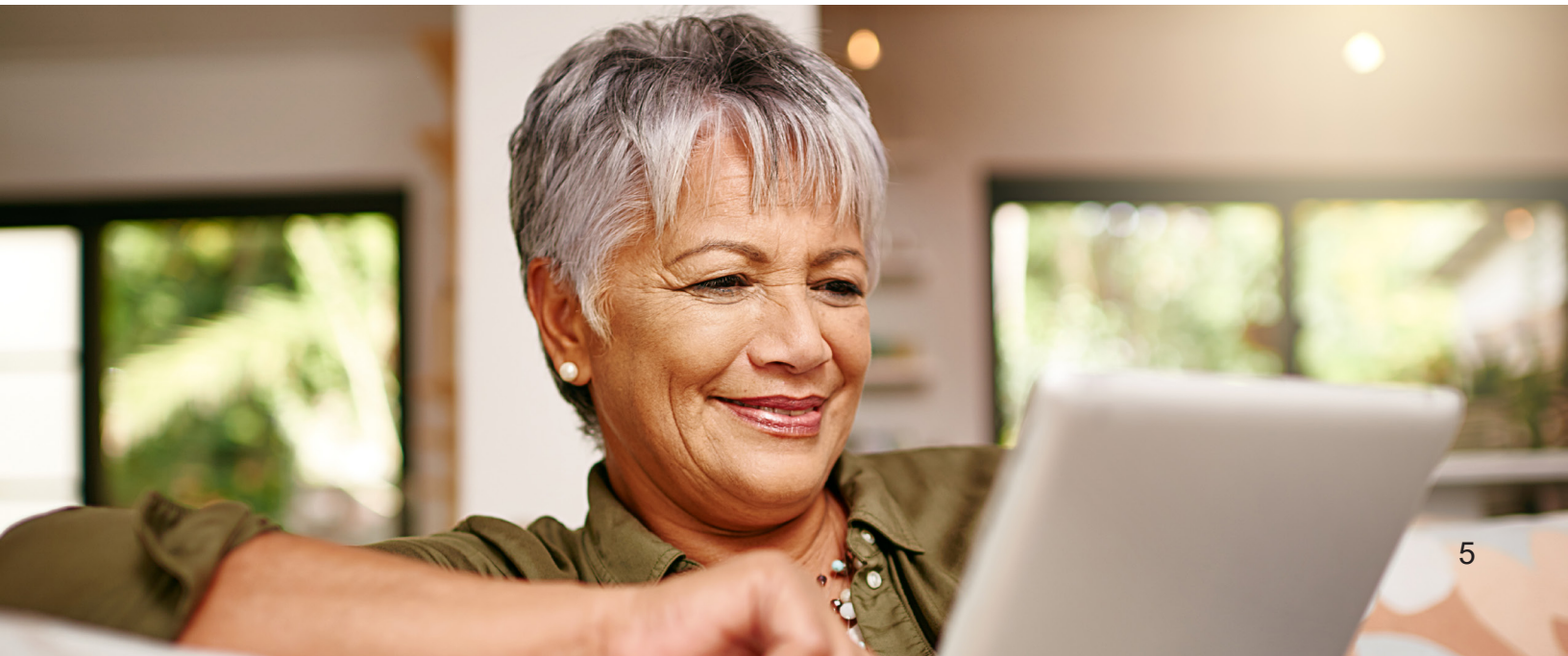
Part B coverage: Medical insurance

Most people will pay a monthly premium that is set by the federal government for Part B coverage. Part B covers certain doctors' services, outpatient care, medical supplies and preventive services. You may be responsible for paying the Part B deductible before Medicare begins to pay its share for approved services. Typically, after the Part B deductible is met, you will pay 20 percent of the approved service amount. There is no annual out-of-pocket maximum for Part B coverage.

2025 Part B monthly premium: $185

2025 Part B deductible: $257

Outpatient services	Preventive care services
• Doctors' services including office visits and surgery	• "Welcome to Medicare" exam within the first 12 months of enrolling in Part B
• X-rays, lab tests, radiation therapy	• Annual wellness visits after 12 months of being enrolled in Part B, or 12 months after the "Welcome to Medicare" exam
• Medical supplies and services, such as oxygen and durable medical equipment	• Cancer screenings, such as mammograms, Pap smears, pelvic exams, colorectal screenings and prostate exams
• Diabetes self-monitoring training, nutrition therapy and testing supplies (not insulin)	• Flu, pneumonia, COVID-19 and hepatitis B vaccines
• Outpatient diagnostic and treatment services, including some outpatient surgery	• Diabetes and HIV screenings
• Outpatient rehabilitation services, such as physical therapy	• Counseling to stop smoking • Alcohol misuse screening and counseling



Part C coverage: Medicare Advantage

Medicare Advantage (MA) plans can offer more health plan choices than Original Medicare and are offered by private insurance companies. If you join an MA plan, your Part A and Part B benefits come from the MA plan, not from Original Medicare. Some plans include prescription drug coverage, wellness programs and dental and vision benefits. There are different types of MA plans, including:

- **Preferred provider organization (PPO):** Has a network of doctors and hospitals that you can go to. You don't need a referral to see a doctor, specialist or out-of-network provider. You will likely pay more to see a provider who is not in the PPO network.
- **Health maintenance organization (HMO):** Has a network of doctors and hospitals. You will get most of your care and services from this network. You may need a referral for some services and to see providers that are not in the HMO network.
- **Private Fee-for-Service (PFFS):** Allows you to get care from any provider that agrees to accept the plan's terms and conditions of payment. The provider must be eligible to provide services under Original Medicare.
- **Medicare Advantage prescription drug (MA-PD) plan:** Medicare Advantage plans that include Part D prescription drug coverage. If you choose this type of plan, you will get all your hospital, medical and prescription drug benefits from one plan.

To enroll in an MA plan, you need to meet the following eligibility requirements:

- Have Medicare Part A and Part B
- Live in the plan's service area
- Continue to pay your Part B premium (and Part A premium, if applicable)

Learn about the MA plans available from your local Blue Cross and Blue Shield plan. See page 13 for contact information.

Part D coverage: Prescription drugs

Medicare prescription drug plans (PDPs) provide coverage for generic and brand-name drugs. If you join a Part D plan, you will usually pay a monthly premium plus a share of the cost of your prescriptions. All Part D plans must provide at least a standard Medicare-approved level of coverage. The standard Part D plan has three stages of coverage:

- **Annual deductible stage:** This is the amount you must pay annually before prescription drug coverage begins.
- **Initial coverage stage:** You reach this stage after you meet the annual deductible. If your plan has a $0 deductible, this becomes the first stage of your benefit. In the initial coverage stage, cost sharing begins.
- **Catastrophic coverage stage:** You reach this stage after your out-of-pocket drug costs reach $2,000 in the calendar year. During this payment stage, you pay nothing for your covered Part D drugs.

To enroll in a Part D plan, you need to meet the following eligibility requirements:

- Have Medicare Part A and/or Part B
- Live in the plan's service area
- Continue to pay your Part B premium (and Part A premium, if applicable)

Protect yourself from out-of-pocket drug costs and avoid the Part D late enrollment penalty by signing up for a Part D plan when you are first eligible. A Part D plan, like MedicareBlue℠ Rx (PDP), can be paired with Original Medicare and/or a Medicare supplement insurance plan.

Medicare supplement insurance plans

A Medicare supplement insurance plan is sometimes called Medigap. It helps pay for costs that aren't covered by Original Medicare, like copays and coinsurance amounts. Each type of plan has a different set of benefits and premiums, and some offer optional coverage for an additional premium.

Medicare supplement insurance plans don't include prescription drug coverage, and generally don't include long-term care, vision or dental care, hearing aids, glasses or private-duty nursing.

To enroll in a Medicare supplement insurance plan, you need to meet the following eligibility requirements:

- Have Medicare Part A and Part B
- Live in the plan's service area
- Continue to pay your Part B premium (and Part A premium, if applicable)

Learn about the Medicare supplement insurance plans available from your local Blue Cross and Blue Shield plan. See page 13 for contact information.

Original Medicare eligibility

You can enroll in Medicare if you are a U.S. citizen or have been a legal resident for five straight years and meet any of the following requirements:

- You are 65 years or older and eligible to receive Social Security
- You are under age 65, are permanently disabled and have received Social Security disability payments for at least two years
- You require ongoing dialysis for end-stage renal disease or need a kidney transplant

When to enroll in Medicare

Knowing when you can enroll, disenroll and make changes to your coverage is important so that you can avoid enrollment penalties and lapses in coverage.

Part A enrollment

Most people are automatically enrolled in Medicare Part A on the first day of the month they turn 65. If you don't receive an enrollment notice three months before your 65th birthday, call the Social Security Administration (see page 13 for contact information).

If you are under 65 and have a disability, you'll automatically get Part A and Part B after you get disability benefits from Social Security or certain disability benefits from the Railroad Retirement Board for 24 months.

Part B enrollment

There are three main times when you can sign up for Part B coverage.

- **Part B initial enrollment period (IEP):** You can enroll during a seven-month period that starts three months before you turn 65. This period includes the month you turn 65 and ends three months after you turn 65. If you don't want to enroll in Part B during your IEP, you must return your Part B notice to Social Security to decline coverage. A penalty for delaying enrollment in Part B coverage may apply. Learn more about the penalty and how it's calculated at **Medicare.gov**.
- **Part B general enrollment period (GEP):** If you don't enroll in Part B during your IEP, you can enroll during the GEP from January 1 through March 31 each year. Coverage begins on July 1 of the year you enroll. You will be charged a penalty for each year you delay enrolling in Part B, which increases as Medicare premiums increase. Learn more about the penalty and how it's calculated at **Medicare.gov**.
- **Part B special enrollment period (SEP):** You can avoid the penalty for late enrollment if you are eligible for an SEP. You may qualify for an SEP if you or your spouse have medical coverage through a union or employer, or if you canceled Part B coverage because you went back to work and have coverage through your employer. The special enrollment period lasts eight months, beginning when your employer/union coverage ends or when your employment ends, whichever is first. Contact Social Security (see page 13 for contact information) four months before you retire or when your employer/union coverage ends. If you are 65 and continue your employer coverage through COBRA, you should enroll in Part B. You will not get an SEP when COBRA ends.

Part C and Part D enrollment
You can enroll in a Medicare Advantage (MA) or a prescription drug plan during your initial enrollment period. This enrollment period begins three months before you turn 65, includes the month you turn 65, and ends three months after you turn 65.

You will be able to make changes to your Medicare coverage every year during the annual enrollment period (AEP). This enrollment period runs from October 15 through December 7.

Medicare supplement insurance (Medigap) plans

The best time to buy a Medigap plan is during your Medigap open enrollment period. This is a six-month period that begins on the first day of the month that you are 65 or older and are enrolled in Part B. If you delay your Part B enrollment because you have coverage from an employer or union group, your Medigap open enrollment period won't start until you sign up for Part B.

If you apply for a Medigap plan outside of the open enrollment period, you may need to provide your health history and you could be denied coverage. You cannot be enrolled in a Medicare Advantage plan and a Medigap plan at the same time.

When you can make changes to your coverage

Knowing when you can make changes to your coverage is important, so that you can avoid enrollment penalties and lapses in coverage. Review the summary of Medicare enrollment dates below to determine when you can make changes to your coverage.

Time period	What you can do	When you can do it
Initial enrollment period (IEP)	Enroll in Original Medicare, a prescription drug plan, and/or a Medigap plan, or enroll in a Medicare Advantage (MA) plan or MA plan with prescription drug coverage	Three months prior to, the month of, or three months after you turn 65; or, after month 24 of receiving disability benefits
Annual enrollment period (AEP)	Existing Medicare beneficiaries can enroll in or change to a prescription drug plan, Medicare Advantage (MA) plan or MA plan with prescription drug coverage	Each year from October 15 to December 7 (coverage effective January 1 of the following year)
Medicare Advantage open enrollment period (MA OEP)	Disenroll from a Medicare Advantage (MA) plan and enroll in another MA plan, with or without Part D coverage, or Original Medicare and, if needed, a stand-alone Part D plan	Each year from January 1 to March 31 (change effective the first of the month after you submit the request)
Special enrollment period (SEP)	Enroll in a prescription drug plan or Medicare Advantage plan	If you qualify for an SEP, you can enroll during times outside of AEP and your IEP

Learn more about enrollment periods at **YourMedicareSolutions.com**.

Frequently asked Medicare questions

Q: Do I need a physical exam to qualify for Medicare?

A: No. You must be 65 or older, under age 65 with a disability, or meet other requirements as explained on page 8.

Q: Do I have to sign up for Medicare every year?

A: No. You only have to sign up for Medicare coverage one time, and that coverage will carry over every year unless you decide to make a change during the annual enrollment period (October 15 through December 7). Certain life events, such as moving into a new service area, may also make you eligible for a special enrollment period. Visit **Medicare.gov** to learn more about when you can make changes to your coverage.

Q: Can I get Medicare if I have a pre-existing condition?

A: Yes. You can enroll in Medicare and receive benefits regardless of your health status or pre-existing conditions. You won't be charged a higher premium because of past or current health conditions.

Q: How do I know what Medicare coverage is right for me?

A: This will depend on what you need from your health coverage. Consider these questions:

- How much can you afford to pay? What are the plan's cost sharing and out-of-pocket maximum?
- If you travel often, will your health plan cover you in other parts of the country, or internationally?
- Do you want a plan with drug coverage or prefer a stand-alone drug plan?
- Are you OK with benefits and/or cost sharing that may change each year? Or would you prefer benefits that don't change from year to year?

Q: Do I have to join a Part D plan?

A: Generally, you will pay the lowest monthly premium if you join during your seven-month initial enrollment period. If you don't enroll and don't already have drug coverage that is as good as the standard Part D plan, you may have to pay a penalty when you enroll later. This penalty is paid as a higher monthly premium. The longer you delay enrolling, the greater the penalty. You will pay this higher premium for as long as you have Part D coverage.

Q: What if I can't afford Medicare?

A: If you have limited income and resources, you may qualify for Extra Help, a financial assistance program. Extra Help subsidies help you pay for your Medicare premium and costs. To learn if you qualify, call:

- **Medicare**
  1-800-633-4227 (TTY: **1-877-486-2048**)
  24 hours a day, seven days a week
  Medicare.gov

- **Social Security Administration**
  1-800-772-1213 (TTY: **1-800-325-0778**)
  8 a.m. to 7 p.m., Monday through Friday
  Automated phone services available 24 hours a day, seven days a week
  SSA.gov

- **Your State Medicaid office**

Glossary of common Medicare terms

Benefit period: A benefit period for Original Medicare begins on the first day of a hospital stay and ends when you have been out of the hospital or skilled nursing facility for 60 days in a row. If you go into the hospital after one benefit period has ended, a new benefit period will begin. You must pay the inpatient hospital deductible for each benefit period. There is no limit to the number of benefit periods you can have.

Centers for Medicare & Medicaid Services (CMS): The federal agency that runs Medicare and works with each state to run their Medicare program.

Coinsurance: A percentage of the Medicare-approved amount you pay for a medical service.

Copayment (copay): A fixed amount you pay for each medical service, such as a doctor's visit or a prescription drug. For example, a copayment might be $20 for a doctor's visit and $7 for a prescription drug.

Cost sharing: The way Medicare and your health plan share your healthcare costs with you. Types of cost sharing include deductibles, coinsurance and copayments.

Deductible: A fixed amount you must pay before your plan begins to pay. Usually you have a separate deductible for Part A, Part B and Part D. Medicare Advantage and Medigap plans may also have deductibles.

Eligible care: Medical care and services that qualify to be covered by your health plan.

Lifetime reserve days: Extra days that Original Medicare will pay for when you are in a hospital for more than 90 days. You have 60 lifetime reserve days to use during your lifetime and have a per day copay when you use them.

Medicare Advantage: A Medicare health plan in which a private health plan manages your Medicare benefits. These are sometimes referred to as Part C. The most common types of Medicare Advantage plans are HMO, PPO and PFFS plans. Many Medicare Advantage plans offer Medicare prescription drug (MA-PD) benefits.

Medicare supplement insurance (Medigap) plan: Health insurance policies that typically have standardized benefits and are sold by private insurance companies. Medigap policies work with your Part A and Part B coverage. They generally allow you to go to any doctor or hospital that accepts Medicare.

Part D: Medicare coverage for prescription drugs. You can enroll in a stand-alone plan to pair with your Part A and/or Part B coverage, or you can choose a Medicare Advantage plan that has Part D coverage included (MA-PD).

Premium: A fixed amount that is usually paid each month to be enrolled in a Medicare health plan or prescription drug plan.

Preventive care: Care provided to keep you healthy or to find an illness or disease early. Examples of preventive care are vaccines, mammograms and diabetes screenings.

Contact information

To learn more about MedicareBlue Rx or to enroll, contact:

- MedicareBlue Rx
  1-866-434-2037 (TTY: **711**)
  8 a.m. to 8 p.m., daily, Central and Mountain times
  YourMedicareSolutions.com

To learn about Medicare supplement insurance (Medigap) plans and other state plan information, contact your local Blue Cross and Blue Shield plan:

- Wellmark Blue Cross and Blue Shield of Iowa and South Dakota
  1-800-336-0505 (TTY: **711**)
  7:30 a.m. to 5 p.m., Monday through Friday, Central and Mountain times
  Wellmark.com

- Blue Cross and Blue Shield of Minnesota
  1-877-662-2583 (TTY: **711**)
  8 a.m. to 8 p.m., daily, Central time
  BlueCrossMN.com/Medicare

- Blue Cross and Blue Shield of Montana
  1-866-434-2037 (TTY: **711**)
  8 a.m. to 5 p.m., Monday through Friday, Mountain time
  BCBSMT.com

- Blue Cross and Blue Shield of Nebraska
  1-877-444-2583 (TTY: **711**)
  8 a.m. to 5 p.m., Monday through Friday, Central time
  Medicare.NebraskaBlue.com

- Blue Cross Blue Shield of North Dakota
  1-800-280-2583 (TTY: **711**)
  8 a.m. to 5 p.m., daily, Central time
  bcbsnd.com/members/medicare

- Blue Cross Blue Shield of Wyoming
  1-800-851-2227 (TTY: **711**)
  8 a.m. to 5 p.m., Monday through Friday, Mountain time
  BCBSWY.com

Other resources

If you have questions about Medicare, Social Security or if you need assistance paying for your prescription drug premiums and costs, these resources can help.

- **Social Security**
  1-800-772-1213 (TTY: **1-800-325-0778**)
  8 a.m. to 7 p.m., Monday through Friday
  (Automated phone services available 24 hours a day, seven days a week)
  SSA.gov

- **State Health Insurance Assistance Program**
  Contact your State Health Insurance Assistance Program (SHIP) for personalized assistance.
  shiphelp.org

- **Medicare**
  1-800-633-4227 (TTY: **1-877-486-2048**)
  24 hours a day, seven days a week
  Medicare.gov

MedicareBlue℠ Rx (PDP) is a prescription drug plan with a Medicare contract. Enrollment in MedicareBlue Rx depends on contract renewal. Coverage is available to residents of the service area and separately issued by one of the following plans: Wellmark Blue Cross and Blue Shield of Iowa*; Blue Cross and Blue Shield of Minnesota*; Blue Cross and Blue Shield of Montana*, a division of Health Care Service Corporation, a Mutual Legal Reserve Company; Blue Cross and Blue Shield of Nebraska*; Blue Cross Blue Shield of North Dakota*; Wellmark Blue Cross and Blue Shield of South Dakota*; and Blue Cross Blue Shield of Wyoming*

*Independent licensees of the Blue Cross and Blue Shield Association

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