



CALIFORNIA HEALTH ADVOCATES



Medicare Parts C & D: 2017 Changes

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Our Focus

California Health Advocates

provides quality Medicare and related healthcare coverage information, education and policy advocacy.

www.cahealthadvocates.org

- **Policy** – Conduct public policy research to support recommendations for improving rights and protections for Medicare beneficiaries and their families
- **Training** – Provide timely and high-quality information on Medicare through our website, fact sheets, policy briefs and educational workshops
- **Advocacy** – Bring the experiences of Medicare beneficiaries to the public, and especially legislators and their staff at federal and state levels, through media and educational campaigns



Our Projects

- **Counseling Tools**

- *Fact Sheets and Comparison Charts* (updated for 2017 as information is released)

- **California Medicare Coalition**

- *Provides a forum for all who serve Medicare beneficiaries to get updates on Medicare and to improve education and outreach*

- **Senior Medicare Patrol 1-855-613-7080**

- *Empowering Seniors to Prevent Fraud*



Today's Program

- Medicare Fraud and Marketing Misconduct involving Medicare Advantage Plans
- Stand-alone Medicare Part D plans in 2017
- Landscape of Medicare Advantage (Part C) plans in 2017
- Changes in Medicare Advantage and Medicare Part D
- What's new for people with Extra Help/LIS



Objectives

1. Medicare Fraud – Trending
 - a) Marketing misconduct - What is not allowed
2. Distinguish Medicare Open Enrollment from other enrollment timeframes
3. Describe landscape of Medicare Part D plans in CA
4. Explain Medicare Part D cost-sharing in 2017
5. Describe landscape of Medicare Advantage plans



Objectives

6. List options available to beneficiaries in non-renewing plans
7. Identify situations that allow a SEP and/or guaranteed issue period
8. Note Part D IRMAA for higher income beneficiaries
9. Highlight changes for Extra Help/LIS program



Objective 1

Medicare Fraud – Trending &
Marketing Misconduct involving
Medicare Advantage Plans –
‘What is Not Allowed’



Healthcare Fraud - Trending

- Durable Medical Equipment Infomercials
- Postcard mailers with urgent eligibility warnings
- A “New” Hospice Benefit
- Marketing Misconduct involving Medicare Advantage Plans

<https://www.medicare.gov/forms-help-and-resources/report-fraud-and-abuse/health-plans-rules/health-plan-rules.html>



Marketing Misconduct

- CMS Marketing Rules Do Not Allow:
 - Unsolicited phone calls, emails
 - Uninvited home visits
 - Offering prizes or cash to enroll
- Tips - Beware of:
 - Agents warning 'must change plans every year'
 - Limited offers, early bird discounts, Rx at no cost
 - Agents gaining access to housing complexes
 - Soliciting patients in treatment settings
 - Agents using aggressive tactics
- See Senior Medicare Patrol Fraud Alert and Novella at www.cahealthadvocates.org

¡Evite las estafas de mercadeo de Medicare!

¡Nunca revele su número de Medicare a ninguna persona que usted no conozca o que no sea de confianza!

Para reportar fraude llame a Senior Medicare Patrol (SMP) al (855) 613-7080



www.cahealthadvocates.org

Un Cuento Sobre

Betty y un Agente Codicioso



¡Evite las estafas de mercadeo de Medicare!

Senior Medicare Patrol

- **Statewide Fraud Prevention Education**
- Beneficiaries, Professionals, Senior Advocates
- ***Protect*** Medical Identity
- ***Detect*** Fraudulent Billing
- ***Report*** Medicare Fraud
 - 855-613-7080
- mnozaki@cahealthadvocates.org





Objective 2-9

Medicare Parts C & D: 2017 Changes



MA Plan (Part C) Fraud

- CMS review of MA plans claiming members sicker than they really are
- Be aware agents with misleading information, for example:
 - You must have a Part C!
 - You must change plan every year!
 - Beware of Cal MediConnect!

Thumbnail sketch of Medicare

Original Medicare

Part A
Hospital Insurance

Part B
Outpatient Medical
Services
Coinsurance=20%

Part C
Medicare
Advantage
Plans
Must have
Parts A+B

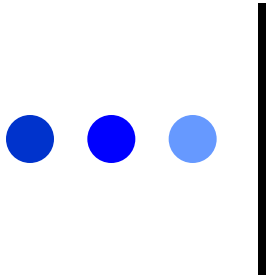
MA-PD
MA-only

HMO
PPO
PFFS
SNP

Part D
Rx drug
Plans
Must have
Part A or B

Premium
Deductible ≤ \$400
Cost-sharing

Initial coverage
Coverage gap
Catastrophic coverage



Objective 2

DISTINGUISH MEDICARE OPEN ENROLLMENT FROM OTHER ENROLLMENT TIMEFRAMES

Annual Election Period (AEP)

- Technical term “Annual Coordinated Election Period,” commonly called “Open Enrollment”
- Period: **Oct 15 – Dec 7**
- Medicare Advantage (MA or Part C) and Part D plans only
 - Parts A and B – General Enrollment Period (Jan-Mar)
 - Different open enrollment for people with other insurance, e.g. retiree health benefits, EGHP
- Understanding Medicare Part C & D Enrollment Periods (CMS Product No. 11219)

● ● ● | Other “Open Enrollment”

- Health exchanges or Marketplaces, like Covered California
 - Nov 1, 2016 to Jan 31, 2017
- Medigap
 - 6 months starting with effective date of Part B
 - “Birthday Rule” – 30 days following birthday
 - Other CA open enrollment rights



Other Enrollment timeframes

SEP (Special Election Period)

- Non-renewing plans
 - AEP dates: Oct 15 – Dec 7
 - Change made during AEP effective Jan 1
 - SEP dates: Dec 8 – last day of February
 - Change made during SEP effective 1st day of following month
- Other SEPs
 - Eligible for LIS or Medi-Cal
 - 5-star SEP
 - Move to another location with different plan options
- See Understanding Medicare Part C & D Enrollment Periods (CMS Prod. No. 11219)



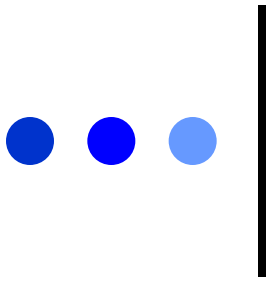
Things to Consider

- ✓ *Coverage*
 - Are the services or drugs you need covered?
 - Do you have or are you eligible for other health and drug coverage?
- ✓ *Costs*
 - Premiums, coinsurance, copayments, and deductibles
 - What is the out-of-pocket limit for medical care?
- ✓ *Convenience and Quality*
 - Are doctors/hospitals part of the plan?
 - Are the offices/pharmacies/hospitals convenient?
 - What are the plan's quality ratings?



Joining a New Plan

- [Medicare.gov](https://www.Medicare.gov) – Medicare Plan Finder
 - ✓ Click on “Find Health and Drug Plans”
 - 1-800-MEDICARE (1-800-633-4227)
 - ✓ TTY users should call 1-877-486-2048
 - The plan’s phone number or website
 - Paper application
 - HICAP – 1-800-434-0222
- **Note:** *Enrolling in a new plan will disenroll you from your previous plan.*



Objective 3

DESCRIBE LANDSCAPE OF MEDICARE PART D PLANS IN CA



CA PDP Landscape

No. of plans available	24
Lowest premium: Humana Walmart Rx Plan (S5884-178)	\$17.00
Lowest premium basic plan: SilverScript Choice (S5601-064)	\$29.90
Highest premium: Anthem BC MedicareRx Gold (S5596-035)	\$159.80
No. of plans renewing	24
<i>No. of plans with higher premiums</i>	14
<i>No. of plans with decreased premiums</i>	10
<i>No. of plans not renewing or merging with other companies with other companies</i>	6
<i>No. of plans sanctioned and not allowed to enroll (Cigna HealthSpring Rx Secure and Secure Extra)</i>	2



2017 Plans Not Renewing or Merging

Plan name	Contract-Plan ID	Premium
1. Transamerica Medicare Rx Classic (not renewing*)	S9579-031	n/a
2. United American Enhanced to SilverScript Plus**	S5755-035 S5601-065	\$88.20 <small>(2016)</small> \$83.70
3. United American Select to SilverScript Choice**	S5755-103 S5601-064	\$71.10 <small>(2016)</small> \$29.90
4. United American Essential to SilverScript Choice**	S5755-133 S5601-064	\$43.50 <small>(2016)</small> \$29.90

* Must select plan for 2017 in order to have Rx coverage.
SEP dates: Dec 8 –February 28

** Can stay in re-assigned plan or change plans – No SEP

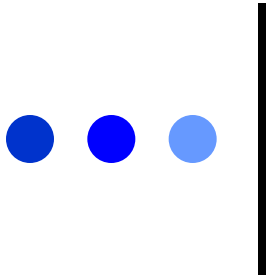


Other Part D Plan Changes

2016 Name	2017 Name*	Differences
Symphonix Prime Saver Rx S0522-065	AARP Medicare Rx Walgreens PDP S0522-065	Now owned by United HealthCare
Symphonix Value Rx S0522-034	Symphonix Value Rx 0522-034 (Benchmark)	Now owned by United HealthCare

* Can stay in re-assigned plan or change plans – No SEP

Note: Refer to Medicare & You 2017 for list of Part D plans in California



Objective 4

EXPLAIN MEDICARE PART D COST-SHARING IN 2017

Medicare Part D Costs 2017

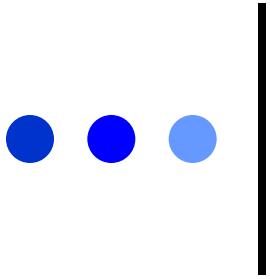
(Standard plan – aka Basic Alternative)

	Drug costs	Beneficiary pays (TrOOP)	Plan pays
Before meeting deductible	0-\$400	100% = \$400	0% Unless specified in plan evidence of coverage
Initial coverage	>\$400-\$3,700	25% = \$825	75%
Coverage gap (doughnut hole)	>\$3,700-\$7,425	100% = \$3,725 <i>(less with discounts)</i>	0%
Out-of-pocket threshold		\$4,950	
Catastrophic coverage	>\$7,425	Greater of 5% or \$3.30/\$8.25	95%

Closing the “donut hole”

Year	Brand name drugs			Generic drugs	
	Manuf's discount	Beneficiary coinsurance	Subsidy	Beneficiary coinsurance	Subsidy
2014	50%	47.5%	2.5%	72%	28%
2015	50%	45%	5%	65%	35%
2016	50%	45%	5%	58%	42%
2017	50%	40%	10%	51%	49%
2018	50%	35%	15%	44%	56%
2019	50%	30%	20%	37%	63%
2020	50%	25%	25%	25%	75%

Blue percentages count toward TrOOP, red percentages do not count toward TrOOP



Objective 5

DESCRIBE LANDSCAPE OF MEDICARE ADVANTAGE PLANS



CA Landscape - no MA plans 12 counties *

Butte	Nevada
Glenn	Santa Cruz
Inyo	Shasta
Lake	Sierra
Lassen	Tehama
Mono	Tuolumne

* According to CMS Landscape of Plans published Sept. 2016

CA Landscape – By Type

Total Counties with MA Plans = 46 (according to CMS Landscape of plans published Sept. 2016)

Type	No. of Counties with MA Plans	No. of Available Plans: Check Medicare's Plan Finder for specific information by ZIP code.
PFFS	10	20 Private-Fee-for-Service offered by United Health Care: 10 MAPDs & 10 MA only (can get stand-alone Part D)
CCI	7	Coordinated Care Initiative: 22 CalMediConnect Plans in Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, Santa Clara,
PACE	15	40 - Program of all inclusive Care for the Elderly
PPOs*	10	15 – Preferred Provider Organization
HMOs*	48	520 – Health Maintenance Organization

* Some are D-SNPs (Disabling condition Special Needs Plans)

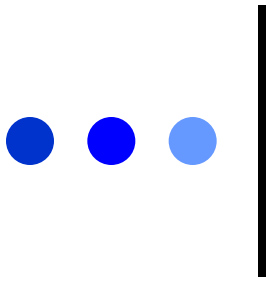


Medicare Advantage – MOOP

- MOOP – Maximum out-of-pocket
 - If beneficiary in MA plan spends this amount in cost-sharing, MA plan will cover Parts A+B services 100% for remainder of the year.
 - Cost-sharing – deductible, copayment, coinsurance
 - Copayments for Part D drugs do not count

MOOP Range Amounts

MA type	Voluntary	Mandatory
HMO	\$0-\$3,400	\$3,401-\$6,700
Local PPO	\$0-\$3,400 in-network	\$3,401-\$6,700 in-network
	\$0-\$5,100 in- and out-of-network	\$3,401-\$10,000 in- and out-of-network
PFFS	\$0-\$3,400	\$3,401-\$6,700



Objective 6

LIST OPTIONS AVAILABLE TO BENEFICIARIES IN NON- RENEWING PLANS



Non-renewing plans

- Notice to members about non-renewal – plan sent by Oct 2
- Beneficiaries can make change during AEP or SEP
 - AEP dates: Oct 15 – Dec 7
 - Change made during AEP effective Jan 1
 - SEP dates: Dec 8 – Feb 28
 - Change made during SEP effective 1st day of following month

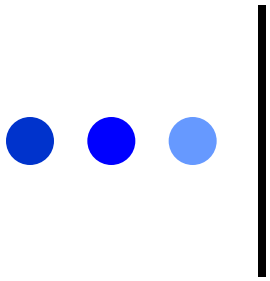


Reassignment

(Reference CMS Prod. No. 11221-P)

LIS beneficiary's current plan (PDP or MA-PDP) NOT renewing next year

- CMS reassigns all LIS beneficiaries into a benchmark plan including
 - Beneficiaries receiving partial LIS
 - Beneficiaries who chose their plan (“choosers”)



Objective 8

**IDENTIFY SITUATIONS THAT
ALLOW A SEP AND/OR
GUARANTEED ISSUE PERIOD**

Other situations

Is there SEP or guaranteed issue?

	SEP?	Guaranteed issue?
Premium increase	No, use AEP	Yes
Cost-sharing increase		Yes
Benefits reduced		Yes
MA plan terminates provider contract	Maybe*	Yes*
	*If no SEP, cannot disenroll from MA plan, cannot use guaranteed issue right.	



MA-Provider Contract Termination

- If MA plan terminates contract with provider, does enrollee get SEP?
 - CMS to determine
 - No if
 - Changes to network effective Jan 1
 - Enrollees notified prior to start of AEP



“Significant” network change

- CMS determines
 - If network change is “significant”
 - Substantial or potential effect on enrollees
 - Group(s) of beneficiaries eligible for SEP
 - Current or recent use of services from terminated provider



Those who stay in plan with network change

- Find new network provider – get plan's help
- Request continuity of care
- Right to appeal
 - New provider not qualified
 - Plan not managing enrollee's care

5-Star Overall Plan Rating

- 5★ SEP - Dec 8 to Nov 30
- Applies only when a plan has 5-star overall rating

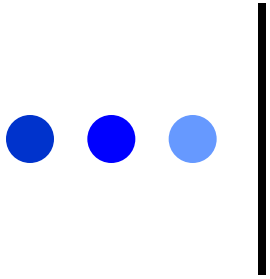
From	To
Original Medicare, Original Medicare + PDP, MA-PD, MA-only	5★ MA-PD, MA-only or PDP

- One change only during period
- Part D coordinating SEP
- 5★ to 5★ allowed



Low Performing plans

- “Consistent Poor Performer” – plan with rating of <3 stars for at least 3 years
- Two notices to plan members
 1. Oct (CMS prod. no. 11627)
 - Use AEP to review options and change plans
 2. Feb (CMS prod. no. 11633)
 - One-time opportunity to change to plan with higher rating

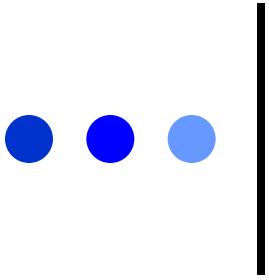


Objective 8

NOTE PART D IRMAA FOR HIGHER INCOME BENEFICIARIES

Part D IRMAA for Higher Income Part D Enrollees – 2017

Income bracket (single)	Income bracket (file jointly)	IRMAA
≤\$85,000	≤\$170,000	n/a
>\$85,000 but ≤\$107,000	>\$170,000 but ≤\$214,000	\$13.30
>\$107,000 but ≤\$160,000	>\$214,000 but ≤\$320,000	\$34.20
>\$160,000 but ≤\$214,000	>\$320,000 but ≤\$428,000	\$55.20
>\$214,000	>\$428,000	\$76.20



Objective 9

HIGHLIGHT CHANGES FOR EXTRA HELP PROGRAM



Low Income Subsidy

- Income and resource limits for eligibility based on FPL not yet released for 2017
- CA benchmark amount/LIS = \$36.23
- National average premium = \$35.63 (for LEP calculation)

LIS cost-sharing amounts

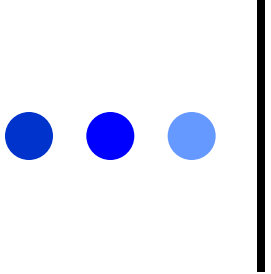
Income	≤100%	≤135% QMB, SLMB, QI	<150%
Premium	\$0*	\$0*	Discounted
Deductible	\$0	\$0	≤\$74
Copayment	\$1.20 (G) \$3.70 (BN)	\$3.30 (G) \$8.25 (BN)	15% or lower copayment
Copayment during catastrophic coverage	\$0	\$0	\$3.30 (G) \$8.25 (BN)
*If enrolled in a benchmark plan			



Benchmark plans

CA benchmark amount \$36.23 (2017)

2016	2017	Premium
AARP MedicareRx Saver Plus	AARP MedicareRx Saver Plus	\$33.40
Aetna MedicareRx Saver	Aetna MedicareRx Saver	\$32.10
EnvisionRxPlus Silver	No	\$53.90
Humana Preferred Rx	Humana Preferred Rx	\$28.20
SilverScript Choice	SilverScript Choice	\$29.90
Symphonix Value Rx	Symphonix Value Rx	\$30.60
No	WellCare Classic	\$34.90



Redetermination/Re-deeming Is beneficiary still eligible for LIS?

- If beneficiary not eligible for LIS as of Jan 1, 2017, plan may
 - Help beneficiary apply again for LIS
 - Offer 3-month grace period
 - If LIS application submitted
 - Recoup premium and cost-sharing if beneficiary does not qualify again for LIS
 - Inform about SEP (Jan 1 to Mar 31)



Resources

- Understanding Medicare Part C & D Enrollment Periods ([CMS Prod. No. 11219, revised Aug 2015](#))
- 2015 Choosing a Medigap Policy ([CMS Product No. 02110](#))
- [Guide to Consumer Mailings](#) from CMS, Social Security, & Plans in 2016/2017
- Reassignment ([CMS Prod. No. 11221-P, Aug 2015](#))
- Closing the Coverage Gap ([CMS Prod. No. 11493, Jan 2015](#))
- Rx coverage when using Network pharmacies ([CMS Prod. No. 11136, revised Oct. 2015](#))
- Call your local HICAP at 1-800-434-0222



California Health Advocates

www.cahealthadvocates.org

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