

The Real Impact of the Blue Cross Blue Shield Legislation

All Michigan Medicare beneficiaries and particularly the **over 200,000** existing BCBSM Legacy plan customers will be faced with the following *undesirable* choices in or around 2016 if SB 61 and 62 pass:

- Pay **thousands of dollars** more a year to maintain the health coverage they love.

An 80-year-old couple in Southeast Michigan would currently have to pay the following to maintain comparable Medicare coverage with BCBSM without the Public Act 350 plans (see attached for fee schedules):

	Under Public Act 350 (Legacy)	Without Public Act 350	Annual Increase Per Year If SB 61 & 62 Pass
Male	\$121.22 / month	\$309.40 – \$402.22 / month	\$2,258 - \$3,372
Female	\$121.22 / month	\$263.11 – \$342.04 / month	\$1,703 - \$2,650
Couple	\$242.44 / month	\$572.51 - \$744.26 / month	\$3,961 - \$6,022

* BCBSM can charge higher “tiers” based on a person’s body mass index (hence, the price range).

Thus, an 80-year-old non-smoking couple in SE Michigan **would pay \$3,961-\$6,022 more a year** to maintain comparable health coverage with BCBSM. With an average income of only \$25,198, this couple **would spend between 15% and 24% of their fixed incomes to maintain this BCBSM coverage**. That’s not feasible.

Many individuals with disabilities under 65 will no longer even have this option!

- Or take a Medicare Advantage plan with much **inferior** health coverage at **unpredictable** cost.

With this choice, an individual will be:

- Limited to networks/preferred providers in limited geographies. **Think twice before visiting out-of-state grandchildren. And a needed doctor/provider may not be in the plan.**
- Forced to take that plan’s prescription formulary. **You will usually pay more for prescriptions than standalone drug plans – assuming your prescription is even on the formulary.**
- Faced with arbitrary health coverage denials by insurers. **The federal government ranks BCBSM “below average” for wrongfully denying its Medicare Advantage customers coverage.**
- Stuck with unpredictable co-pays and deductibles. **When medical help is needed most, he or she will usually pay *more* than Medigap. Or worse, the person will forgo care.**
- Obligated to read hundreds of pages of fine print to fully understand his or her medical coverage. **BCBSM’s evidence of coverage alone is 258 pages.**

BCBSM makes over \$10,000/year more in revenue for each Medigap customer it converts to Medicare Advantage. That’s billions of dollars in new potential revenue. No wonder BCBSM says Medicare Advantage plans are so great.

- Or just have Original Medicare with no supplemental coverage and risk **financial ruin** or **Medicaid**.
 - With uncapped co-pays and deductibles, this individual risks financial ruin or going on Medicaid (i.e., the taxpayer’s dime) when he or she needs medical care.
 - Or this individual may forgo care, increasing the likelihood of chronic illness and long-term facility use. **This will increase Medicaid (i.e., taxpayer) expenditures in Michigan.**

Senate Bills 61 and 62 will hurt Michiganders – the same people that built BCBSM through health premiums and tax subsidies over the past 72 years.

Monthly premiums for individuals not applying within a Special Enrollment Period

MyBlue Medigap Plan F, Tier 1 Rates (effective through Dec. 31, 2013)								
AGE	Area 1 (480 - 485 ZIP codes)				Area 2 (all other ZIP codes)			
	Tobacco User		Non Tobacco User		Tobacco User		Non Tobacco User	
	Male	Female	Male	Female	Male	Female	Male	Female
65	\$198.87	\$188.95	\$184.22	\$175.01	\$172.93	\$164.30	\$160.19	\$152.18
66	\$198.87	\$188.95	\$184.22	\$175.01	\$172.93	\$164.30	\$160.19	\$152.18
67	\$209.02	\$196.50	\$193.43	\$181.86	\$181.76	\$170.87	\$168.20	\$158.14
68	\$219.65	\$204.06	\$203.35	\$188.95	\$191.00	\$177.45	\$176.83	\$164.30
69	\$230.51	\$212.33	\$213.51	\$196.50	\$200.45	\$184.63	\$185.66	\$170.87
70	\$241.85	\$220.12	\$223.90	\$203.83	\$210.31	\$191.41	\$194.70	\$177.24
71	\$252.95	\$227.68	\$234.29	\$210.91	\$219.96	\$197.98	\$203.73	\$183.40
72	\$264.76	\$235.71	\$245.16	\$218.23	\$230.23	\$204.97	\$213.18	\$189.77
73	\$276.81	\$243.50	\$256.26	\$225.55	\$240.70	\$211.74	\$222.83	\$196.13
74	\$289.09	\$251.53	\$267.60	\$232.88	\$251.38	\$218.73	\$232.69	\$202.50
75	\$300.90	\$258.86	\$278.70	\$239.73	\$261.65	\$225.09	\$242.34	\$208.46
76	\$311.76	\$265.00	\$288.62	\$245.39	\$271.10	\$230.43	\$250.97	\$213.39
77	\$317.43	\$269.72	\$293.81	\$249.65	\$276.03	\$234.54	\$255.49	\$217.08
78	\$322.63	\$274.21	\$298.77	\$253.90	\$280.54	\$238.44	\$259.80	\$220.78
79	\$328.53	\$279.40	\$304.20	\$258.62	\$285.68	\$242.96	\$264.52	\$224.89
80	\$334.20	\$284.13	\$309.40	\$263.11	\$290.61	\$247.07	\$269.04	\$228.79
81	\$337.51	\$290.27	\$312.47	\$268.78	\$293.48	\$252.41	\$271.71	\$233.72
82	\$340.58	\$296.41	\$315.30	\$274.44	\$296.15	\$257.75	\$274.18	\$238.65
83	\$343.41	\$302.31	\$317.90	\$279.88	\$298.62	\$262.88	\$276.44	\$243.37
84	\$345.77	\$307.98	\$320.26	\$285.07	\$300.67	\$267.81	\$278.49	\$247.89
85	\$347.90	\$313.18	\$322.15	\$290.03	\$302.52	\$272.33	\$280.13	\$252.20
86	\$350.02	\$318.37	\$324.04	\$294.76	\$304.37	\$276.85	\$281.78	\$256.31
87	\$351.44	\$323.10	\$325.46	\$299.24	\$305.60	\$280.95	\$283.01	\$260.21
88	\$352.62	\$328.06	\$326.40	\$303.73	\$306.63	\$285.27	\$283.83	\$264.11
89	\$353.33	\$332.07	\$327.11	\$307.51	\$307.24	\$288.76	\$284.45	\$267.40
90 and Over	\$353.80	\$336.09	\$327.59	\$311.29	\$307.65	\$292.25	\$284.86	\$270.69

Please note: Depending on information received, an individual may not meet the eligibility requirements for MyBlue Medigap membership.

Please note: These rates do not include the Michigan Claims Tax Assessment and other Federal taxes under consideration that will be added to your bill.

Monthly premiums for individuals not applying within a Special Enrollment Period *continued*

MyBlue Medigap Plan F, Tier 2 Rates (effective through Dec. 31, 2013)								
AGE	Area 1 (480 - 485 ZIP codes)				Area 2 (all other ZIP codes)			
	Tobacco User		Non Tobacco User		Tobacco User		Non Tobacco User	
	Male	Female	Male	Female	Male	Female	Male	Female
65	\$218.75	\$207.84	\$202.64	\$192.51	\$190.22	\$180.73	\$176.21	\$167.40
66	\$218.75	\$207.84	\$202.64	\$192.51	\$190.22	\$180.73	\$176.21	\$167.40
67	\$229.92	\$216.15	\$212.78	\$200.05	\$199.93	\$187.96	\$185.02	\$173.95
68	\$241.62	\$224.47	\$223.69	\$207.84	\$210.10	\$195.19	\$194.51	\$180.73
69	\$253.57	\$233.56	\$234.86	\$216.15	\$220.49	\$203.10	\$204.23	\$187.96
70	\$266.04	\$242.13	\$246.29	\$224.21	\$231.34	\$210.55	\$214.17	\$194.96
71	\$278.25	\$250.45	\$257.72	\$232.00	\$241.95	\$217.78	\$224.11	\$201.74
72	\$291.24	\$259.28	\$269.67	\$240.06	\$253.25	\$225.46	\$234.50	\$208.74
73	\$304.49	\$267.86	\$281.88	\$248.11	\$264.77	\$232.92	\$245.12	\$215.75
74	\$318.00	\$276.69	\$294.35	\$256.16	\$276.52	\$240.60	\$255.96	\$222.75
75	\$330.99	\$284.74	\$306.57	\$263.70	\$287.81	\$247.60	\$266.58	\$229.30
76	\$342.94	\$291.50	\$317.48	\$269.93	\$298.21	\$253.48	\$276.07	\$234.72
77	\$349.17	\$296.69	\$323.19	\$274.61	\$303.63	\$257.99	\$281.04	\$238.79
78	\$354.89	\$301.63	\$328.65	\$279.29	\$308.60	\$262.29	\$285.78	\$242.86
79	\$361.38	\$307.34	\$334.62	\$284.48	\$314.25	\$267.26	\$290.98	\$247.38
80	\$367.62	\$312.54	\$340.34	\$289.42	\$319.67	\$271.77	\$295.95	\$251.67
81	\$371.26	\$319.30	\$343.72	\$295.65	\$322.83	\$277.65	\$298.88	\$257.09
82	\$374.63	\$326.05	\$346.83	\$301.89	\$325.77	\$283.52	\$301.60	\$262.51
83	\$377.75	\$332.55	\$349.69	\$307.86	\$328.48	\$289.17	\$304.08	\$267.71
84	\$380.35	\$338.78	\$352.29	\$313.58	\$330.74	\$294.59	\$306.34	\$272.68
85	\$382.69	\$344.50	\$354.37	\$319.04	\$332.77	\$299.56	\$308.15	\$277.42
86	\$385.03	\$350.21	\$356.45	\$324.23	\$334.80	\$304.53	\$309.95	\$281.94
87	\$386.58	\$355.41	\$358.01	\$329.17	\$336.16	\$309.05	\$311.31	\$286.23
88	\$387.88	\$360.86	\$359.05	\$334.10	\$337.29	\$313.79	\$312.21	\$290.53
89	\$388.66	\$365.28	\$359.82	\$338.26	\$337.97	\$317.64	\$312.89	\$294.14
90 and Over	\$389.18	\$369.70	\$360.34	\$342.42	\$338.42	\$321.48	\$313.34	\$297.75

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Please note: These rates do not include the Michigan Claims Tax Assessment and other Federal taxes under consideration that will be added to your bill.

Monthly premiums for individuals not applying within a Special Enrollment Period *continued*

MyBlue Medigap Plan F, Tier 3 Rates (effective through Dec. 31, 2013)								
AGE	Area 1 (480 - 485 ZIP codes)				Area 2 (all other ZIP codes)			
	Tobacco User		Non Tobacco User		Tobacco User		Non Tobacco User	
	Male	Female	Male	Female	Male	Female	Male	Female
65	\$258.53	\$245.63	\$239.49	\$227.52	\$224.81	\$213.59	\$208.25	\$197.84
66	\$258.53	\$245.63	\$239.49	\$227.52	\$224.81	\$213.59	\$208.25	\$197.84
67	\$271.73	\$255.46	\$251.46	\$236.42	\$236.29	\$222.14	\$218.66	\$205.58
68	\$285.55	\$265.28	\$264.36	\$245.63	\$248.30	\$230.68	\$229.88	\$213.59
69	\$299.67	\$276.03	\$277.56	\$255.46	\$260.58	\$240.02	\$241.36	\$222.14
70	\$314.41	\$286.16	\$291.07	\$264.97	\$273.40	\$248.83	\$253.11	\$230.41
71	\$328.84	\$295.98	\$304.58	\$274.18	\$285.95	\$257.38	\$264.85	\$238.42
72	\$344.19	\$306.42	\$318.71	\$283.70	\$299.30	\$266.46	\$277.13	\$246.70
73	\$359.85	\$316.56	\$333.14	\$293.22	\$312.91	\$275.27	\$289.68	\$254.97
74	\$375.81	\$327.00	\$347.87	\$302.74	\$326.80	\$284.34	\$302.50	\$263.25
75	\$391.17	\$336.51	\$362.30	\$311.64	\$340.14	\$292.62	\$315.05	\$270.99
76	\$405.29	\$344.50	\$375.20	\$319.01	\$352.43	\$299.56	\$326.26	\$277.40
77	\$412.66	\$350.64	\$381.96	\$324.54	\$358.83	\$304.90	\$332.13	\$282.21
78	\$419.41	\$356.47	\$388.40	\$330.07	\$364.71	\$309.97	\$337.74	\$287.01
79	\$427.09	\$363.23	\$395.46	\$336.21	\$371.38	\$315.85	\$343.88	\$292.35
80	\$434.46	\$369.37	\$402.22	\$342.04	\$377.79	\$321.19	\$349.76	\$297.43
81	\$438.76	\$377.35	\$406.21	\$349.41	\$381.53	\$328.13	\$353.23	\$303.83
82	\$442.75	\$385.33	\$409.90	\$356.78	\$385.00	\$335.07	\$356.43	\$310.24
83	\$446.43	\$393.01	\$413.27	\$363.84	\$388.20	\$341.75	\$359.37	\$316.38
84	\$449.50	\$400.38	\$416.34	\$370.59	\$390.87	\$348.15	\$362.04	\$322.26
85	\$452.27	\$407.13	\$418.80	\$377.04	\$393.28	\$354.03	\$364.17	\$327.86
86	\$455.03	\$413.89	\$421.26	\$383.18	\$395.68	\$359.90	\$366.31	\$333.20
87	\$456.87	\$420.03	\$423.10	\$389.02	\$397.28	\$365.24	\$367.91	\$338.28
88	\$458.41	\$426.48	\$424.33	\$394.85	\$398.62	\$370.85	\$368.98	\$343.35
89	\$459.33	\$431.70	\$425.25	\$399.76	\$399.42	\$375.39	\$369.78	\$347.62
90 and Over	\$459.94	\$436.91	\$425.86	\$404.68	\$399.95	\$379.93	\$370.31	\$351.89

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