Protect Yourself from the Increasing Expenses Medicare Does Not Cover

Medicare Supplement Programs

HIGHMARK®
MEDIGAP BLUE℠

Medicare Supplemental Programs

Highmark Blue Cross Blue Shield is an Independent Licensee of the Blue Cross and Blue Shield Association

HBCBS-WMBBR

Do you really need to supplement your Medicare coverage?

YES!

*Medicare does **not** provide all the coverage you need for hospital, doctor and other medical expenses. Without a Medicare supplement, you could be faced with a huge financial burden. Here are some of the charges you might have to pay:*

- A $1,024 "deductible" each time you go into the hospital—even for just a one-day stay. That amount generally increases every year…and it is charged for each "benefit period." That means, if you are hospitalized again during the course of the year—with 60 or more days between hospital stays—you'll face a $1,024 deductible for each stay.*
- A "copayment" for hospital stays longer than 60 days. Medicare coverage ends after 150 days. If you have a long, catastrophic illness, you could be responsible for paying $256, $512, or even all of your costs for each day you spend in the hospital.*
- A 20% "coinsurance or applicable copayment" for your doctors' bills.*
- Nursing home care. Medicare covers in full only 20 days of "certified" skilled nursing care, and only if it follows a hospital stay of at least three days. After 20 days, you're responsible for paying the first $128 per day. After 100 days, you're responsible for all expenses.*

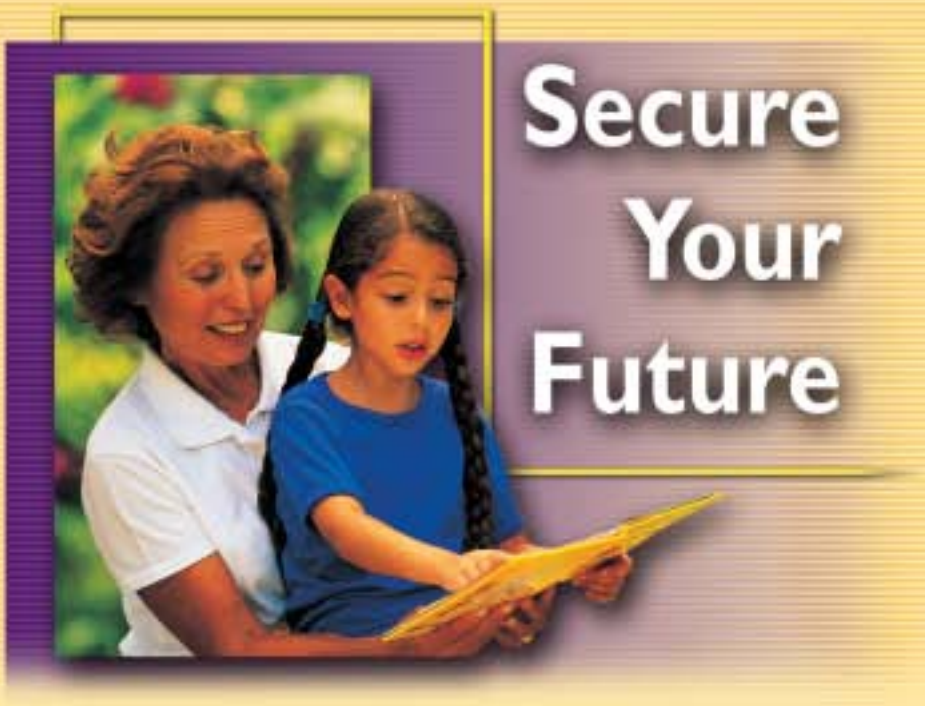
A serious illness could wipe out your life savings. So it's very important to you and your loved ones that you protect yourself with a reliable Medicare supplement from a company you can trust. Fortunately, Highmark Blue Cross Blue Shield can help.

Here are several important things to consider when you are choosing the supplemental coverage you need:

- Your monthly budget or income
- How much you are able to afford to pay for hospital and medical expenses out of your own pocket
- Your family health history
- How much time you spend outside of Pennsylvania
- You do not need more than one Medicare supplement. If you currently have a Medicare supplement policy, you cannot enroll for a new one unless you are replacing your current coverage.
- If you are eligible for benefits under Medicaid, the state's medical assistance program, you may not need a Medicare supplemental policy. Call your local county assistance office (Department of Public Welfare) for information.

Only you can determine the amount of protection that's right for you.

** Medicare costs listed are for 2008 and may change in the future.*



Choose A Company You Can Trust

You need an insurance policy to supplement or add to your Medicare benefits because Medicare does ***not*** *pay for all your hospital and doctor expenses if you become sick or injured. In fact, your share of these expenses has increased steadily over the years, so you need supplemental coverage today more than ever before.*

Medicare supplemental insurance policies—also called Medigap coverage—pay for some or all of the deductibles, coinsurance or copayments that are not covered by Medicare alone. Some policies also provide additional benefits. All Medicare supplemental policies or plans offered by insurance companies throughout the country are standardized to provide the same benefits. Not all insurance companies offer all of the standardized plans. The benefits provided by each plan are the same from company to company, but the service, rates and overall value are not. Today, it's more important than ever for you to know and trust the company behind your plan.

Highmark Blue Cross Blue Shield has been insuring people in your community for 70 years. We've been providing Medicare supplemental policies since the Medicare program began. Today, more than 300,000 Medicare-eligible western Pennsylvanians choose us as their health insurance company…for many reasons.

Serving You Locally

Unlike many large insurance companies, we're not headquartered in another state with service representatives or agents operating out of distant cities. Located in Pittsburgh, we know the health care concerns of western Pennsylvanians… and strive to provide our customers with convenient, personal service.

Your questions about claims, benefits or billing are answered by courteous, knowledgeable Member Service representatives who are just a toll-free phone call away.

Or if you prefer, you can schedule an appointment at one of our conveniently located Customer Service Centers where a Customer Service representative will answer your questions, investigate your claim and help you take full advantage of your benefits…in person. You'll find these locations listed on the back cover.

Coverage Is Guaranteed

Highmark Blue Cross Blue Shield offers six of the standardized Medicare supplemental policies: MedigapBlue Plan A, Plan B, Plan C, Plan E, Plan H, and Plan I. You do *not* have to answer questions about your health or medical history or pass medical underwriting requirements to enroll in any of our plans.

MedigapBlue Plan A, Plan B, Plan E and Plan I are available at any time to any western Pennsylvania resident who is enrolled in Medicare Part A Hospital Insurance and Medicare Part B Medical Insurance.

MedigapBlue Plan C and Plan H are available to you if you apply within six months after you first become enrolled in Medicare Part B. In some cases, you may be eligible for Plan C and Plan H if you convert from another Blue Cross and/or Blue Shield plan. You also may be guaranteed coverage under Plan C and Plan H if you meet other guidelines described in the enclosed insert, "Important Information about Your Rights to Guaranteed Issue of Medicare Supplemental Policies." After the six-month period following your initial enrollment in Medicare Part B, you cannot move up to Plan C or Plan H.

You can move down to a plan with fewer benefits or up to one of the other plans with more benefits (Plan B, Plan E, or Plan I only) at any time at the rate that applies to your age at the time you make the change.

Freedom Of Choice

We know how important your relationship with your doctor is. Highmark Blue Cross Blue Shield MedigapBlue plans let you go directly to the doctors and hospitals of your choice for treatment. That's an important advantage you don't always get with other Medicare supplemental coverage—some programs restrict you to a limited network of hospitals and doctors of their choice.

Automatic Claim Filing

As a Highmark Blue Cross Blue Shield customer, when you receive treatment from Medicare-participating physicians, hospitals and other providers, your claims for deductibles, copayments and coinsurance for covered expenses are automatically processed for you. You save time and trouble because, in most cases, we do all the paperwork for you.

Travel With Confidence

Not all Medicare supplements offer you full protection when you travel outside a specific geographic location. As a Highmark Blue Cross Blue Shield customer, you'll enjoy the security of knowing that your identification (ID) card is recognized and accepted by Medicare-participating hospitals and physicians throughout the United States. Four of our plans also cover emergency care when you travel outside the United States.

Fitness Program Membership

If you live in the 49-county Pennsylvania service area of Highmark, you have access to participating, full-service fitness centers at home and while traveling in the U.S.—*at no additional cost* to your MedigapBlue premium. Each center may offer different services, but each location provides a variety of exercise options through the SilverSneakers® Fitness Program—a total health and fitness program designed for Medicare beneficiaries of all fitness levels. You'll receive complete details with your ID card.

Prescription Drug Discount

You'll save money on most prescription drugs you buy at Premier Network pharmacies. Just show your MedigapBlue identification (ID) card to receive a discount.

There Never Will Be A Better Time To Enroll

Because MedigapBlue monthly premium rates are based on your age at the time you enroll, enrolling as soon as you become eligible for Medicare Part B ensures that you will pay the lowest available rate. Plan E and Plan I rates also are based on the Pennsylvania county in which you reside. Medicare-eligible disabled persons who are within their open enrollment period may enroll in Plan E and Plan I at the rate for ages 65-69. Be sure to carefully read all of the monthly rate information in the enclosed "Outline of Coverage."

Once you've enrolled in Plan A, B, C or H, your rate will change only when there is a rate increase for everyone in your plan.

Once you've enrolled in MedigapBlue Plan E or Plan I, your rate also will change the first full month after your birthday if your age moves you into a new age category. Categories are under 65 disabled late entry; age 65-69; age 70-74; age 75-79; age 80 and over. For example, if you turn 70 in March, in April your MedigapBlue Plan E or Plan I rate will increase from the 65-69 age category to the 70-74 category.

Convenient Payment Options

Select the most convenient way to pay your premium:

Automatic payment—
With your authorization, your bank will automatically transfer your premium to us each month. You save time and money—no stamps, envelopes or check writing. See the enclosed "Pay-It-Easy" brochure for details on how to sign up.

Direct billing—
We can send you a bill for your premium every two months or every three months—you decide.

Apply Now. It's Easy.

Simply follow the instructions on the enclosed application.

Be sure to sign and date your application on the back as indicated to avoid delays.

If you have any questions or need help applying, please call:

1-800-345-7808.

TTY users, call 1-800-988-0668.

Do you have employer-sponsored coverage?

If you or your spouse have, or are eligible for, health care coverage through an employer group, trust fund or welfare fund, be sure to talk to your retiree benefits office *before* you decide to buy MedigapBlue or any health care insurance. You may have other options.

Important information about pre-existing conditions

If you are currently enrolled in a Highmark Blue Cross Blue Shield group or individual health care program, in another insurance company's Medicare supplement program, or in certain other Medicare health care plans, for example, a Medicare health maintenance organization (HMO) or preferred–provider organization (PPO)—and your new MedigapBlue coverage will replace this coverage without interruption—you are eligible for all MedigapBlue plan benefits as soon as your new coverage becomes effective. There is no waiting period for any pre-existing condition you may have.

In addition, there is no waiting period before benefits will be paid by MedigapBlue plans for any pre-existing condition you may have ***if you meet all of the following guidelines:***

- You have prior health care coverage. This includes, but is not limited to, coverage under any Highmark Blue Cross Blue Shield group or individual health care program; another insurance company's individual, group or Medicare Supplemental program; certain Medicare Health Plans, for example, a Medicare health care maintenance organization (HMO) or preferred provider organization (PPO); a Program of All-Inclusive Care for the Elderly; or other government health plans such as Medicare, Medicaid, a state risk pool or FEHBP; ***and***
- You submit your completed application for MedigapBlue to Highmark Blue Cross Blue Shield within 63 days from the date that your most recent prior creditable health care coverage ended; ***and***
- You attach a copy of your "Certificate of Prior Creditable Coverage" to your application for MedigapBlue coverage or provide other proof of your prior coverage.

This means that if you meet these guidelines, you are eligible for all MedigapBlue program benefits as soon as your new coverage becomes effective.

If you do *not* meet these guidelines and you will be a new Highmark Blue Cross Blue Shield customer when you enroll in MedigapBlue—that is, you are not presently enrolled in a Blue Cross and/or Blue Shield group or individual plan, or you are not currently enrolled in a Medicare supplement policy from another insurance carrier—the following pre-existing condition clause applies:

These Highmark Blue Cross Blue Shield MedigapBlue plans will not provide benefits during the first six months of your coverage for any condition, illness or injury for which you received treatment or advice from a physician during the six-month period before your new coverage became effective.

Once this initial "waiting period" is over, you are entitled to full benefits provided by your coverage.

Compare the Benefits of Each MedigapBlue Plan

Comparison Chart

PLAN A

Provides you with basic Medicare supplemental coverage or "core benefits"

- pays the Medicare Part A hospital insurance daily copayments of $256 for hospital stays of 61-90 days during a benefit period and $512 for stays of 91-150 days.*
- pays for up to 365 days per lifetime for hospital stays longer than 150 days.
- pays the Medicare Part B medical insurance 20% coinsurance or applicable copayment for eligible charges such as doctor bills and durable medical equipment (after you pay the Part B $135 annual deductible).
- pays for the first three pints of blood.
- discounts on the cost of vision care products and services, including eye exams, lenses, frames, contact lenses and other items you buy at network providers and suppliers.

PLAN B

Provides the same core benefits as Plan A, plus the following additional benefits

- pays the Medicare Part A hospital deductible of $1,024 for inpatient hospital stays…even if you are hospitalized more than once in a year (when you are out of the hospital for more than 60 days between stays, you will be charged another deductible).*
- discounts on the cost of vision care products and services, including eye exams, lenses, frames, contact lenses and other items you buy at network providers and suppliers.

PLAN C

Includes all of the benefits of Plan B, plus the following additional benefits

- pays the Medicare Part B $135 annual deductible for eligible doctor and other medical expenses.*
- pays the Medicare Part A daily copayment of $128 for between 21 and 100 days of skilled nursing facility care (coverage provided if you receive care in a facility approved by Medicare, after a Medicare-approved hospital stay of at least three days and within 30 days after you were discharged from the hospital).*
- covers 80% of medically necessary emergency care you receive in a foreign country if it begins during the first 60 days of each trip outside the USA, after you pay a $250 annual deductible. You're also responsible for the remaining 20% of your expenses.*
- discounts on the cost of vision care products and services, including eye exams, lenses, frames, contact lenses and other items you buy at network providers and suppliers.

PLAN E

Includes all of the benefits of Plan B, plus the following additional benefits

- pays the Medicare Part A daily copayment of $128 for between 21 and 100 days of skilled nursing facility care (coverage provided if you receive care in a facility approved by Medicare, after a Medicare-approved hospital stay of at least three days, and within 30 days after you were discharged from the hospital).*
- covers 80% of medically necessary emergency care you receive in a foreign country if it begins during the first 60 days of each trip outside the USA, after you pay a $250 annual deductible. You're also responsible for the remaining 20% of your expenses.*
- pays for up to $120 each year for preventive care services not already covered by Medicare, such as annual check-ups and other tests or preventive measures determined by your doctor.*
- discounts on the cost of vision care products and services, including eye exams, lenses, frames, contact lenses and other items you buy at network providers and suppliers.

PLAN H

Includes all of the benefits of Plan B, plus the following additional benefits

- pays the Medicare Part A daily copayment of $128 for between 21 and 100 days of skilled nursing facility care (coverage provided if you receive care in a facility approved by Medicare, after a Medicare-approved hospital stay of at least three days and within 30 days after you were discharged from the hospital).*
- covers 80% of medically necessary emergency care you receive in a foreign country if it begins during the first 60 days of each trip outside the USA, after you pay a $250 annual deductible. You're also responsible for the remaining 20% of your expenses.*
- discounts on the cost of vision care products and services, including eye exams, lenses, frames, contact lenses and other items you buy at network providers and suppliers.

PLAN I

Includes all of the benefits of Plan B, plus the following additional benefits

- pays the Medicare Part A daily copayment of $128 for between 21 and 100 days of skilled nursing facility care (coverage provided if you receive care in a facility approved by Medicare, after a Medicare-approved hospital stay of at least three days, and within 30 days after you were discharged from the hospital).*
- covers 80% of medically necessary emergency care you receive in a foreign country if it begins during the first 60 days of each trip outside the USA, after you pay a $250 annual deductible. You're also responsible for the remaining 20% of your expenses.*
- pays 100% of the Medicare Part B excess charges for care received outside Pennsylvania if the doctor does not accept Medicare's approved amount. This means that Plan I pays the difference between your doctor's actual charge for a covered service and Medicare's approved amount.
- covers the costs of at-home recovery care, including the cost of at-home help with daily activities such as bathing and dressing, if you are already getting Medicare-covered home health visits; up to eight weeks of at-home help after skilled care is no longer needed; limited to up to $40 for each visit and a maximum of $1,600 each year.*
- discounts on the cost of vision care products and services, including eye exams, lenses, frames, contact lenses and other items you buy at network providers and suppliers.

Medicare Pays ** Medicare costs listed are for 2008 and may change in the future.*		PLAN A		PLAN B		PLAN C		PLAN E		PLAN H		PLAN I	
		Plan Pays	You Pay	Plan Pays	You Pay	Plan Pays	You Pay	Plan Pays	You Pay	Plan Pays	You Pay	Plan Pays	You Pay
MEDICARE PART A													
Hospital Expenses	**DAYS 1-60** covers all hospital expenses *except* $1,024 inpatient deductible	$0	$1,024	$1,024	$0	$1,024	$0	$1,024	$0	$1,024	$0	$1,024	$0
	DAYS 61-90 covers all hospital expenses *except* $256 per day	$256 per day	$0	$256 per day	$0	$256 per day	$0	$256 per day	$0	$256 per day	$0	$256 per day	$0
	DAYS 91-150 (your 60 nonrenewable lifetime reserve days) covers all *except* $512 per day	$512 per day	$0	$512 per day	$0	$512 per day	$0	$512 per day	$0	$512 per day	$0	$512 per day	$0
	DAYS beyond 150 covers nothing	100% for 365 more days per lifetime	$0	100% for 365 more days per lifetime	$0	100% for 365 more days per lifetime	$0	100% for 365 more days per lifetime	$0	100% for 365 more days per lifetime	$0	100% for 365 more days per lifetime	$0
	Medicare pays nothing for the first three pints of blood	Charge for first three pints of blood	$0	Charge for first three pints of blood	$0	Charge for first three pints of blood	$0	Charge for first three pints of blood	$0	Charge for first three pints of blood	$0	Charge for first three pints of blood	$0
Skilled Nursing Care	All expenses for days 1-20; does not pay $128 per day for days 21-100	$0	$128 per day	$0	$128 per day	$128 per day	$0	$128 per day	$0	$128 per day	$0	$128 per day	$0
MEDICARE PART B													
Medical Expenses	80% of eligible charges for surgery, doctor fees and other medical services or applicable amounts under an outpatient prospective payment system, *after* satisfaction of $135 annual deductible	20% or applicable copayments after $135 deductible	$135	20% or applicable copayments after $135 deductible	$135	20% or applicable copayments and $135 deductible	$0	20% or applicable copayments after $135 deductible	$135	20% or applicable copayments after $135 deductible	$135	20% or applicable copayments after $135 deductible	$135
Excess Charges (All Pennsylvania doctors accept the Medicare-approved amounts)	Nothing	$0	100% of excess charges for care received outside of PA	$0	100% of excess charges for care received outside of PA	$0	100% of excess charges for care received outside of PA	$0	100% of excess charges for care received outside of PA	$0	100% of excess charges for care received outside of PA	100% of excess charges for care received outside of PA	$0
Preventive Care	Medicare covers certain limited preventive services such as flu shots, pneumonia vaccine and mammograms; Medicare pays nothing for non-covered preventive services	$0	100%	$0	100%	$0	100%	Up to $120 each year for certain services not covered by Medicare	100% of expenses over limit	$0	100%	$0	100%
Emergency Care In A Foreign Country	Nothing	$0	100%	$0	100%	80% after you pay $250 deductible (up to lifetime limit of $50,000)	20% and $250 deductible	80% after you pay $250 deductible (up to lifetime limit of $50,000)	20% and $250 deductible	80% after you pay $250 deductible (up to lifetime limit of $50,000)	20% and $250 deductible	80% after you pay $250 deductible (up to lifetime limit of $50,000)	20% and $250 deductible
At-Home Recovery	Nothing	$0	100%	$0	100%	$0	100%	$0	100%	$0	100%	Up to $40 each visit; limit of $1,600 each year	100% of expenses over limit

We're Here To Help

A Member Service representative will be happy to answer your questions.

Just call us between 8:00 a.m. and 4:30 p.m., Monday through Friday:

1-800-345-7808.

TTY users, call 1-800-988-0668.

Or stop in one of the Highmark Blue Cross Blue Shield Customer Service Centers listed to the right, Monday through Friday, between 8:30 a.m. and 4:30 p.m.

Customer Service
Penn Avenue Place
501 Penn Avenue
Ground Floor
Pittsburgh, PA 15222

Customer Service
One Pasquerilla Plaza
Johnstown, PA 15901

Customer Service
717 State Street
Erie, PA 16501

Customer Service
2040 Sandy Drive
State College, PA 16803

HIGHMARK. Blue Cross Blue Shield

Fifth Avenue Place
120 Fifth Avenue
Pittsburgh, PA 15222-3099

To make an appointment with a Customer Service representative, please call: 1-800-816-5527.

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