MEDICARE SALES OPPORTUNITIES

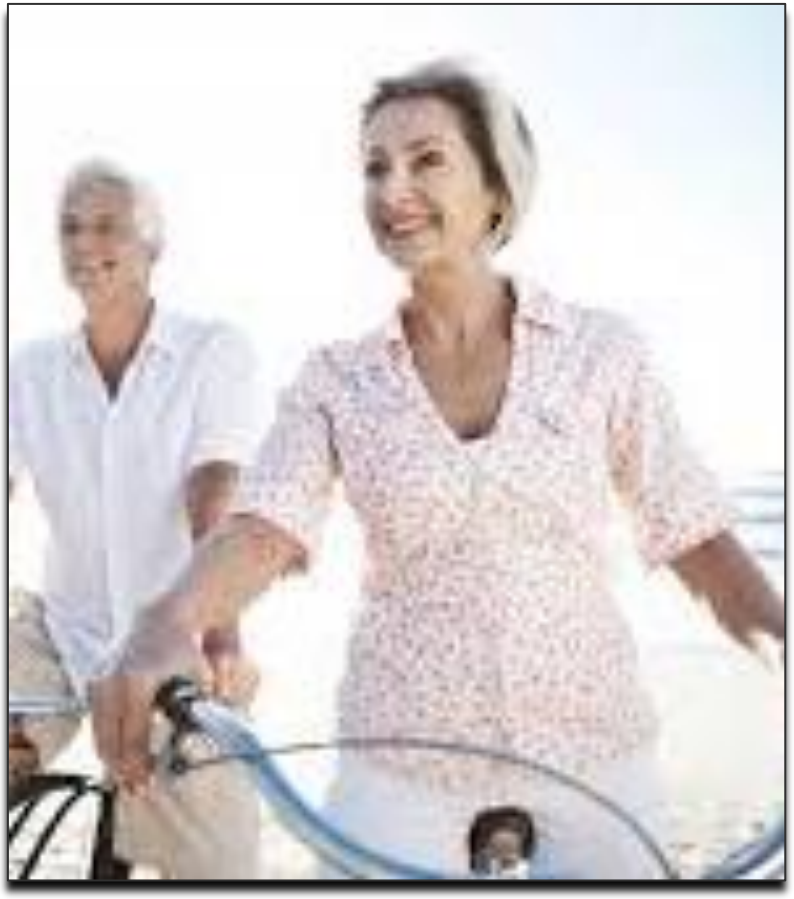
2022

Proprietary and Confidential

This document was created for informational purposes only and intended solely for the agent and broker audience.

Agenda

- What is Medicare?
- Medicare Population Growth
- Medicare Advantage vs. Medicare Supplement
- Medicare Advantage Key Takeaways
- Medicare Advantage Enrollment Growth
- Why CareFirst?
- What Do I Do Next?
- Medicare Advantage Compensation
- Medicare Resources



WHAT IS MEDICARE?

A Closer Look at Medicare Part A

Medicare **Part A** covers the majority of inpatient costs; however, beneficiaries are still responsible for paying deductibles, copayments and coinsurance during each **benefit period**.

Length of Inpatient Hospital Stay	**What A Beneficiary Pays*** **
Days 1–60 in Benefit Period	$1,556 member deductible
Days 61–90 in Benefit Period	$389 per day
Days 91–150 in Benefit Period (“Lifetime Reserve Days”*)	$778 per day
Length of Skilled Nursing Facility ** Stay**	**What A Beneficiary Pays*** **
Days 1–20 in Benefit Period	$0
Days 21–100 in Benefit Period	$194.50 per day
Each day after Day 100 in Benefit Period	All costs for stay

*In Original Medicare, “Lifetime Reserve Days” are additional days that Medicare will pay for when the beneficiary is in a hospital for more than 90 days. The beneficiary has a total of 60 reserve days that can be used during his/her lifetime. For each lifetime reserve day, Medicare pays all covered costs except for a daily coinsurance. Once lifetime reserve days are exhausted, the beneficiary is responsible for all costs.
**To qualify for care in a skilled nursing facility, the beneficiary’s doctor must certify that he/she needs daily skilled care like intravenous injections or physical therapy.
***Dollar amounts shown are the 2022 deductibles, copayment and coinsurance. These amounts may change annually on January 1st of each year.

What is Medicare Part B

- Covers medically necessary doctor services
- To receive Medicare **Part B** coverage, a beneficiary must:
  - Be enrolled in Medicare **Part A**
  - Pay the current **Part B** premium of $170.10* per month (or higher depending on the beneficiary's income)

What does Medicare Part B cover?
Inpatient & Outpatient Doctor Visits
Inpatient & Outpatient Medical Services
Inpatient & Outpatient Surgical Services and Supplies
Physical and Speech Therapies
Diagnostic Tests
Durable Medical Equipment
Outpatient Wellness Exams and Preventive Care
Approved Home Health and Clinical Lab Services

*If you are already receiving Social Security benefits, you may pay less for the Part B Premium (on average, $170.10 per month for 2022).

A Closer Look at Medicare Part B

With Part B, just like Part A, the beneficiary is still responsible for deductibles, copayments and coinsurance.

Annual Costs NOT Covered by Part B	
Yearly Calendar Deductible*	$233
Medical expenses for inpatient and outpatient physician services	20% of Medicare-approved amount
Outpatient Mental Health Services	20% of cost for service

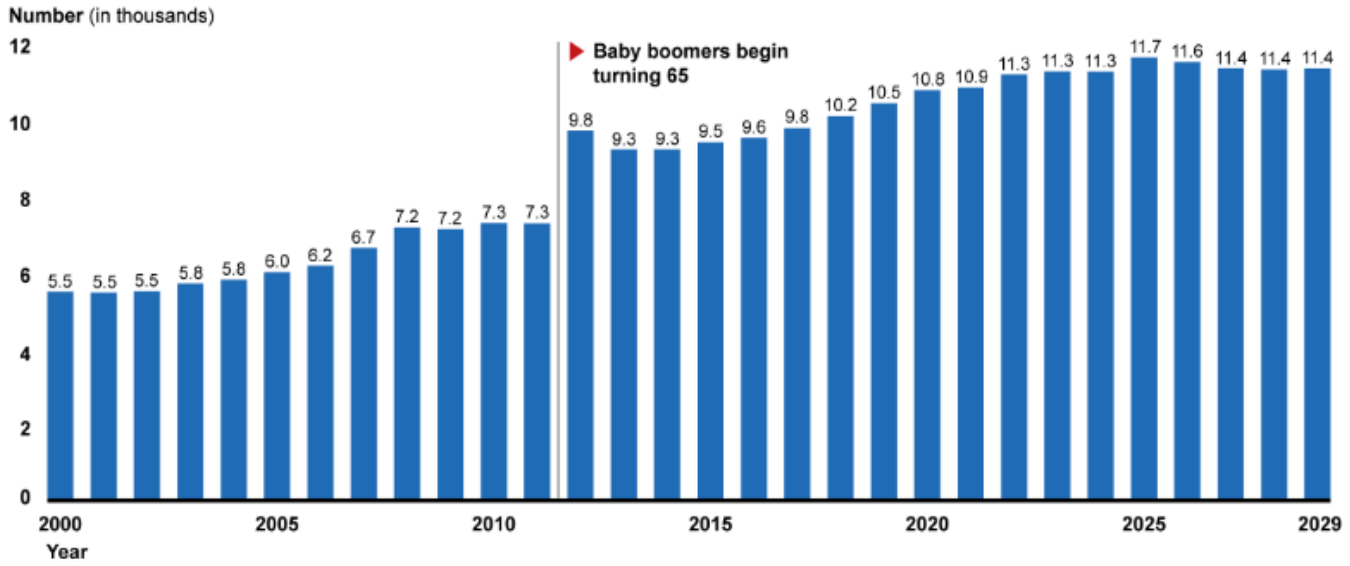
*Dollar amount shown is the 2022 Part B deductible. This amount may change annually on January 1st of each year.

POPULATION GROWTH
MEDICARE ELIGIBLE BENEFICIARIES

Prospects, prospects, prospects!!

There are plenty of prospects! Over 10,000 Americans turn 65 every day.

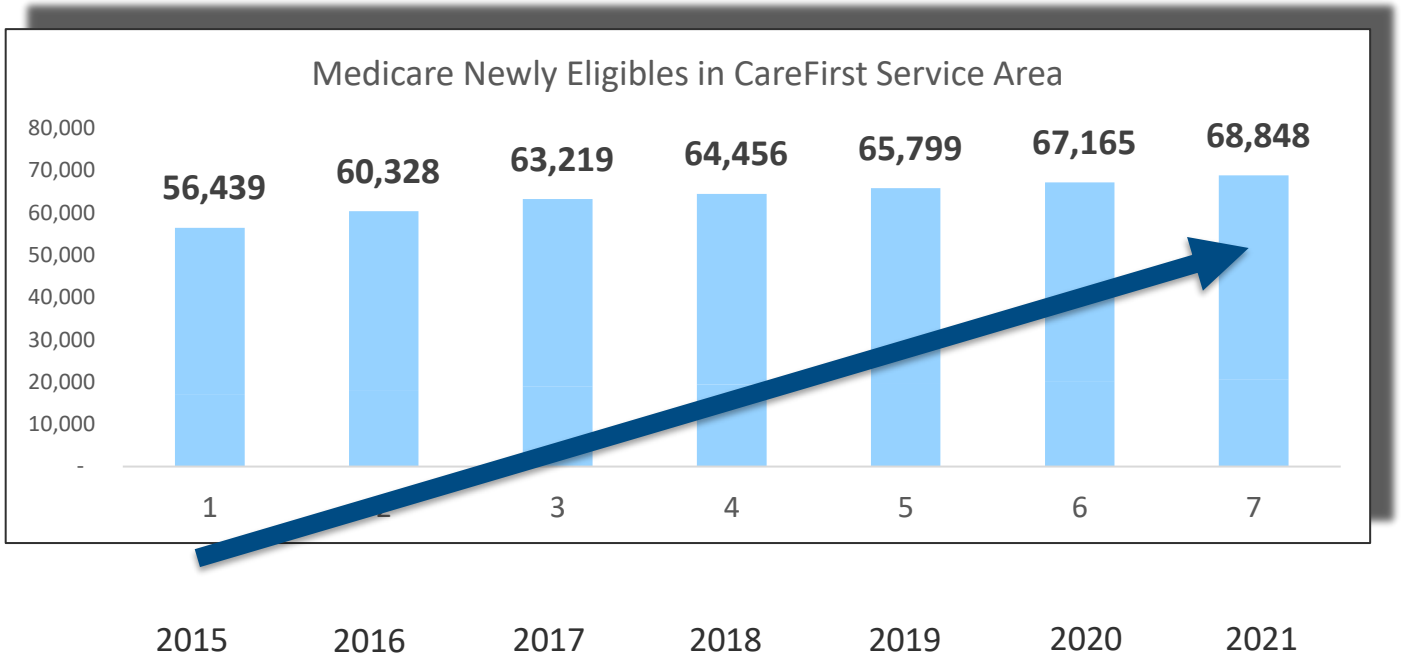
By 2030, the U.S. Census Bureau estimates that more than 20% of U.S. residents will be 65 or older.**



*U.S. Census Bureau Information
**nrpa.org –- parks and recreation magazine, January 2018

Population Growth within the CareFirst Service Area

- The number of individuals who are newly eligible for Medicare in the CareFirst Medicare Supplement service area is expected to **grow** at an annual rate of 2% from 2018-2021.*



*Census/Neustar household file, 2016 data based on individuals residing in CareFirst service area.

Maryland Population Projections

Medicare Eligibility Age-Ins for 2022 – 2026*

State	County	Aging-In Between CY2022 - CY2026
MD	CF Service Area - MD	444,954
MD	9 MA Counties	353,841
MD	Anne Arundel County	39,691
MD	Baltimore City	41,045
MD	Baltimore County	74,450
MD	Carroll County	11,996
MD	Frederick County	17,716
MD	Harford County	18,908
MD	Howard County	22,837
MD	Montgomery County	64,742
MD	Prince George's County	62,456
MD	Other MD Counties	91,112
MD	Allegany County	5,260
MD	Calvert County	7,865
MD	Caroline County	2,125
MD	Cecil County	10,132
MD	Charles County	14,648
MD	Dorchester County	2,367
MD	Garrett County	2,506
MD	Kent County	1,415
MD	Queen Anne's County	3,833
MD	Somerset County	1,854
MD	St. Mary's County	15,183
MD	Talbot County	3,521
MD	Washington County	9,674
MD	Wicomico County	5,899
MD	Worcester County	4,831

*CareFirst BlueCross BlueShield Market Planning and Analytics

MEDICARE ADVANTAGE VS. MEDICARE SUPPLEMENT

Original Medicare & Medicare Advantage Plans Key Differences

	Original Medicare Parts A & B	Original Medicare plus Medigap	Medicare Advantage Part C HMO	*Medicare Advantage Part C PPO
What does the beneficiary pay?	Part B premiums, deductibles, coinsurance	Medigap premiums, Part B premiums, deductibles, coinsurances if applicable	Medicare Part B premium, MA plan premium, deductibles, copays.	Medicare Part B premium, MA plan premium, deductibles and copays.
Any doctor?	Yes, if they accept Medicare	Yes, if they accept Medicare	No, must go to HMO providers	Yes, PPOs have provider networks, if going out of network the copays are higher
Routine, non-emergency care?	Anywhere in the country	Anywhere in the country	For most plans, local geographical area	For most plans, local geographical area
Emergency care?	Anywhere in the country	Anywhere in the country	Anywhere in the country	Anywhere in the country
Prescription drug?	Separate Part D plan	Separate Part D plan	If the plan has drug coverage – MAPD plan	If the plan has drug coverage – MAPD plan
Referrals to specialists?	No	No	Usually	No, more out of pocket costs if provider is out of network
Out-of-pocket limit spending?	No	No – except Plan L	Yes	Yes
Extras, vision, dental, hearing aids?	No – Medicare does not cover	No	Some plans offer these benefits, some with additional costs	Some plans offer these benefits, some with additional costs

* CareFirst Individual Medicare Advantage plans are HMO only

Medicare Advantage vs. Medicare Supplement

Medicare Advantage	vs.	Medicare Supplement
Typically have lower monthly premiums.	Member Cost	Typically have higher monthly premiums.
Out-of-pocket costs; e.g. varying copays, coinsurance and deductibles. Limit on out-of-pocket maximum.		Out-of-pocket costs; no or limited copays, coinsurance and deductibles, depending on the plan. No limit on out-of-pocket maximum.
Some MA plans have a restricted local HMO network that require referrals, whereas others have a PPO network with out-of-network coverage and no referrals.	Network/ Referrals	Unrestricted provider network: all providers who accept Medicare No referrals are required to see specialists.
Member's primary care physician coordinates care.	Care Coordination	Members coordinate their own care.
Generally covers, ancillary benefits such as dental, vision, hearing, fitness, etc.	Extra Benefits	Some plans include benefits such as fitness and health coaching or education, but benefits like dental and vision are generally not included.
Prescription drug coverage included with most plans.	Drug Coverage	Prescription drug coverage not included; members must purchase a standalone plan.
The best time to enroll is during your 7-month Initial Enrollment Period or the Annual Election Period.	Enrollment	The best time to enroll is during the 6-month Medicare Supplement Open Enrollment Period.

MEDICARE ADVANTAGE KEY TAKEAWAYS

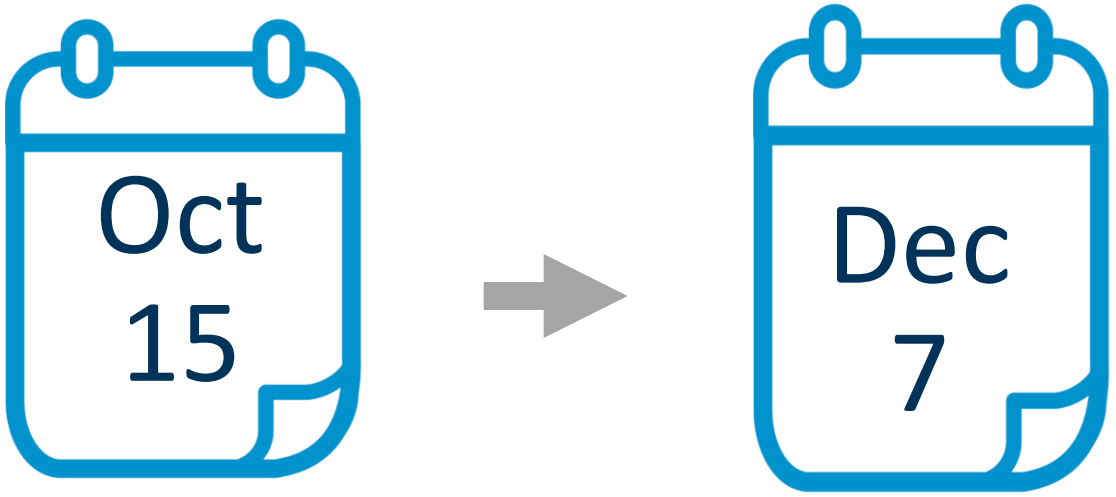
What Does Medicare Advantage Cover?

Part C

- Bundles all the benefits covered by Original Medicare (Parts A and B)
- Many plans offer prescription drug coverage (Part D)
- Some plans offer additional benefits like dental, vision, hearing, etc.
- To sign up, you must be enrolled in Parts A and B and continue to pay your Part B premium

Medicare Advantage Annual Election Period

Yearly



Sign up during this period and the beneficiary's coverage begins January 1.

What Can A Beneficiary Do During the Annual Election Period?

Change from Original Medicare, Parts A and B, to a Medicare Advantage plan—or vice versa. They can change from a Medicare Advantage plan back to Original Medicare

They can also keep the Medicare Advantage plan they have OR choose another one, regardless of whether either plan offers drug coverage.

Finally, during the annual election period, they can enroll, switch or opt out of a Medicare Part D prescription drug plan.

Medicare Advantage Key Points

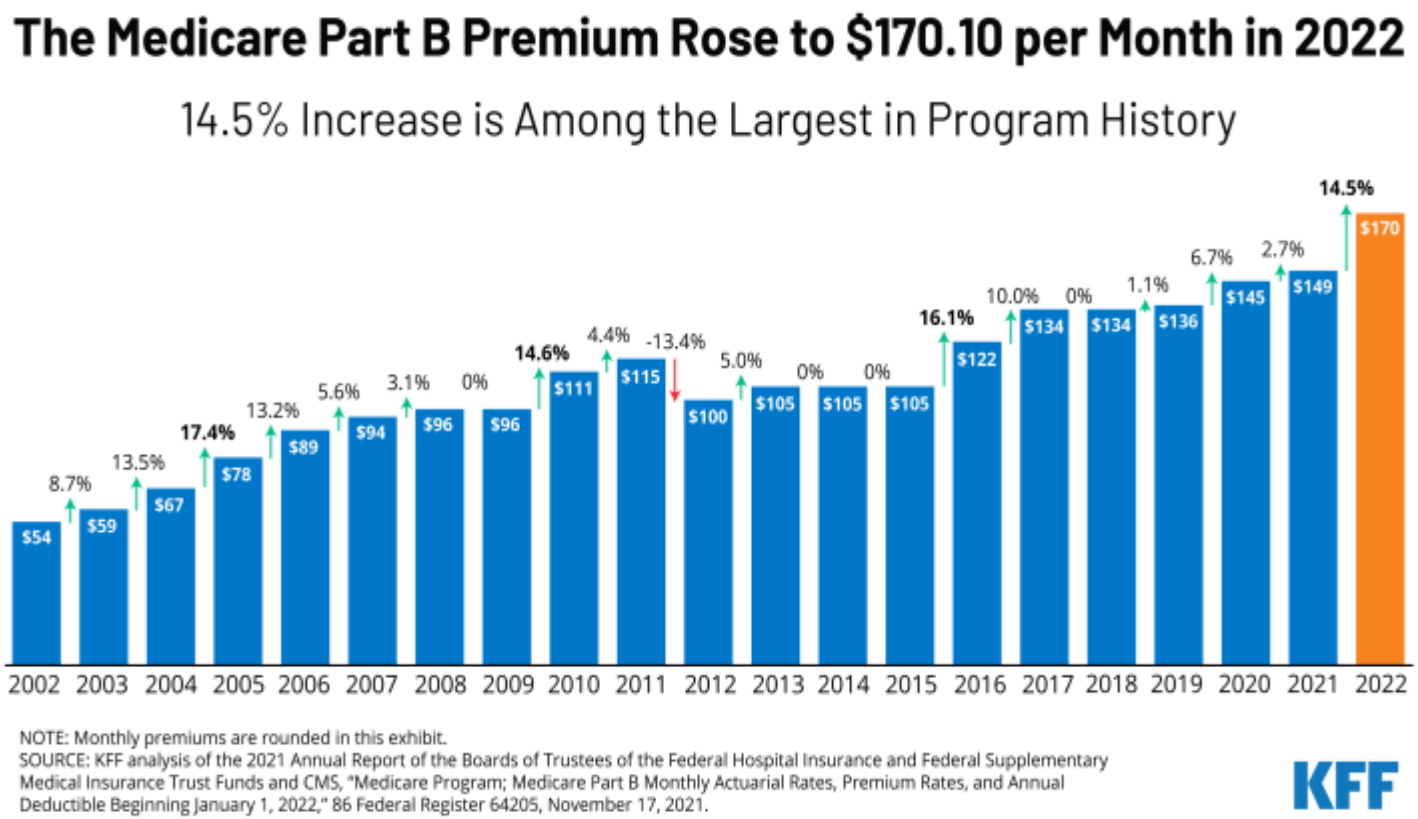
- Each year, Part C (Medicare Advantage) Plans can choose if they want to stay in Medicare or not.
- Medicare Advantage Plans generally change costs and benefits each calendar year.
- Medicare uses a 5-star rating system to assess the quality of Medicare Advantage and Part D plans with 5 stars being excellent, 4 being above average and 3 being average. These ratings are based on a variety of factors, including how well the plans help members manage chronic diseases, member satisfaction and how often members get screening exams and vaccines. The ratings are posted on the Medicare plan finder website.
- A participant who is enrolled in a Medicare Advantage plan, cannot also have Medigap insurance.
- Just like Medigap, Medicare Advantage members will continue to pay their Part B premium.

Medicare Advantage - Agent Compliance Obligations

- Unlike Medicare Supplemental products, Medicare Advantage plans are highly regulated and require plans to monitor agent activities in accordance with CMS regulations
- Agents/brokers must be licensed in the State in which they do business, **annually** complete CMS Medicare training and pass a test on their knowledge of Medicare and health and prescription drug plans and follow all Medicare marketing rules outlined in the annual CMS Medicare Communications and Marketing Guidelines.
- Carriers also require annual product and benefits training, compliance training, ethics or integrity training of their own.
- Agents must be certified for the plan year in which they are selling prior to conducting any sales or marketing activities.
- Agents/brokers are subject to rigorous oversight by their contracted health or drug plans and face the risk of loss of licensure with their State and termination with their contracted health or drug plans if they don't comply with strict rules related to selling to and enrolling Medicare beneficiaries in Medicare plans.

MEDICARE ADVANTAGE ENROLLMENT GROWTH

Enrollment in Medicare Advantage has doubled over the past decade

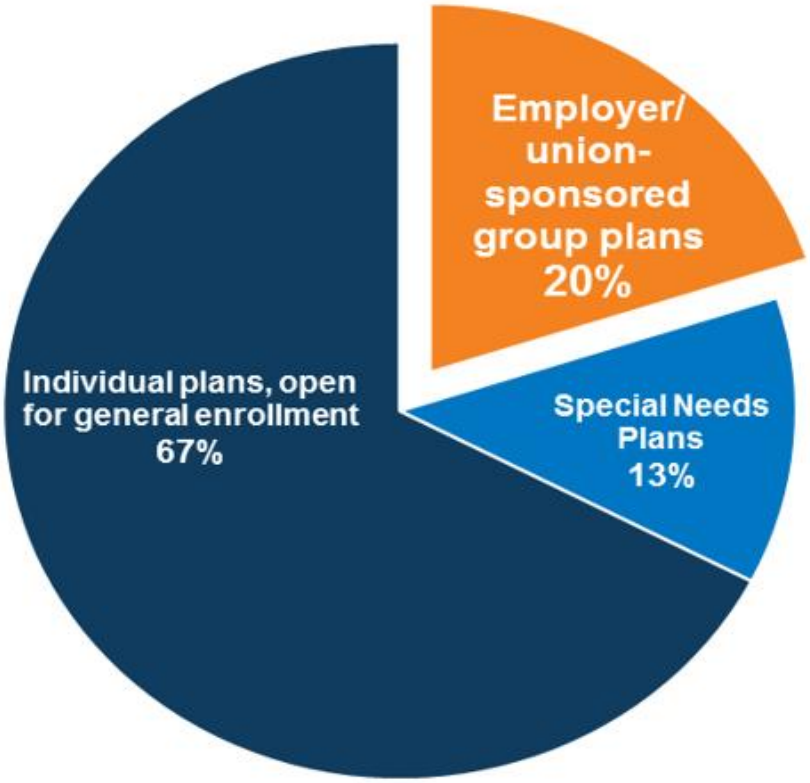


NOTE: Monthly premiums are rounded in this exhibit.
SOURCE: KFF analysis of the 2021 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds and CMS, "Medicare Program; Medicare Part B Monthly Actuarial Rates, Premium Rates, and Annual Deductible Beginning January 1, 2022," 86 Federal Register 64205, November 17, 2021.

KFF

Total Medicare Advantage Enrollment

Distribution of Medicare Advantage Enrollees, by Plan Type, 2018



Total Medicare Advantage Enrollment, 2018 = 20.4 Million

NOTE: Excludes beneficiaries with unknown county addresses.
SOURCE: Kaiser Family Foundation analysis of CMS Medicare Advantage enrollment files, 2018.

WHY CAREFIRST?

Why CareFirst?

80 YEARS

Marylanders have trusted the CareFirst family of Blue Cross Blue Shield health plans for over 80 years.

2021 WORLD'S MOST ETHICAL COMPANIES® ™
WWW.ETHISPHERE.COM
9-TIME HONOREE

NOT-FOR-PROFIT

As a not-for-profit, CareFirst answers to it members and the communities it serves.

CareFirst has been recognized as one of the World's Most Ethical Companies® 9 years in a row.

Our Value Proposition

We are committed to driving transformation of the healthcare experience with and for our members and communities.

We will continue to be a trusted partner to our agents and brokers as you represent the voice of our members as you support them through their healthcare journey.

We are dedicated to delivering a distinctive experience with a focus on quality, equity, affordability, convenience and access for our partners and members.

We will innovate health care by building value-driven relationships with providers and focusing on the “whole person” to keep members healthy, meeting their needs at every stage of life.

We will continue to provide our community with quality and affordable health care, and we are committed to being there for our members, our brokers and our communities when you need us the most.

WHAT DO I DO NEXT?

Getting Started Overview

1. Notify your aligned General Agent that you are interested in selling CareFirst Medicare Advantage Plans .
2. The General Agent will then notify the FMO partner they are contracted with.
3. The General Agent will provide your current credentials to the FMO.
4. The FMO will reach out to you directly to perform agent contracting.
5. The FMO will assist you with the “Ready to Sell” steps required to complete.
6. Once you have “Ready to Sell” status, you may begin working with your prospects.
7. Your CareFirst Broker Representative is available to assist you every step of the way to achieve “Ready to Sell” status and support your training needs.

Field Marketing Organizations

- A Field Marketing Organization (FMO) can offer many benefits to independent agents and agencies. At the most basic level, a Field Marketing Organization (FMO) is a company that offers insurance products and services to insurance agents or agencies.
- An FMO provides Medicare Advantage experienced support when it comes to agent oversight and compliance and training. Some of the services offered include;
  - Provides annual audits and/or ride-a-longs to ensure adherence of marketing and sales guidelines
  - Monitor adherence to obtaining scope of appointments
  - Review marketing materials for CMS submission
  - Investigates grievances about agents as needed (CMS houses complaints through the Complaint Tracking Module.)
  - Assist with carrier ongoing training and certification

Field Marketing Organization – Additional Services

- Additional services that an FMO can provide includes;
  - New agent recruitment – recruits and selects qualified sales agents
  - Onboarding
  - Can assist with managing licensure and CMS certifications to confirm ready-to-sell status
  - Can assist with training and provide ongoing agent training
  - Marketing and lead management
  - CRM and quoting portals
  - Electronic application submission through agent portal
  - Commissions tracking and payment – MA commission rules are regulated by CMS
  - Agent support team

Licensing, Contracting, & Appointment

- Before selling CareFirst BlueCross BlueShield Medicare Advantage Plans, agents must be licensed in Maryland and properly appointed and certified under the CareFirst BlueCross BlueShield Medicare Advantage annual certification process.
- In order to successfully support our agents, we've partnered with two Field Marketing Organizations (FMOs). The two FMOs we have partnered with are GS National and Ritter Insurance Marketing.
- To become contracted with CareFirst to sell CareFirst BlueCross BlueShield Medicare Advantage Plans, agents may align with one of our contracted General Agents who will contract with one of our two Field Marketing Organizations, or agents can align directly with one of the two FMOs.
- If you would like to become appointed with CareFirst, you can do so by contacting one of our contracted General Agents or by contacting one of the two FMOs. These entities will walk you through the "ready to sell" steps listed at right.

Ready to Sell

- Each year, Medicare sales agents must obtain “ready to sell” status with CareFirst. There are five (5) steps to achieving this status before soliciting to any Medicare prospect. Each component will be recorded and maintained with all uplines and CareFirst to ensure we are meeting all CMS requirements that are established in Section 110 of the “Medicare Communications and Marketing Guidelines.” Agents will be able to verify their status through the agent’s direct upline.

  Agents must:

  1. Pass a background check. We will perform background checks including but not limited to: Medicare Debarred & Exclusion Lists (office of Inspector General, System for Award Management and Office of Foreign Asset Control), Federal & State Criminal Search and Professional License Verification.
  2. Be licensed in Maryland for CareFirst BlueCross BlueShield Medicare Advantage.
  3. Be appointed to sell with CareFirst.
  4. Complete the annual Medicare AHIP Certification Exam and receive a passing score of 90%.
  5. Complete the annual CareFirst product training and receive a passing score of 85%.

Medicare Training and Certification – (through AHIP*)

- CareFirst requires all selling agents to complete the Medicare and Fraud, Waste and Abuse training through AHIP and obtain a passing minimum score of 90%. The AHIP Certification testing is required each year in order to obtain ready to sell status for each calendar year you are selling in. If you have already completed the annual AHIP training for the calendar year you are selling for and wish to transfer the passing score, please notify your GA or FMO. If you are taking the annual AHIP certification for the first time, agents are provided three attempts to receive this passing score. You may access this testing at https://www.ahipmedicaretraining.com/ext/ahip/login.php. AHIP provides a single source access to both required Medicare and Fraud, Waste and Abuse trainings as required for your "ready to sell" status.
- Below is a list of topics you will learn in the AHIP training. All costs associated with the testing are the responsibility of the selling agent.

Medicare	Fraud, Waste & Abuse (FWA)
▪ The basics of Medicare fee-for-service eligibility and benefits ▪ The different types of Medicare Advantage and Part D prescription drug plans ▪ Eligibility and coverage ▪ Nondiscrimination training ▪ Marketing and enrollment under the Medicare Advantage and Part D program requirements	▪ How to identify FWA ▪ An overview of the industry efforts in detecting fraud ▪ Legal tools to combat FWA ▪ Understand both the human and financial cost of FWA ▪ Review Medicare Parts C and D Fraud, Waste and Abuse and General Compliance requirements ▪ Who commits FWA ▪ Reporting FWA; loopholes and obligations

*AHIP stands for American Health Insurance Plans - About Us - AHIP

CareFirst BlueCross BlueShield Medicare Advantage Product Training

- CareFirst requires that every selling agent completes our local markets product training. You must receive a passing score upon completion of this training. Agents will be provided three attempts to pass this training. Once CareFirst completes the background check and confirms your license and appointment, agents will be provided with access to the CareFirst Product Training. Please note that the CareFirst product training will not launch until CareFirst BlueCross BlueShield Medicare Advantage plans have been fully approved by CMS each year.
- The training consists of;
  - A brief overview of Medicare Advantage
  - The CareFirst BlueCross BlueShield Medicare Advantage product and its key components.
  - An outline of CareFirst's Medicare Advantage hospital and provider network
  - A review the main topics from our Medicare Advantage Agent Manual.

MEDICARE ADVANTAGE COMPENSATION

Compensation Payment Requirements

- The **Initial Year** Plans/Part D sponsors may pay initial compensation at or below the fair market value (FMV) as published annually by CMS. (For 2022, the FMV for initial year is $573 annually per enrolled MA beneficiary)
  - Full or pro-rated initial compensation may be paid to agent/brokers under the following three scenarios:

    1. The beneficiary's first year of enrollment in an MA plan or MA-PD plan;

    2. When a beneficiary enrolls in an "unlike plan type," during their renewal year (year 2)*; or

    3. When a beneficiary moves from an employer group plan to a non-employer group plan (either within the same parent organization or between parent organizations) counts as an initial enrollment.
- The **Renewal amount** in Year 2 and beyond, Plans/Part D sponsors may pay renewal compensation at an amount that is up to fifty (50) percent of the current FMV a published annually by CMS. (For 2022, the FMV for the renewal rate is $287 annually). All Medicare Advantage members renew January 1st each year.
  - Renewal compensation may be paid to agents/brokers under the following three scenarios:

    1. Following the initial year compensation;

    2. When a beneficiary enrolls in a new "like plan" within the same Parent Organization or between two different Parent Organizations*; or

    3. When a beneficiary enrolled in a Medicare Advantage Medicare-Medicaid plan (MMP) switches to an MA plan or an MA-PD plan (and vice versa), if applicable per state MMP policy. Medicare-Medicaid plans were introduced in 2014 and are only offered in a few counties across the country.

*Medicare Product history is determined by CMS and is provided to the Plan by CMS in a monthly report.

CareFirst Agent Compensation based on 2022 FMV

		Compensation Year 1 (First year of coverage*)						Compensation Year 2+ (Subsequent years of coverage*)	
		New to Medicare Initial Annual Amount Two payments – "true-up"			New – Switcher from Competitor (Replacement) Initial Annual Amount Unlike** or Like plan change Two payments – "true-up"			Like plan change- Switcher from Competitor (Replacement) Renewal Annual Amount Lump Sum	Renewal – Like plan change current CFS member Per Member Per Month (PMPM)
Effective Date	# months enrolled	Full Payment	First Payment[1]	Second Payment[2]	Prorated	First Payment[1]	Second Payment[2]	Prorated	Prorated
1/1	12/12	$573.00	$287.00	$286.00	$573.00	$287	$286	$287	$23.92
2/1	11/12	$573.00	$287.00	$286.00	$525.50	$263.08	$262.17	$263.08	------
3/1	10/12	$573.00	$287.00	$286.00	$477.50	$239.17	$238.33	$239.17	------
4/1	9/12	$573.00	$287.00	$286.00	$429.75	$215.25	$214.50	$215.25	------
5/1	8/12	$573.00	$287.00	$286.00	$382.00	$191.33	$190.67	$191.33	------
6/1	7/12	$573.00	$287.00	$286.00	$334.25	$167.42	$166.83	$167.42	------
7/1	6/12	$573.00	$287.00	$286.00	$286.50	$143.50	$143.00	$143.50	------
8/1	5/12	$573.00	$287.00	$286.00	$238.75	$119.58	$119.17	$119.58	------
9/1	4/12	$573.00	$287.00	$286.00	$191.00	$95.67	$95.33	$95.67	------
10/1	3/12	$573.00	$287.00	$286.00	$143.25	$71.75	$71.50	$71.75	------
11/1	2/12	$573.00	$287.00	$286.00	$95.50	$47.83	$47.67	$47.83	------
12/1	1/12	$573.00	$287.00	$286.00	$47.75	$23.92	$23.83	$23.92	------

NOTE: The FMV amounts for CY 2021 may be rounded to the nearest dollar. The Initial Year amount is the maximum allowable amount that organizations may pay for enrollments during compensation cycle-year 1. The renewal amount is the maximum allowable amount that organizations may pay for enrollments during compensation cycle-years 2 and beyond, for a like plan type.

*First year of coverage is the first year in which a beneficiary enrolls in a Medicare product. Subsequent years refers to each year following the first year of coverage, beginning January 1st after the effective date of the Medicare product. **Unlike plan changes always pays at the initial commission rate. [1]First payment upon CMS enrollment approval. [2]Second payment upon MARx Agent Detail Report

MEDICARE RESOURCES

Medicare Resources

Who	What	Where
Medicare	Comprehensive Medicare information	Medicare.gov
Medicaid	Dual eligibility questions; Medicaid information	Medicaid.gov
Centers for Medicare and Medicaid	Medicare information; Dual eligibility questions ; Regulations and guidelines	CMS.gov
Social Security Administration	Medicare enrollment and eligibility questions	SSA.gov
State Health Insurance Assistance Program	Free insurance counseling and assistance to Medicare enrollees	Shiptacenter.org

QUESTIONS?

CareFirst

THANK YOU

For more information, contact

YOUR CAREFIRST MEDICARE BROKER REPRESENTATIVE