

**NOTICE OF BENEFIT MODIFICATIONS AND PREMIUM ADJUSTMENTS**  
**Medicare Supplement Policy – Plan C**

The following charts briefly describe the modifications in Medicare and in your Medicare supplement coverage. This includes a brief description of the revisions to Medicare Parts A & B as well as descriptions of supplemental benefits with subsequent changes, including dollar amounts, provided by the Medicare supplement coverage. Please read this information carefully.

\*A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

**MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD**

SERVICES	Medicare Benefit		Your Medicare Supplement Coverage	
	In 2011 Medicare Pays	Effective January 1, 2012 Medicare Pays	In 2011 Your Plan Pays	Effective January 1, 2012 Your Plan Pays
<b>HOSPITALIZATION* –</b> Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days	All but \$1,132	All but \$1,156	\$1,132 (Part A deductible)	\$1,156 (Part A deductible)
61 <sup>st</sup> through 90 <sup>th</sup> day	All but \$283 a day	All but \$289 a day	\$283 a day	\$289 a day
91 <sup>st</sup> day and after	All but \$566 a day	All but \$578 a day	\$566 a day	\$578 a day
<ul style="list-style-type: none"> <li>• While using 60 lifetime reserve days</li> </ul>	All but \$566 a day	All but \$578 a day	\$566 a day	\$578 a day
<ul style="list-style-type: none"> <li>• Once lifetime reserve days are used:               <ul style="list-style-type: none"> <li>○ Additional 365 days</li> </ul> </li> </ul>	\$0	\$0	100% of Medicare Eligible Expenses	100% of Medicare Eligible Expenses
<ul style="list-style-type: none"> <li>○ Beyond the additional 365 days</li> </ul>	\$0	\$0	\$0	\$0
<b>SKILLED NURSING FACILITY CARE* –</b> You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital First 20 days	All approved amounts	All approved amounts	\$0	\$0
21 <sup>st</sup> through 100 <sup>th</sup> day	All but \$141.50 a day	All but \$144.50 a day	\$141.50 a day	\$144.50 a day
101 <sup>st</sup> day and after	\$0	\$0	\$0	\$0
<b>BLOOD –</b> First three pints	\$0	\$0	3 pints	3 pints
Additional amounts	100%	100%	\$0	\$0
<b>HOSPICE CARE –</b> Available as long as your doctor certifies that you are terminally ill and you elect to receive these services.	All but very limited coinsurance for outpatient drugs and inpatient respite care	All but very limited coinsurance for outpatient drugs and inpatient respite care	\$0	\$0

\*Once you have been billed \$140 of Medicare-approved amounts for covered services, your Part B Deductible will have been met for the calendar year.

**MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR**

SERVICES	Medicare Benefit		Your Medicare Supplement Coverage	
	In 2011 Medicare Pays	Effective January 1, 2012 Medicare Pays	In 2011 Your Plan Pays	Effective January 1, 2012 Your Plan Pays
<b>MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT</b> , such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment First \$140 of Medicare-approved Amounts*	\$0	\$0	\$162 (Part B deductible)	\$140 (Part B deductible)
<b>MEDICAL</b> Remainder of Medicare-approved amounts	80% of outpatient medical services	80% of outpatient medical services	20% of outpatient medical services	20% of outpatient medical services
<b>OUTPATIENT MENTAL HEALTH</b> Remainder of Medicare-approved amounts	80% of Medicare-approved amount	80% of Medicare-approved amount	20% of Medicare-approved amount	20% of Medicare-approved amount
<b>NOTE:</b> Medicare reimbursement for outpatient mental health differs from the usual Medicare reimbursement.	<b>NOTE:</b> In accordance with Medicare outpatient mental health reimbursement rules, the Medicare-approved amount for outpatient mental health claims is based on a 31.25% deduction of the initial Medicare-approved amount (Medicare-approved amount after deduction).	<b>NOTE:</b> In accordance with Medicare outpatient mental health reimbursement rules, the Medicare-approved amount for outpatient mental health claims is based on a 25% deduction of the initial Medicare-approved amount (Medicare-approved amount after deduction).	<b>NOTE:</b> In accordance with Medicare outpatient mental health reimbursement rules, the Medicare-approved amount for outpatient mental health claims is based on a 31.25% deduction of the initial Medicare-approved amount (Medicare-approved amount after deduction).	<b>NOTE:</b> In accordance with Medicare outpatient mental health reimbursement rules, the Medicare-approved amount for outpatient mental health claims is based on a 25% deduction of the initial Medicare-approved amount (Medicare-approved amount after deduction).
<b>PART B EXCESS CHARGES</b> (above Medicare-approved amounts) <b>NOTE:</b> Some states, such as PA, prohibit excess charges to any Medicare beneficiary.	\$0	\$0	\$0	\$0

\*Once you have been billed \$140 of Medicare-approved amounts for covered services, your Part B Deductible will have been met for the calendar year.

**MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR**

SERVICES	Medicare Benefit		Your Medicare Supplement Coverage	
	In 2011 Medicare Pays	Effective January 1, 2012 Medicare Pays	In 2011 Your Plan Pays	Effective January 1, 2012 Your Plan Pays
<b>BLOOD –</b>				
First 3 pints	\$0	\$0	All costs	All costs
Next \$140 of Medicare-approved amounts*	\$0	\$0	\$162 (Part B deductible)	\$140 (Part B deductible)
Remainder of Medicare-approved amounts	80%	80%	20%	20%
<b>CLINICAL LABORATORY SERVICES – TESTS FOR DIAGNOSTIC SERVICES</b>	100%	100%	\$0	\$0

**PARTS A and B**

SERVICES	Medicare Benefit		Your Medicare Supplement Coverage	
	In 2011 Medicare Pays	Effective January 1, 2012 Medicare Pays	In 2011 Your Plan Pays	Effective January 1, 2012 Your Plan Pays
<b>HOME HEALTH CARE – MEDICARE-APPROVED SERVICES</b> Medically necessary skilled care services and medical supplies	100%	100%	\$0	\$0
Durable medical equipment				
• First \$140 of Medicare-approved amounts*	\$0	\$0	\$162 (Part B deductible)	\$140 (Part B deductible)
• Remainder of Medicare-approved amounts	80%	80%	20%	20%

**OTHER BENEFITS – NOT COVERED BY MEDICARE**

SERVICES	Medicare Benefit		Your Medicare Supplement Coverage	
	In 2011 Medicare Pays	Effective January 1, 2012 Medicare Pays	In 2011 Your Plan Pays	Effective January 1, 2012 Your Plan Pays
<b>FOREIGN TRAVEL – NOT COVERED BY MEDICARE</b> Medically necessary emergency care services beginning during the first 60 days of each trip outside the U.S.				
First \$250 each calendar year	\$0	\$0	\$0	\$0
Remainder of charges	\$0	\$0	80% to a lifetime max benefit of \$50,000	80% to a lifetime max benefit of \$50,000

## PREMIUM INFORMATION

Benefits provided by Your policy are tied to Medicare's deductible amounts and coinsurance amounts, which may change on an annual basis. Premium rates and benefit changes are expected to occur each year to adjust for changes in Medicare and medical inflation. We will only change Your premium if We change it for all policies like Yours in Your state of issue on a Class basis. We will give You at least 30 days' notice if this happens. Our new premiums will be based on Your then-current age.

This chart summarizing the changes in your Medicare benefits and in your Medicare supplement insurance provided by Independence Blue Cross and Highmark Blue Shield only briefly describes such benefits. For information on your Medicare benefits contact your social security office or the Centers for Medicare and Medicaid Services. For information on your Medicare supplement policy contact:

Independence Blue Cross  
1901 Market Street  
Philadelphia, PA 19103-1480

In Philadelphia call: 215-568-1387. Outside the local Philadelphia area call: 1-888-926-1212.

Independence Blue Cross and Highmark Blue Shield are independent licensees of the Blue Cross and Blue Shield Association.

