



CALIFORNIA HEALTH ADVOCATES

When Medicare Advantage Plans Terminate Coverage

Medicare Advantage (MA) plans are an alternative to Original Medicare. Medicare contracts with private insurance companies to offer MA plans to Medicare beneficiaries. MA plans cover the same benefits as those under Original Medicare. They may, but are not required to, offer additional benefits not covered by Original Medicare, such as dental coverage and gym memberships. For more information, please see our online Medicare Topics section on [Medicare Advantage](https://www.cahealthadvocates.org/medicare-advantage) at [cahealthadvocates.org](https://www.cahealthadvocates.org).

Private insurance companies sponsoring Medicare Advantage plans have annual contracts with Medicare. MA plan sponsors may decide to renew the contract for the following year or terminate it at the end of the current year. Furthermore, plans may terminate, or be terminated by Medicare, for specific reasons during the year. This fact sheet discusses your rights and options if you are in a non-renewing plan or a plan that terminates during the year.

If Your MA Plan is Not Renewing

If your MA plan is not renewing its Medicare contract for the next year, it must notify you in writing by October 2 of this change and your rights and options for other health coverage.

If your plan is not renewing, you can join a different MA plan or return to Original Medicare during the Annual Election Period (AEP) from October 15 to December 7. Your new coverage will begin on January 1 of the following year. If you don't choose a new plan during the AEP, you also have a Special Election Period (SEP), December 8 to the last day of February, to join a different MA plan or return to Original Medicare. Your new coverage will become effective the first day of the following month. Below is more

information on your two main options during the AEP and SEP.

1. **Join a Different MA Plan:** If your non-renewing MA plan has prescription drug coverage, you may want to join another MA plan with prescription drug coverage. (Not all MA plans have prescription drug coverage.)

Below are your options regarding when and how to join a different MA plan.

- a. Choose another MA plan during your AEP, October 15 to December 7, which will become effective January 1. Your current MA plan ends on December 31.
- b. Choose another MA plan using your SEP before December 31. If you enroll in another MA plan between December 8 – 31, it will be effective January 1.
- c. Choose another MA plan using your SEP between January 1 and the last day of February. Your coverage will be effective the first of the following month. Since you did not join a plan before January 1, your coverage returns to Original Medicare starting January 1. If your MA plan had prescription drug coverage, you would not have prescription drug coverage in January unless you are eligible for Extra Help also called the Low Income Subsidy (LIS). See our online Medicare Topics section on Prescription Drugs and view the section [Extra Help with Part D Costs](#).

2. **Return to Original Medicare:** Instead of joining another MA plan, you may choose Original Medicare by:
 - a. Enrolling in a stand-alone Part D plan before December 31: If your MA plan had prescription drug coverage, effective January 1 you will have Original Medicare and the stand-alone Part D plan you enrolled in.

If you enroll in a stand-alone Part D plan using your SEP between January 1 and the last day of February, the plan will be effective the first day of the following month. Since you did not take action before January 1, starting January 1 you have Original Medicare and no prescription drug coverage until your Part D plan becomes effective the following month.

- b. Disenrolling from your MA plan and enrolling in Original Medicare before the plan ends: You will not have prescription drug coverage unless you enroll in a Part D plan.
- c. Taking no action: If you take no action, your MA plan disenrolls you and your coverage returns to Original Medicare effective January 1. You will not have prescription drug coverage unless you are eligible for Extra Help.

Note: If you return to Original Medicare and want prescription drug coverage, remember to

Annual Election Period	Special Election Period	
	Oct 15-Dec 7	Dec 8-Dec 31
If you join an MA plan, it will be effective Jan 1.	If you join an MA plan, it will be effective Jan 1.	If you join an MA plan, it will be effective first day of the following month.
If you join a stand-alone Part D plan, it will be effective Jan 1 along with Original Medicare for medical and hospital benefits.	If you join a stand-alone Part D plan, it will be effective Jan 1 along with Original Medicare for medical and hospital benefits.	If you join a stand-alone Part D plan, it will be effective first day of the following month. Starting Jan 1, you have Original Medicare for medical and hospital benefits.
	If you do not take any action by Dec 31, you will not have prescription drug coverage starting Jan 1. Original Medicare becomes effective Jan 1 for medical and hospital benefits.	If you do not take any action by the last day of Feb, you will not have prescription drug coverage for the remainder of the year unless you are eligible for Extra Help. Your medical and hospital benefits continue under Original Medicare.

sign up for a Part D plan before your Special Election Period ends on the last day of February. Otherwise you will have to wait until the next Annual Election Period (October 15 – December 7) and may be charged a penalty.

If Your MA Plan Terminates During the Year

If your MA plan terminates or is terminated by Medicare during the year, you have a Special Election Period to change your coverage.

1. **If your MA plan terminates during the year**, the plan must give you at least 60 days’ written notice. You have a three-month Special Election Period that starts two months before the termination date and ends one month after the termination date.

Example: If your MA plan terminates on April 30, the plan must send you a written notice by March 2. Your Special Election Period starts March 1 and ends May 31. During the Special Election Period, you may join another MA plan or Part D plan or return to Original Medicare. If you take no action by April 30 when the plan ends, your coverage automatically returns to Original Medicare effective May 1. After your coverage automatically returns to Original Medicare, you may still join another MA plan or a Part D plan before the Special Election Period ends, in this example before May 31.

2. **If your MA plan is terminated by Medicare during the year**, the plan must give you at least 30 days’ written notice. You have a three-month Special Election Period that starts one month before the termination date and ends two months after the termination date.

Example: If your MA plan terminates June 30, the plan must send you a written notice by June 1. Your Special Election Period to join another MA plan or Part D plan or return to Original Medicare starts June 1 and ends August 31. If you take no action by June 30, when the plan ends, your coverage automatically returns to Original Medicare

effective July 1. After your coverage automatically returns to Original Medicare, you may still join another MA plan or a Part D plan before the Special Election Period ends, in this example before August 31.

Right to Buy a Medigap Policy

You have a guaranteed issue right to buy a Medigap policy to supplement Original Medicare if your MA plan is not renewing or terminating. (Note: a Medigap plan supplements Original Medicare, but is not the same as an MA plan. For more information, see our online Medicare Topics section on [Medigap](#).) In California, your right to buy a Medigap policy begins the date you receive notice that the MA plan is not renewing and ends 123 days after the MA plan ends.

For example, if you receive written notice on October 2 that your MA plan is not renewing after December 31, your guaranteed issue period starts October 2 and ends May 3 (or May 2 in a leap year). For more information about guaranteed issue periods, please see [Your Rights to Purchase a Medigap Plan](#) in the Medigap section of our website, and contact your local Health Insurance Counseling and Advocacy Program (HICAP) for counseling (see footer below for contact info).

If you hear that your MA plan will terminate in your area but have not received a written notice from your plan, wait for the notice before taking any action, such as enrolling in another MA plan or a Part D plan, or buying a Medigap policy. If you don't receive your plan's written notice by October 2, call your plan or 1-800-MEDICARE (1-800-633-4227). The written notice is your proof that your MA plan is not renewing or terminating, and allows you to have the Special Election Period to enroll in another MA plan or Part D plan, or a guaranteed issue period to buy a Medigap policy without health screening.

Factors to Consider

Consider the following questions when choosing between joining another MA plan or returning to Original Medicare:

- Do I have to change doctors, hospitals or other providers?

Example 1: If the non-renewing MA plan is an HMO, which requires you to use network providers, you may have to change providers if you decide to join another HMO plan with a different provider network. With Original Medicare, however, you may be able keep your provider as you can see any doctor/provider that accepts Medicare. You are not limited to only seeing providers in a specific network, like in an HMO.

Example 2: If the non-renewing MA plan is an HMO, and some of its providers are also in the network of another MA plan that is available the following year, you might not have to change providers if you join the latter MA plan.

- What drugs are covered in the MA plan's formulary? Many MA plans offer prescription drug coverage. If you are considering such an MA plan, make sure it covers the medications you need. Or, if you return to Original Medicare, join a Part D prescription drug plan that covers your medications.
- What additional services does the MA plan offer? All MA plans must cover the same benefits covered under Medicare Parts A and B. Some MA plans offer additional benefits such as dental and/or vision services. How do the copayments among various MA plans compare? Some MA plans charge the same copayment for all doctor visits, whereas other MA plans charge a lower copayment for a visit with a primary care provider and a higher copayment for a specialist visit.
- How do the premiums of different MA plans compare? And how do they compare with a Medigap plan? Whether you join an MA plan or buy a Medigap, you have to pay the

Medicare Part B premium. Besides the premium, you should also consider deductibles, copayments and/or coinsurance when comparing costs among different plans.

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This fact sheet contains general information and should not be relied upon to make individual decisions. If you would like to discuss your specific situation, call the Health Insurance Counseling and Advocacy Program (HICAP). HICAP provides free and objective information and counseling on Medicare and can help you understand your specific rights and health care options. You can call 1-800-434-0222 to make an appointment at the HICAP office nearest you.

Note: Online access to all CHA fact sheets on Medicare and related topics is available for an annual subscription. See cahealthadvocates.org/fact-sheets/.

Beneficiaries with ESRD

Medicare beneficiaries entitled to both Parts A and B can join an MA plan except for those who have end stage renal disease (ESRD) or permanent kidney failure, regardless of age. However, if you are already enrolled in an MA plan then develop ESRD, you can stay in that MA plan.

If you have ESRD and the MA plan you are enrolled in terminates coverage, you have a one-time right to join another MA plan in your area. If you have Medicare due solely to ESRD (under 65 years old), you do not have a guaranteed issue right to buy a Medigap because California law does not require insurance companies to sell a Medigap policy to ESRD beneficiaries under 65 (even if your MA plan is not renewing). However, if you are a Medicare beneficiary 65 years or older and have ESRD, you have a guaranteed issue period to buy a Medigap when your MA plan terminates coverage. See our fact sheet "Medicare and People with End Stage Renal Disease" for more information at cahealthadvocates.org/fact-sheets/.

Employer Sponsored Coverage

If you are in an MA plan through an employer, union or other group, and the MA plan is terminating, contact the company's Human Resources benefits representative to find out what choices you have. DO NOT disenroll from your employer sponsored MA plan until you have talked to your benefits representative. MA organizations may offer plans to individuals and employer groups, and the plans may have the same name. An MA plan may terminate coverage for individual enrollees but not for employer groups and vice versa. If your plan is through an employer group, you may have options specific to your situation.