Medicare Parts C & D: 2017 Changes

Tatiana Fassieux
Board Chair

Micki Nozaki
CA SMP Director
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

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

Part D
Rx drug Plans
Must have Part A or B

Premium
Deductible≤$400
Cost-sharing

Initial coverage
Coverage gap
Catastrophic coverage

MA-PD
MA-only

HMO
PPO
PFFS
SNP
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 – 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

<table>
<thead>
<tr>
<th><strong>No. of plans available</strong></th>
<th><strong>24</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest premium: Humana Walmart Rx Plan (S5884-178)</td>
<td>$17.00</td>
</tr>
<tr>
<td>Lowest premium <strong>basic</strong> plan: SilverScript Choice (S5601-064)</td>
<td>$29.90</td>
</tr>
<tr>
<td>Highest premium: Anthem BC MedicareRx Gold (S5596-035)</td>
<td>$159.80</td>
</tr>
<tr>
<td><strong>No. of plans renewing</strong></td>
<td><strong>24</strong></td>
</tr>
<tr>
<td><strong>No. of plans with higher premiums</strong></td>
<td><strong>14</strong></td>
</tr>
<tr>
<td><strong>No. of plans with decreased premiums</strong></td>
<td><strong>10</strong></td>
</tr>
<tr>
<td><strong>No. of plans not renewing or merging with other companies with other companies</strong></td>
<td><strong>6</strong></td>
</tr>
<tr>
<td><strong>No. of plans sanctioned and not allowed to enroll (Cigna HealthSpring Rx Secure and Secure Extra)</strong></td>
<td><strong>2</strong></td>
</tr>
</tbody>
</table>
## 2017 Plans Not Renewing or Merging

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

* 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

California Health Advocates (c) 2010 - 2016
## Other Part D Plan Changes

<table>
<thead>
<tr>
<th>2016 Name</th>
<th>2017 Name*</th>
<th>Differences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Symphonix Prime Saver Rx S0522-065</td>
<td>AARP Medicare Rx Walgreens PDP S0522-065</td>
<td>Now owned by United HealthCare</td>
</tr>
<tr>
<td>Symphonix Value Rx S0522-034</td>
<td>Symphonix Value Rx 0522-034 (Benchmark)</td>
<td>Now owned by United HealthCare</td>
</tr>
</tbody>
</table>

* 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)

<table>
<thead>
<tr>
<th>Drug costs</th>
<th>Beneficiary pays (TrOOP)</th>
<th>Plan pays</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before meeting deductible</td>
<td>0-$400</td>
<td>100% = $400</td>
</tr>
<tr>
<td>Initial coverage</td>
<td>&gt;$400-$3,700</td>
<td>25% = $825</td>
</tr>
<tr>
<td>Coverage gap (doughnut hole)</td>
<td>&gt;$3,700-$7,425</td>
<td>100% = $3,725 (less with discounts)</td>
</tr>
<tr>
<td>Out-of-pocket threshold</td>
<td>$4,950</td>
<td></td>
</tr>
<tr>
<td>Catastrophic coverage</td>
<td>&gt;$7,425</td>
<td>Greater of 5% or $3.30/$8.25</td>
</tr>
</tbody>
</table>
## Closing the “donut hole”

<table>
<thead>
<tr>
<th>Year</th>
<th>Brand name drugs</th>
<th></th>
<th></th>
<th>Generic drugs</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Manuf’s discount</td>
<td>Beneficiary coinsurance</td>
<td>Subsidy</td>
<td>Beneficiary coinsurance</td>
<td>Subsidy</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>50%</td>
<td>47.5%</td>
<td>2.5%</td>
<td>72%</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>50%</td>
<td>45%</td>
<td>5%</td>
<td>65%</td>
<td>35%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>50%</td>
<td>45%</td>
<td>5%</td>
<td>58%</td>
<td>42%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>50%</td>
<td>40%</td>
<td>10%</td>
<td>51%</td>
<td>49%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>50%</td>
<td>35%</td>
<td>15%</td>
<td>44%</td>
<td>56%</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>50%</td>
<td>30%</td>
<td>20%</td>
<td>37%</td>
<td>63%</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>50%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td>75%</td>
<td></td>
</tr>
</tbody>
</table>

*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 *

<table>
<thead>
<tr>
<th>Butte</th>
<th>Nevada</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glenn</td>
<td>Santa Cruz</td>
</tr>
<tr>
<td>Inyo</td>
<td>Shasta</td>
</tr>
<tr>
<td>Lake</td>
<td>Sierra</td>
</tr>
<tr>
<td>Lassen</td>
<td>Tehama</td>
</tr>
<tr>
<td>Mono</td>
<td>Tuolomne</td>
</tr>
</tbody>
</table>

* According to CMS Landscape of Plans published Sept. 2016
### CA Landscape – By Type

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

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

* 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

<table>
<thead>
<tr>
<th>MA type</th>
<th>Voluntary</th>
<th>Mandatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>HMO</td>
<td>$0-$3,400</td>
<td>$3,401-$6,700</td>
</tr>
<tr>
<td>Local PPO</td>
<td>$0-$3,400 in-network</td>
<td>$3,401-$6,700 in-network</td>
</tr>
<tr>
<td></td>
<td>$0-$5,100 in- and out-of-network</td>
<td>$3,401-$10,000 in- and out-of-network</td>
</tr>
<tr>
<td>PFFS</td>
<td>$0-$3,400</td>
<td>$3,401-$6,700</td>
</tr>
</tbody>
</table>
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?**

<table>
<thead>
<tr>
<th>Premium increase</th>
<th>SEP?</th>
<th>Guaranteed issue?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost-sharing increase</td>
<td>No, use AEP</td>
<td>Yes</td>
</tr>
<tr>
<td>Benefits reduced</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>MA plan terminates provider contract</td>
<td>Maybe*</td>
<td>Yes*</td>
</tr>
</tbody>
</table>

*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

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Medicare, Original Medicare + PDP, MA-PD, MA-only</td>
<td>5★ MA-PD, MA-only or PDP</td>
</tr>
</tbody>
</table>

- 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

<table>
<thead>
<tr>
<th>Income bracket (single)</th>
<th>Income bracket (file jointly)</th>
<th>IRMAA</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤$85,000</td>
<td>≤$170,000</td>
<td>n/a</td>
</tr>
<tr>
<td>&gt;$85,000 but ≤$107,000</td>
<td>&gt;$170,000 but ≤$214,000</td>
<td>$13.30</td>
</tr>
<tr>
<td>&gt;$107,000 but ≤$160,000</td>
<td>&gt;$214,000 but ≤$320,000</td>
<td>$34.20</td>
</tr>
<tr>
<td>&gt;$160,000 but ≤$214,000</td>
<td>&gt;$320,000 but ≤$428,000</td>
<td>$55.20</td>
</tr>
<tr>
<td>&gt;$214,000</td>
<td>&gt;$428,000</td>
<td>$76.20</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Income</th>
<th>≤100%</th>
<th>≤135% QMB, SLMB, QI</th>
<th>&lt;150%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>$0*</td>
<td>$0*</td>
<td>Discounted</td>
</tr>
<tr>
<td>Deductible</td>
<td>$0</td>
<td>$0</td>
<td>≤$74</td>
</tr>
<tr>
<td>Copayment</td>
<td>$1.20 (G)</td>
<td>$3.30 (G)</td>
<td>15% or lower copayment</td>
</tr>
<tr>
<td></td>
<td>$3.70 (BN)</td>
<td>$8.25 (BN)</td>
<td></td>
</tr>
<tr>
<td>Copayment during catastrophic coverage</td>
<td>$0</td>
<td>$0</td>
<td>$3.30 (G)</td>
</tr>
</tbody>
</table>

*If enrolled in a benchmark plan*
## Benchmark plans

CA benchmark amount $36.23 (2017)

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AARP MedicareRx Saver Plus</strong></td>
<td><strong>AARP MedicareRx Saver Plus</strong></td>
<td>$33.40</td>
</tr>
<tr>
<td><strong>Aetna MedicareRx Saver</strong></td>
<td><strong>Aetna MedicareRx Saver</strong></td>
<td>$32.10</td>
</tr>
<tr>
<td><strong>EnvisionRxPlus Silver</strong></td>
<td>No</td>
<td>$53.90</td>
</tr>
<tr>
<td><strong>Humana Preferred Rx</strong></td>
<td><strong>Humana Preferred Rx</strong></td>
<td>$28.20</td>
</tr>
<tr>
<td><strong>SilverScript Choice</strong></td>
<td><strong>SilverScript Choice</strong></td>
<td>$29.90</td>
</tr>
<tr>
<td><strong>Symphonix Value Rx</strong></td>
<td><strong>Symphonix Value Rx</strong></td>
<td>$30.60</td>
</tr>
<tr>
<td><strong>No</strong></td>
<td><strong>WellCare Classic</strong></td>
<td>$34.90</td>
</tr>
</tbody>
</table>
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](#))
- 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
www.cahealthadvocates.org

Sign up for our newsletter or subscribe to our fact sheets for only $199/year.

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