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BULLETIN 99-03

TO: Blue Cross and Blue Shield of Massachusetts
Health Maintenance Organizations
Commercial Health Insurers

FROM: Linda Ruthardt, Commissioner

DATE: June 1, 1999

RE: Addendum to "1999 Guide to Health Insurance for People with Medicare"

Enclosed please find a copy of the Massachusetts Addendum to the "1999 Guide to Health Insurance for People with Medicare." The Massachusetts Addendum must be provided along with the "1999 Guide to Health Insurance for People with Medicare" to those people eligible for Medicare pursuant to Massachusetts regulations 211 CMR 42.09(4) and 211 CMR 71.13(2)(d)4. Please note that the Massachusetts Addendum is in 14-point type.

Carriers are reminded: please do not include this bulletin cover memo with the Addendum when it is given to consumers.

Questions regarding this bulletin by licensed carriers may be directed to Amy Novick of the Office of the General Counsel at the Division of Insurance at (617) 521-7317.

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Massachusetts Bulletin for People with Medicare
June 1, 1999

Introduction

This bulletin has basic information regarding the Medicare Supplemental (Medigap) and Medicare managed care plans that are available in Massachusetts to most people with Medicare for coverage starting on January 1, 1999. **Note:** if you get your health insurance from an employer or former employer, you should contact that employer for information regarding the plans available to you.

At the end of this bulletin are charts that list the insurers that sell Medigap and Medicare managed care plans to individuals, the areas in Massachusetts that they serve, the premium costs, and phone numbers to call for more information, as well as some benefit information. It is important that you carefully review all of the plans available to you and the benefits offered in the plans.

Open Enrollment For Medigap Plans During February and March

During February and March, every company selling Medigap policies must sell its Medigap policies to most people enrolled in Medicare regardless of age if an application is submitted during these two months (individuals under age 65 who are eligible for Medicare solely due to end-stage renal disease are not currently eligible for any of the Medigap plans). Medigap companies in Massachusetts do not health screen eligible individuals, and these plans do not exclude or limit coverage for pre-existing health conditions.

If you want to purchase unlimited prescription drug coverage, these two months may be the only time you can do so in 1999. The Medicare Supplement 2 policy is the only Medigap insurance policy that provides unlimited coverage for outpatient prescription drugs, and it is sold by all of the Medigap companies in Massachusetts. The Medicare Supplement Core and Medicare Supplement 1 policies do not cover outpatient prescription drugs.

Outside of February and March, under state law, Medigap companies can restrict sales of new Medigap policies to persons who are **initially eligible for**

Coverage. A person is initially eligible for coverage during a six month open enrollment period starting when he or she:

1. enrolls in Medicare Part B for the first time, or
2. becomes a resident of Massachusetts, or
3. moves out of the service area of a HMO plan, or
4. loses employer-sponsored health plan because the job ended, the employer stopped providing coverage to its active employees, or the employer went bankrupt.

You may be eligible to purchase Medigap coverage under certain federal provisions when other health insurance ends or is lost; you should be notified by your insurer or plan if you are eligible under these provisions. Federal law also provides for open enrollment for people upon turning age 65 who become eligible for Medicare Part B benefits before age 65.

Open Enrollment for Medicare Managed Care Plans During February and March

One Medicare managed care health plan has open enrollment just like the Medigap plans listed above; it has open enrollment only during February and March and during the rest of the year restricts coverage to those who are initially eligible for coverage. This Medicare managed care plan offers an unlimited outpatient prescription drug plan which is comparable to the Medicare Supplement 2 plan.

The other Medicare managed care plans in Massachusetts currently enroll eligible applicants throughout the year, including February and March. These plans have annual caps on their outpatient prescription drug benefit for drugs not covered by Medicare. See charts for specific plan information.

Medicare managed care plans also do not health screen eligible individuals and do not exclude or limit coverage for pre-existing health conditions. However, eligibility for Medicare managed care plans for people with end-stage renal disease, individuals who have elected hospice coverage under Medicare, and individuals who are enrolled in Medicare Part B but not entitled to Medicare Part A may be restricted.

Medigap Plans

Medigap plans pay for many of the gaps that Medicare does not cover and may pay for some services not covered by Medicare. However, Medigap plans do not fill all the gaps in Medicare coverage. There are three standard Medigap plans that can currently be sold in Massachusetts:

- Medicare Supplement Core
- Medicare Supplement 1 (no outpatient prescription drug coverage)

- Medicare Supplement 2 (outpatient prescription drug coverage: $35 deductible per calendar quarter; 100% covered for generic drugs and 80% covered for brand-name drugs; and no maximum limit for drug benefit)

Medicare Managed Care Plans

Medicare managed care plans are offered by Health Maintenance Organizations (HMOs) in Massachusetts. Medicare managed care plans provide Medicare benefits, cover the Medicare deductible and coinsurance amounts and may cover other services (including benefits that you cannot get through a Medigap plan). However, like Medigap plans, Medicare managed care plans do not cover all the Medicare gaps.

- Medicare managed care plans provide benefits through a network of physicians, hospitals and other health care professionals. For most of the Medicare managed care plans, under most circumstances, you can receive services only from the plan's providers; only one Medicare managed care plan allows you to go outside the network to receive non-emergency care, but you will probably only be covered for Medicare benefits and be responsible for everything that Medicare does not cover.

  Most of the Medicare managed care plans available for coverage starting on January 1, 1999 shown in the attached chart **do not** contain the unlimited prescription drug coverage that had been available in 1998 and may not contain other state mandated benefits. Therefore, if you are currently enrolled in a Medicare managed care plan, you should be aware that your benefits and premium may have changed as of January 1, 1999.

- **Questions to Ask When Shopping for Coverage:**

1. Do I need or want coverage for prescription drugs? If so, how much coverage?
2. Do I want to choose any doctor or specialist (fee for service) or am I willing to have limitations on the doctors (managed care) I can see if it will lower my costs?
3. What is the monthly premium cost? How long is the cost likely to remain the same?
4. Can I join now? When will my coverage begin?
5. If I cancel before a year is up will I owe money or get money back?

Carefully consider your alternatives before you buy and don't buy more than one policy. Also, be aware of maximum benefits. And do not pay cash.

You Need Insurance in Addition to Medicare?

Before you buy a Medigap policy or Medicare managed care plan, please consider the following information. Due to your income or your financial need, you may qualify for programs that cover some or all of the gaps in Medicare or at least help you pay for Medicare premiums and copayments. To get more information, you can contact the agencies listed below.

-Medicaid, QMB (Qualified Medicare Beneficiary), and SLMB (Specified Low-Income Medicare Beneficiary) and Qualifying Individuals Programs: Call the MassHealth Enrollment Center of the Division of Medical Assistance at **1-888-665-9993 (TTY: 800-596-1272)**

-Senior Pharmacy Program: This state program is administered by the Executive Office of Elder Affairs in cooperation with the Division of Medical Assistance. Eligible individuals may receive up to $750 per year for certain prescription drugs. Please contact the Senior Pharmacy Program at **1-800-953-3305 (TTY: 617-926-5717)** to receive an application or to find out more about this program. You may also call your local Aging Services Access Point (ASAP).

-The MassHealth Program: This state program provides health care benefits to disabled working adults and disabled children. Call the MassHealth Program at the Division of Medical Assistance at **1-800-841-2900 (TTY:1-800-497-4648).**

-The Uncompensated Care Pool: Hospitals are required to provide certain people with free care in their facilities. Call your local hospital's billing department or the Division of Health Care Finance and Policy at **(617) 988-3100.**

-Drug Company Programs: More than 50 drug companies offer **free** prescription drugs to people of all ages who qualify. Each drug company has different guidelines. Ask your doctor if your drug is available through this program. You may obtain a list of the drugs that are covered and a sample application from Mass Home Care at **1-800-243-4636.**

-Federally Qualified Health Center: Medicare pays for some health services that are not otherwise Medicare-covered services, such as preventive care, when they are received at a federally qualified health center. To find out whether one of these centers serves your area, call **1-800-638-6833 (TTY/TDD 1-800-820-1202).**

elp Understanding Your Health Insurance Choices

- You can receive free one-on-one **health insurance information, counseling and assistance** through the SHINE (Serving the Health Information Needs of Elders) Counseling Program of the Executive Office of Elder Affairs by calling **1-800-882-2003 (TTY/TDD 1-800-872-0166)**; the phone number for calls made from out-of-state is **(617) 727-7750**. You may also call your local Council on Aging to schedule a meeting with a SHINE counselor.

- If you have a **question or problem concerning your insurance, or you believe that an agent, broker or company has treated you unfairly**, you can call the Division of Insurance Consumer HELP LINE at **(617) 521-7777 (TTY/TDD (617) 521-7490)**. In Springfield, the phone number is (413) 785-5526. The Division of Insurance has a website at http://www.state.ma.us/doi.

- The Office of the Managed Care Ombudsman, at **1-800-436-7757** can help you in **using your managed care plan**. The Office of the Managed Care Ombudsman has a website at http://www.state.ma.us/ombud.

Other Information Sources:

Call the Social Security Administration at **1-800-772-1213 (TTY: 1-800-325-0778)** for Medicare enrollment information or to request the new "Medicare & You Handbook".

Call the **Medicare Hotline** run by the Health Care Financing Administration (HCFA) at **1-800-638-6833 (TTY/TDD 1-800-820-1202)** for information and publications, including "Medicare & You Handbook" or "The 1998 Guide to Health Insurance for People with Medicare." Also visit the Medicare website at www.medicare.gov, which has information regarding the Medicare program and health insurance plans for people with Medicare.

If you have a copy of the "The 1998 Guide to Health Insurance for People with Medicare," be sure to have a copy of the "Massachusetts Attachment," which describes what is different in Massachusetts from what is explained in the guide. The "Massachusetts Attachment" can be obtained from health insurers along with the guide by writing to the Health Unit, Division of Insurance, 470 Atlantic Avenue, oston, MA 02210-2223.

Three Standard Medigap Plans Offered in Massachusetts
Comparison of Plan Types

Basic Benefits In All Plans:	Medicare Supplement Core	Medicare Supplement 1	Medicare Supplement 2
Medicare Part A/ Hospital Stay: Coinsurance for 61st–90th day in each benefit period; coinsurance for 60 Medicare lifetime hospital reserve days; additional 365 lifetime days covered in full. **Medicare Part B/ Medical Expenses:** Coinsurance - generally 20% of Medicare approved expenses **Blood:** First 3 pints of blood each year.			
Additional Benefits:			
Medicare Part A Hospital Stay Deductible $768 per benefit period in 1999	No	Yes	Yes
Medicare Part A Nursing Facility Coinsurance $96 per day for 21st–100th day in 1999	No	Yes	Yes
Medicare Part B Annual Deductible-$100	No	Yes	Yes
Foreign Travel Medicare-covered services while abroad	No	Yes	Yes
Mental Health Hospital Stays	**60 days per calendar year**	**120 days per benefit period**	**120 days per benefit period**
Outpatient Prescription Drugs $35 deductible each calendar quarter, then 100% coverage for generic drugs 80% coverage for brand-name drugs	No	No	Yes

As of 6/01/99

Medicare Supplement Plans Offered in Massachusetts

Medigap Carriers Please note that rates may change in 1999	Monthly Premiums for Policies		
	Medicare Supplement Core	Medicare Supplement 1	Medicare Supplement 2
Allianz Life Insurance Company of N.A. Only for members of Air Force Sergeants Assn **1-800-882-5541** Only for members of Fleet Reserve Assn **1-800-424-1120** Only for members of Marine Corps Assn **1-800-424-5181** Only for members of Nat Assn of Retired Fed Emp **1-800-233-5764** Only for members of National Rifle Assn **1-800-247-7989** Only for members of Reserve Officers Assn of USA **1-800-247-7988** **(open enrollment: Feb-Mar; initial eligibility)**	$47.33 (effective 6/01/99 $52.00)	$89.58 (effective 6/01/99 $98.50)	$202.42 (effective 6/01/99 $222.42)
Blue Cross & Blue Shield of MA (Medex) **1-800-258-2226** **(open enrollment: Feb-Mar; initial eligibility*)**	$59.38	$111.25	$286.26
Hartford Life Insurance Company Only for members of The Retired Officers Assn **1-800-247-2192** **(open enrollment: continuous)**	$41.00	$ 74.00	$139.00
Lincoln National Life Insurance Company Only for members of Military Benefit Assn **1-800-336-0100** **(open enrollment: continuous)**	$53.09	$ 78.19	$116.30
United HealthCare Insurance Company Only for American Assn of Retired Persons **1-800-523-5800** **(open enrollment: Feb-Mar; initial eligibility*)**	$55.75 (effective 6/1/99 $71.50)	$105.75 (effective 6/1/99 $113.75)	$238.25 (effective 6/1/99 $286.00)

* Plan offers discounted rates to members joining when initially eligible.

As of 6/01/99

Medicare HMO Plans Offered in Massachusetts
For Coverage Starting January 1, 1999

Please note that the following rates for Medicare HMO plans, offered through a contract with the federal government, must be reviewed by the Massachusetts Division of Insurance.

Medicare HMO	Monthly Premium	Office Copay	Prescription Drug Benefit	Service Area by County
Fallon Community Health Plan, Inc. **1-800-868-5200** **(continuous enrollment)**	Senior Saver $0.00	$5	$175 per calendar quarter at discounted price ($700 total per year) Copayments (30-day): $ 2 for Generic $ 5 for Brand-name	Suffolk and Worcester; Parts of Essex, Franklin, Hampden, Hampshire, Middlesex, and Norfolk
Harvard Pilgrim Health Care, Inc. **1-800-779-7723** **(continuous enrollment)**	First Seniority $0.00 ($25 in certain counties)	$5	$200 per calendar quarter at retail price ($800 total per year) Copayments (90-day): $ 8 for Generic $15 for Brand-name	Barnstable, Bristol, Franklin, Norfolk, Plymouth, Suffolk, Worcester and parts of Essex, Hampden Hampshire, and Middlesex
HMO Blue **Blue Cross Blue Shield** **1-800-678-2265** **(continuous enrollment)**	Blue Care 65 $0.00	$5	$125 per calendar quarter at discounted price ($500 total per year) No Copayments	Barnstable, Bristol, Essex, Middlesex, Norfolk, Suffolk, Plymouth, Worcester, Franklin, Hampden and Hampshire
Kaiser Permanente (Community Health Plan) **1-800-454-3840** **(open enrollment: Feb-Mar; initial eligibility)**	MedicarePlus w/Prescriptions $140.49	$5	Unlimited drug benefit Copayments (90-day): Health Center: $5 Retail Pharmacy: $ 8 for Generic $15 for Brand-name	Berkshire, Franklin, Hampden, Hampshire and part of Worcester
	MedicarePlus $88.18	$5	No drug benefit	
Tufts Associated Health Plan **1-800-246-2400** **(continuous enrollment)**	Secure Horizons $0.00	$5	$150 per calendar quarter at negotiated price ($600 total per year) Copayments (90-day): $ 8 for Generic $15 for Brand-name	Barnstable, Bristol, Essex, Hampden, Middlesex, Norfolk, Plymouth, Suffolk and Worcester
United HealthCare of New England, Inc. **1-800-448-4481** **(continuous enrollment)**	Medicare Complete $0.00	$10	$300 per calendar year at average wholesale price Copayments (31-day): $10 for Formulary $25 for Nonformulary	Bristol, Plymouth and Worcester and part of Norfolk
	Medicare Complete with Deluxe Rider $40.00		Same as above plus coverage for dental, eyeglasses and hearing aids	

As of 6/01/99