

Now You Can Manage
Your Health Care Coverage...
Your Way



SmartSaver

A Medicare Advantage
Medical Savings Account Plan

FROM BLUE CROSS OF CALIFORNIA



You've worked hard and accomplished much.
And through it all, you've maintained a healthy lifestyle.

Now you're looking ahead with a renewed zest for living well,
and you want to maintain your freedom and healthy way of living.

Choosing the right Medicare health plan
can help. And now, Blue Cross of California
is offering a plan that may be just what
you're looking for.

Introducing SmartSaver - a Medicare Advantage Medical Savings Account (MSA) Plan

MEDICARE HEALTH COVERAGE

When you become eligible for Medicare health insurance, you have many different Medicare health coverage options available to you.

The original Medicare Program includes coverage under Medicare Part A (inpatient services such as hospitals and skilled nursing facilities) and Medicare Part B (doctors and specialist visits, some medical equipment and supplies).

Although Original Medicare is a valuable resource, many find that it falls short of the coverage needed against medical costs that could result from a serious illness or accident.

Some choose to purchase a Medicare Supplement Plan designed to help pay for some of the costs due after Original Medicare has paid its portion.

Others may choose to convert their Medicare coverage to a Medicare HMO Plan.

While these options are available, the monthly plan premiums may be too expensive or access to doctors may be too restrictive.

Another option is a Medicare Advantage Plan. These types of plans provide enhanced benefits that go beyond those covered by Original Medicare; however, you may have to pay more or share more of the costs incurred for the additional coverage.

THE SMARTSAVER MEDICARE ADVANTAGE PLAN

SmartSaver is a Medicare Advantage Plan offering all the coverage included in Medicare Part A and Medicare Part B with No Monthly Plan Premiums.

SmartSaver does not provide Medicare Part D, prescription drug benefits; however, you may add this coverage by joining a Medicare prescription drug plan.

A choice of three prescription drug plan options is available to you. For more information, please see the Part D brochure and enrollment application contained in this packet.

WHY IS SMARTSAVER A MEDICARE MEDICAL SAVINGS ACCOUNT PLAN?

SmartSaver is a Medicare Advantage high deductible health insurance plan that is designed to link with a personal Medical Savings Account (MSA) to help you manage how you pay for your medical expenses.

WHAT IS A MEDICAL SAVINGS ACCOUNT (MSA)?

An MSA is a savings account established in your name that will link to a qualified health care plan. You must purchase the health insurance policy before funds can be deposited into your MSA account and used to pay for your health care services.

The SmartSaver Medicare MSA Plan

WHO IS ELIGIBLE TO APPLY FOR SMARTSAVER?

You are eligible to apply for SmartSaver if you are:

- a resident in a SmartSaver service area
- entitled to Medicare Part A*
- enrolled in Medicare Part B

and, you do not have End Stage Renal Disease.

To remain eligible for SmartSaver, you must maintain Medicare Part A and continue to pay your Part B premiums.

**If you are not entitled to Medicare Part A benefits, you can purchase Part A through the Social Security Administration. (If you do purchase Part A, you must also continue to pay your Part A premiums to remain eligible for SmartSaver.)*

You are NOT eligible for SmartSaver if you receive health benefits from:

- an employer-sponsored health plan;
- the Medicaid program;
- the Veterans Administration; or
- any other program that would cover health care costs before you reach the SmartSaver plan deductible.

WHEN MAY I ENROLL IN SMARTSAVER?

SmartSaver members must submit enrollment applications for a first effective date of January 1, 2007. No other effective date is available. SmartSaver must receive your enrollment application and your Mellon MSA Bank application by December 29, 2006 in order to process you for a January 1, 2007 effective date.

For those who become eligible for Medicare after January 1, 2007, you may enroll in SmartSaver for 2007 with your eligibility date as your effective date.

WHERE IS SMARTSAVER AVAILABLE?

SmartSaver is available to qualified residents of a SmartSaver service area. Please refer to your SmartSaver Summary of Benefits booklet for a listing of counties within California that offer SmartSaver.

HOW DO I ESTABLISH AN MSA ACCOUNT?

We will process your application to establish your Medicare MSA Savings Account with ASC/Mellon bank, a well respected, internationally recognized banking institution.

HOW IS MY MSA ACCOUNT FUNDED?

We coordinate between Medicare and ACS/Mellon Bank to establish your account and deposit your annual Medicare MSA funds from Medicare into your account. You cannot make deposits directly into this account.

At the beginning of each calendar year the Medicare program makes funds* available to Medicare beneficiaries who wish to enroll in Medicare MSA Plans. As part of your enrollment process, Medicare will submit the Medicare MSA deposit to SmartSaver on your behalf, and we will deposit those funds directly into your active personal ACS/Mellon Medicare MSA Account.

Any balance in your Medicare MSA Plan at the end of a year remains yours and is rolled over into your Medicare MSA Account for the following year.

**Please see your SmartSaver Summary of Benefits for the dollar amount of Medicare MSA funding available to you for 2007.*

SmartSaver Plan Features

SMARTSAVER PLAN BENEFITS

Your SmartSaver Plan has a yearly deductible amount. You are responsible for paying all of your health care costs before the plan deductible amount is met. To determine the amount of your plan deductible, refer to your SmartSaver Summary of Benefits.

You may choose to use your Medicare MSA funds to pay for your health care expenses. Payments made for services covered by Medicare will count towards meeting your health plan deductible.

Once your plan deductible is met, SmartSaver will pay 100% of Medicare covered services at the Medicare allowed amounts for the remainder of the year.

SmartSaver is made available from Blue Cross of California (Blue Cross). Blue Cross is an organization that provides managed care and specialty health care services throughout California. Blue Cross and its affiliates serve the health care needs of more than 37 million members across the United States.

SMARTSAVER EVIDENCE OF COVERAGE

Once enrolled in SmartSaver, you will receive an Evidence of Coverage booklet which explains in detail the full range of covered services of your plan, as well as the conditions, exclusions and limitations. The terms in the Evidence of Coverage will govern your coverage under your plan. If you want this information before enrollment, please contact Blue Cross.

SmartSaver offers simple, straightforward plan benefits and the flexibility to use them in whatever way best suits your lifestyle.

With SmartSaver, you can take control of your health care needs and costs.

WHAT ARE THE ADVANTAGES OF CHOOSING THE SMARTSAVER MSA PLAN?

- **SmartSaver coverage begins with a pre-funded Medicare MSA Account in your name with ACS/Mellon Bank**
- **MSA funds are immediately available to pay for health care services you receive**
- **You have the freedom to choose your own doctors, specialists and hospitals**
- **You may use your MSA funds to pay for some medical expenses that Medicare does not cover**
- **SmartSaver has no monthly plan premiums**
- **Once your yearly deductible is met, you have 100% coverage for Medicare covered services at the Medicare allowed amounts for the remainder of the year**

SmartSaver Membership Information

VOLUNTARY DISENROLLMENT

If you decide that the SmartSaver Plan is not right for you, your written request to disenroll must be received by Blue Cross or your local Social Security Office by December 29, 2006. After this date, you may only disenroll during the Annual Election Period (November 15 through December 31).

INVOLUNTARY MEMBERSHIP TERMINATION

Membership in the Blue Cross SmartSaver Plan is automatically renewed on a monthly basis as long as you continue to pay your Medicare monthly premiums. Membership can only be terminated under the following conditions:

- You do not retain Medicare Part B (medical) coverage under the federal Medicare Program.
- You lose eligibility for Medicare Part A (hospital) coverage.
- You allow someone else to use your Blue Cross ID card to obtain services or commit fraud.
- You permanently move out of the Blue Cross SmartSaver Plan service area. (A permanent move is defined as more than six consecutive months out of the service area.)
- You are abusive, disruptive or uncooperative to the point where the ability of Blue Cross to provide you with health care services is severely impaired. (Disenrollment for this reason is subject to approval from the Centers For Medicare & Medicaid Services (CMS).)
- The contract between CMS and Blue Cross is not renewed.

SMARTSAVER MEDICARE CONTRACTS

The Blue Cross SmartSaver Plan is a Medicare Advantage Medical Savings Account Plan with a Medicare contract. Blue Cross' contract with availability of coverage beyond the end of the contract year is not guaranteed. The SmartSaver plan's benefits and premiums are all subject to change annually upon contract renewal with CMS.

COMPLAINTS ABOUT SERVICES

Blue Cross is confident that you will be satisfied with your SmartSaver Plan; however, if you should ever have a complaint or problem, or you wish to dispute involuntary disenrollment, please follow the member grievance procedures summarized in your Evidence of Coverage booklet.

Issues about whether or not a service is or should be covered, or the amount paid for any given service, must be addressed through the reconsideration and appeals process.

Enrollment in SmartSaver

HOW TO ENROLL

To enroll in the SmartSaver Medicare MSA Plan, please complete and submit the SmartSaver enrollment application.

You will also need to complete and return the ACS/Mellon Bank enrollment materials in order to establish your Medicare MSA Account.

You may apply for Medicare Part D prescription drug coverage as well by including a completed Medicare Part D application.

You will find forms for SmartSaver, Mellon Bank, and Medicare Part D in this brochure packet.

LOW INCOME SUBSIDIES FOR PRESCRIPTION DRUG COSTS

Low-income subsidy is extra help with prescription drug costs for Medicare-eligible individuals whose income and resources are limited. This help takes the form of payments to a Medicare Part D Prescription Drug Plan. People eligible for MediCal, Supplemental Security Income (SSI), or a Medicare Saving Program qualify automatically and do not need to apply.

All others may apply with Social Security (SSA) by mail, by telephone, on the Web at www.socialsecurity.gov or in person at a community event or an SSA office. Applications may also be filed at the local MediCal office.

If you are not receiving this additional assistance, you should contact 1-800-MEDICARE (TTY/TDD users call 877-486-2048), the MediCal Office, or your local Social Security Administration Office to see if you might qualify.

THE SMARTSAVER ENROLLMENT PROCESS

SmartSaver will coordinate with Medicare and ACS/Mellon Bank to process your enrollment. Once your enrollment is completed, the following will occur:

- SmartSaver will send you a Membership ID Card and an Evidence of Coverage booklet
- ACS/Mellon Bank will send you a welcome kit that includes a signature card that you must complete and return to Mellon Bank
- Your Medicare funds will be deposited into your Medicare MSA Account
- You will receive a debit card and check book from ACS/Mellon Bank that you may use to pay for health care services you receive. (Please consult with your tax professional to learn what health care services qualify for payment from Medicare MSA funds.)

QUESTIONS?

Please call your Blue Cross agent, or you may call us directly at 1-888-211-9813 (TTY 1-800-297-1538)

Monday through Friday, 8:00 a.m. to 6:00 p.m.

www.bluecrossca.com



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