



Asuris Pledge

Medigap Modernization

Medigap Modernization Overview

Medigap Background & Modernization

Pre-Standardized

- Policies issued prior to state effective date for revisions conforming to the Omnibus Budget Reconciliation Act of 1990 (OBRA '90)

1990 Standardized

- Policies issued on or after the state effective date for revisions conforming to OBRA '90 but prior to June 1, 2010

2010 Modernized **NEW!**

- Policies issued on or after June 1, 2010 conforming to NAIC model regulations finalized in MIPPA (7/2008)
- Cannot sell any plans after this date that do not meet these new standards

NAIC Modernizes Medigap

- Required in 2003 Medicare Modernization Act – **MMA**
- Finalized in 2008 Medicare Improvement for Patients and Providers Act legislation – **MIPPA**
- Effective June 1, 2010
- Cannot sell any Medigap plan if it hasn't been 'modernized'



Summary of Changes --1990 to new 2010 Medigap Plans

Basic (Core) Benefits	A	B	C	D	F	G	K	L	M	N
Medicare Part A Coinsurance and Medigap Coverage for Hospital Benefits	✓	✓	✓	✓	✓	✓	✓	✓	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Medicare Part B Coinsurance or Copayment	✓	✓	✓	✓	✓	✓	50%	75%	<input checked="" type="checkbox"/>	\$20 o/v copay \$50 ER copay 100% all other
Part A & B: Blood (First 3 Pints)	✓	✓	✓	✓	✓	✓	50%	75%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Hospice Care Coinsurance or Copayment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	50%	75%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Additional Benefits	A	B	C	D	F	G	K	L	M	N
Skilled Nursing Facility Coinsurance			✓	✓	✓	✓	50%	75%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Part A Deductible		✓	✓	✓	✓	✓	50%	75%	50%	<input checked="" type="checkbox"/>
Part B Deductible			✓		✓					
Part B Excess Charges					✓	✓				
Foreign Travel Emergency			✓	✓	✓	✓			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Out of pocket annual limit							\$4,620	\$2,310		

Asuris New Medigap Plans

Asuris New Standardized Plans

Basic (Core) Benefits	A	C	F	K
Medicare Part A Coinsurance and Medigap Coverage for Hospital Benefits	✓	✓	✓	✓
Medicare Part B Coinsurance or Copayment	✓	✓	✓	50%
Part A & B: Blood (First 3 Pints)	✓	✓	✓	50%
Hospice Care Coinsurance or Copayment	✓	✓	✓	50%
Additional Benefits	A	C	F	K
Skilled Nursing Facility Coinsurance		✓	✓	50%
Part A Deductible		✓	✓	50%
Part B Deductible		✓	✓	
Part B Excess Charges			✓	
Foreign Travel Emergency		✓	✓	
Out of pocket annual limit				\$4,620

Why Plans A, C, F, and K?

- Plan A is mandated to be offered by any carrier offering Medigap plans
- If offering more than Plan A, carriers must offer Plan C or Plan F
 - Plan F historically is the most popular plan within Asuris and nationally – with 54% of total Asuris Medigap enrollment
 - Plan C is the second most popular plan Asuris-wide
- Plan K was selected for cost-conscious shoppers
 - Also attractive because of maximum annual OOP limit -- \$4,620 in 2010



What's Changing, and Not Changing?

New Medigap Portfolio Name

Asuris's 2010 Medigap portfolio

- **Asuris Pledge**

Naming for two reasons

- Differentiate our plans from competitor plans in the market
- Better identify old plans from new plans internally
 - Plans A, C, and F will have old and 'modernized' versions
 - Example:

Closed, Not Discontinued Example	New Medigap Plan Name
Asuris Plan F	Asuris Pledge Plan F

Adding CareEnhance®



- Very popular benefit
 - Convenient
 - Cost saver
 - Social contact
- Plan differentiator
- Available with new plans
- Will be added to current plans as enrollment moves to Facets with next renewal

Plan Closures

Closing to new enrollment

- All current Medigap plans will close May 1, 2010
- All pre-standard plans were already closed to new enrollment
- However, these plans are all guaranteed renewable
 - They cannot be terminated or discontinued

Note: Current Asuris Medigap members and members on competitors' Medigap pre-June 2010 plans will be subject to underwriting if applying for one of the new Asuris 2010 Medigap plans



Competitive pricing

- New 'Modernized' Medigap plans allow creation of new risk pool
- Internal changes help promote more effective cost management

Age 65 Old vs New Medigap Rates Comparison

Plan A		Plan C		Plan F		Plan K
Current Rate	New Rate	Current Rate	New Rate	Current Rate	New Rate	New
\$182	\$122	\$224	\$171	\$227	\$172	\$94

New Medigap Premium Discount Structure

Payment Option & Savings	Monthly	Quarterly	Semi-Annual	Annual
Monthly Billing	None	None	None	None
Surepay (automatic monthly draft from member's bank account)	\$2			\$24
Quarterly billing		\$4		\$16
Semi-annual billing			\$10	\$20
Annual billing				\$22

Discount reflects number of months a paper bill, @ \$2/mo, is not generated

Commission: New Medigap Policies

Commissions	New Medigap plans Effective 6/1/2010	Plans A,C,F & K
	Life of policy	10%

What's Not Changing – Guaranteed Issue Rights

Primary Examples of Medigap Guaranteed Issue (1-7 are federal regulations; #8 is Asuris business rule)

1. You are within your open enrollment period – first 6 months after reaching age 65 and enrolled in Medicare Parts A & B
2. You're in a Medicare Advantage plan and your plan is no longer available to you
3. You're in a Medicare Advantage plan and you move from your plan's area
4. You have Original Medicare and a Medicare Select policy, and move from your plan's service area
5. You joined a Medicare Advantage plan when first eligible, and within 12 months want to switch to Original Medicare
6. Your current Medigap carrier goes bankrupt, or you otherwise lose coverage through no fault of your own
7. You leave your Medicare Advantage or Medigap plan because your carrier misled you, or didn't follow the rules
8. You had a Medigap plan with Asuris, changed to a Asuris MedAdvantage plan, and within two years want to return to your prior Asuris Medigap plan

Web Tools



- Target launch date May 1, 2010
- Download and print paper application
- Fully-functional online application due June 8

Asuris Pledge Plan A Overview

Learn about the features and benefits you use most often.



Our Stance

Commitment

Asuris continues to demonstrate **commitment to Medicare beneficiaries** – both members and non-members – throughout our communities by offering all possible types of coverage available.

Advice and Education

Asuris is here to offer products and **provide advice and education about choices** that best satisfy each Medicare beneficiary's needs.

Key Points

- **Asuris value:** Our excellent customer service and reputation as a locally-based, reliable, and committed carrier separate us from our competition
- **Portfolio:** We offer a choice of Medicare products including: Medigap plans, MedAdvantage options and Medicare Part D
- **Asuris benefits:** Asuris Advantages discount program, myAsuris.com, CareEnhance nurse call-line.
- **Competitively priced:** Your clients can enjoy the security of being an Asuris member while paying a low monthly premium for their Medigap policy