

Day 4
Chapter 5 – Medicare Supplement Insurance (Medigap)

Topics to Highlight

- Standard Medicare Supplement/Medigap Plans Chart
- Individual Medigap vs. Group Medicare Supplement Plans
- Enrollment Periods – Annual, SEP, & Continuous
- Pros & Cons of Medicare with Medigap vs. Medicare Advantage

Handouts/Case Studies

- List of Medigap plans available in Mass
- List of Medigap plans A-L available in other states
- Case Study – Gail Storm (On Sup. 2 too expensive – wants change)
- Case Study – Anna Konda (On Core – no coverage for Pt. B ded.)
- Case Study – Pete R. Pan (Loss of retiree coverage)
- Case Study – Mr. Hardy (On Medigap – ? re: out of state billing)
- Case Study – Sol & Emm Vow (Loss of employer paying for Sup. 2 plan)
- Case Study – Ann & Al Geesic (Pt. D, PA and general info)
- Medicare Supplement/Medigap Quiz
- Case Study – Penny Wise (Has retiree coverage wants to buy Medigap)
- Case Study – Wayne Scoat (On Sup. 2 – wants less expensive plan)
- Case Study – Cal O. Reese (Retiree plan dropping Rx. coverage)
- Case Study – Paul E. Anna (12-month rule)
- Case Study – Buck Ille (Coverage for travel)
- Case Study – Bobbi Penn (Sup. 1 and Pt. D too expensive)
- Homework: Read Chapter Six & Fraud & Abuse and Medigap Take Home Quiz

Medigap Plans Effective on or after June 1, 2010

How to read the chart:

If a checkmark appears in a column of this chart, the Medigap policy covers 100% of the described benefit. If a column lists a percentage, the policy covers that percentage of the described benefit. If a column is blank, the policy doesn't cover that benefit. **Note:** The Medigap policy covers coinsurance only after you have paid the deductible (unless the Medigap policy also covers the deductible).

You may buy the following Medigap Plans which become effective June 1, 2010:

| Medigap Benefits | Medigap Plans Effective June 1, 2010 | | | | | | | | | |
|---|--------------------------------------|---|---|---|----|---|-----|-----|-----|------|
| | A | B | C | D | F* | G | K | L | M | N |
| Medicare Part A Coinsurance hospital costs up to an additional 365 days after Medicare benefits are used up | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Medicare Part B Coinsurance or Copayment | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 50% | 75% | ✓ | ✓*** |
| Blood (First 3 Pints) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 50% | 75% | ✓ | ✓ |
| Part A Hospice Care Coinsurance or Copayment | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 50% | 75% | ✓ | ✓ |
| Skilled Nursing Facility Care Coinsurance | | | ✓ | ✓ | ✓ | ✓ | 50% | 75% | ✓ | ✓ |
| Medicare Part A Deductible | | ✓ | ✓ | ✓ | ✓ | ✓ | 50% | 75% | 50% | ✓ |
| Medicare Part B Deductible | | | ✓ | | ✓ | | | | | |
| Medicare Part B Excess Charges | | | | | ✓ | ✓ | | | | |
| Foreign Travel Emergency (Up to Plan Limits) | | | ✓ | ✓ | ✓ | ✓ | | | ✓ | ✓ |
| Medicare Preventive Care Part B Coinsurance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

| | |
|-----------------------|---------|
| Out-of-Pocket Limit** | |
| \$4,620 | \$2,310 |

*Plan F also offers a high-deductible plan. This means you must pay for Medicare-covered costs up to the deductible amount \$2,000 in 2010 before your Medigap plan pays anything.

**After you meet your out-of-pocket yearly limit and your yearly Part B deductible (\$155 in 2010), the Medigap plan pays 100% of covered services for the rest of the calendar year. Out-of-pocket limit is the maximum amount you would pay for coinsurance and copayments.

***Plan N pays 100% of the Part B coinsurance except up to \$20 copayment for office visits and up to \$50 for emergency department visits.

Medicare Supplement (Medigap) Plans Massachusetts 2012

| Medigap Carriers (Please note that rates may change in 2012) | Medicare Supplement Core | Medicare Supplement 1 |
|---|-----------------------------|--|
| Blue Cross & Blue Shield of MA (Medex™) 1-800-678-2265 sales/apps 1-800-258-2226 member services 1-800-522-1254 (TDD) http://www.bluecrossma.com | \$99.48 | <i>Medex Bronze</i> \$186.47 |
| Fallon Health & Life Assurance Company 1-866-330-6380 sales/apps 1-800-868-5200 member services 1-877-608-7677 (TDD) http://www.fchp.org/medicare-choices | \$103.00 | \$187.00 |
| Harvard Pilgrim HC Insurance Company, Inc. 1-800-782-0334 sales / apps 1-877-907-4742 member services 1-888-259-8276 (TDD) http://www.harvardpilgrim.org | \$98.50 | \$185.50 |
| Humana Insurance Company 1-800-872-7294 sales/apps 1-800-866-0581 member services 1-800-833-3301 (TDD) http://www.humana-medicare.com | \$137.18 | \$214.41 |
| Tufts Insurance Company 1-800-714-3000 sales/apps 1-800-701-9000 member services 1-800-208-9562 (TDD) http://www.tuftsmedicarepreferred.org | \$93.46 | \$181.71 |
| United HealthCare™ Insurance Company Only for members of AARP (American Association of Retired Persons) 1-800-523-5800 http://www.aarphealthcare.com | \$129.25 | \$211.50 |

All plans listed above will have a continuous open enrollment in 2012

As of February 1, 2010 Bankers Life and Casualty Company's Core and Supplement plans are no longer sold in Massachusetts. Current members may remain in plan.

In compliance with Medicare regulations, Medicare Supplement 2 cannot be sold after December 31, 2005 but existing members may remain enrolled. **Medex™ Gold – \$689.19.**

Medicare Supplement (Medigap) Plans Massachusetts 2012

| Benefit | Costs for Beneficiary under Original Medicare | Costs for Beneficiary with Supplement Core | Costs for Beneficiary with Supplement 1 |
|--|---|--|--|
| Medicare Part A | | | |
| Inpatient Hospital Care | | | |
| Days 1-60 | \$1,156 | \$1,156 | \$0 |
| Days 61-90 | \$289 / day | \$0 | \$0 |
| Days 91-150 (Lifetime Reserve) | \$578 / day | \$0 | \$0 |
| All Additional Days | full cost | \$0 for an additional 365 lifetime hospital days | \$0 for an additional 365 lifetime hospital days |
| Inpatient Days in Mental Health Hospital | 190 lifetime days | an additional 60 days per year | an additional 120 days per benefit period |
| Skilled Nursing Facility Care | | | |
| Days 1-20 | \$0 | \$0 | \$0 |
| Days 21-100 | \$144.50 / day | \$144.50 / day | \$0 |
| All additional days | full cost | full cost | full cost |
| Blood - First 3 Pints | full cost | \$0 | \$0 |
| Medicare Part B | | | |
| Annual Deductible | \$140 | \$140 | \$0 |
| Coinsurance for Part B after deductible | 20% | \$0 | \$0 |
| Medicare-covered services needed while traveling abroad | full cost | full cost* | \$0 |

*Blue Cross & Blue Shield Core members pay \$0 for Medicare-covered services needed while traveling abroad.

Case Study — Gail Storm

Gail meets with you at the SHINE office on April 1. Gail purchased a Medicare Supplement 2 plan when she first became eligible for Medicare. She tells you that the premium has increased. It is now almost \$700 per month and she cannot afford it. She explains that she takes several medications for which she needs coverage. She also wants health insurance coverage that will allow her to stay with her current doctors.

What information would you give her?

Case Study — Anna Konda

Anna meets with you for help with her medical bill. She switched from a Medicare Advantage plan back to original Medicare for a January 1 effective date during open enrollment and also enrolled in a Medicare Supplement. She went to her doctor last month and is surprised that her bill is not being covered. She thought her supplement would be covering the doctor. She doesn't know which supplement she has but said it costs \$298.44 because she just paid the bill.

How would you help her?

Case Study — Mr. Pete R. Pan

Mr. Pan meets with you at the SHINE office. He has been on Medicare A & B for the past 6 years with a supplemental retiree plan that includes prescription coverage through his former employer. He has been notified that his employer retiree insurance will be ending next month. He wants to know what insurance is available to him. He is concerned that he will not be able to get insurance because he was recently diagnosed with high blood pressure. A friend told him he will have to pay a penalty for not joining a Part D plan during the initial open enrollment period.

How would you assist him?

Case Study — Mr. Hale N. Hardy

While in Florida on vacation, Mr. Hardy, who has Medicare A & B and a Blue Cross/Blue Shield Medicare Supplement 1 plan, broke his arm and was taken to the hospital. Dr. Grim, who does not accept Medicare assignment, set Mr. Hardy's arm. Mr. Hardy returned to Dr. Grim's office for follow-up treatment. After Mr. Hardy returned home, he received a bill from the doctor. Mr. Hardy came to see you because he doesn't understand why he received the bill and tells you he has never had to pay additional money before.

Why is Mr. Hardy being charged an additional amount of money?

How would you assist him?

Case Study — Sol & Emm Vow

Sol calls you on June 1 for assistance with his insurance and drug coverage. They have both been on Medicare A & B since they turned 65 in 2006. He is currently working for a company he's been with for the past 19 years, but expects to be let go in the next month. His company has been buying Blue Cross/Blue Shield Medex Gold plans for both of them since they became eligible for Medicare. Sol says he will not be able to afford the monthly premiums for Gold once the employer stops covering. He wants to know what affordable plans are available.

Sol takes several expensive medications which would cost over \$1,000/month if he had to purchase them. Emm takes two generics. Their current combined monthly income is \$4,200/month.

Case Study - Ann & Al Geesic

Ann and Al meet with you to get information on their health insurance coverage options. They have both been covered under Al's employer plan but he is retiring in a few months with no retiree benefits. Ann's mother was on the Blue Cross/Blue Shield plan with prescription coverage for years before she died. Ann thinks that might be a good plan for her since she takes several expensive medications. Al has prescription coverage through the VA Health Plan, so he's not sure which health plan he needs. They've heard about the Medicare Drug Plan but don't know anything about it or whether they need that plan as well.

How would you help them?

Medicare Supplement Medigap Quiz

1. What Medigap plans are currently sold in Massachusetts and what do they cover?

2. When Clarence retired in 2004, he purchased a Medigap Supplement 1 plan. He didn't join a Medicare Part D plan during the initial open enrollment because he was not taking any medication. He recently had a check up with his physician and was given a medication which will cost \$300 per month. Clarence's friend told him that he was smart not to have joined a Medicare drug plan as he can get his drugs from Canada. His friend said he would have had to pay a monthly premium for the Medicare drug plan and it would have wound up costing more than getting his drug from Canada. What information would you give him?

3. Mr. Black has a Supplement 2 plan. His premium will be increasing on June 1. Mr. Black says he cannot afford to pay the premium. He explains that he has dipped into his savings over the years to help pay his health care costs. He wants to know what other options are available to him. He tells you that he takes 5 different medications and needs prescription coverage. What questions would you ask and how would you assist him?

4. What time of year can a Medicare beneficiaries purchase a Medigap plan?

5. What benefits do the two Medigap plans have in common?

Case Study – Maura Upset

Mrs. Upset visits the SHINE office in January very concerned about her health coverage. In December, during the annual enrollment period, she switched from her HMO plan to a Tufts Supplement 1 plan because her doctor ended his contract with her HMO and she was told that all doctors that participate in Medicare would accept her Tufts Medigap Plan. However, when she called her doctor's office in January to make an appointment she was told they did not accept Tufts.

How would you assist her?

Case Study — Ms. Penny Wise

Ms. Wise meets with you at the SHINE office. She is retiring from her job at the Pound Bank. She has been to Social Security and signed up for Medicare A & B. She now wants to know about Medigap insurance. She says that her company will be giving her health insurance after her retirement, but she tells you that one can never have too much insurance.

How would you assist her?

Case Study — Mr. Wayne Scoat

Mr. Scoat meets with you at the SHINE office. Mr. Scoat tells you he enrolled in Blue Cross/Blue Shield's Medicare Supplement 2 (Medex Gold) in June of 2005 when he became eligible for Medicare because he had high prescription costs. He is now taking only one inexpensive medication and is paying for a benefit he is not using. A friend told him he will have to wait for the annual open enrollment before he can make a change.

The friend also told him he will pay a penalty if he enrolls in a Medicare Prescription Drug Plan (Part D). He wants to know if he has any other options.

How would you help him?

Case Study — Mr. Cal O. Reese

Mr. Reese meets with you to discuss his insurance. He is 69 years of age. He retired from his job at 65 and is enrolled in Medicare A & B and receives retiree supplement insurance through his former employer. Over the past 2 years the company has changed insurance and will no longer provide prescription coverage with his health insurance. He tells you that his prescriptions are rather costly. He says his employer retiree health insurance will also now have high deductibles, and he's not sure if it makes sense to stay with it or if he can afford it. His friend told him that he can't join the Medicare Prescription Drug Program since he didn't join when it started.

What information would you give Mr. Reese about his options?

Case Study — Paul E. Anna

Paul calls with a question and concerns about his insurance. He became eligible for Medicare about 6 months ago when he turned 65, and he joined a Medicare Advantage HMO plan. He is not happy with the plan and wants to get into original Medicare and pick up a Medigap plan. His HMO told him he can only make a change during the annual open enrollment period which is several months away.

How would you help him?

Case Study — Buck Ille

Buck is 76 years old and just moved here from Texas. He tells you he had great coverage with an HMO in Texas but now needs to get something comparable in Massachusetts. He explains that he met a woman from Massachusetts, Maud, who was in Texas on vacation. They hit it off and he moved here because she wants to stay close to her children and grandchildren. They are getting married and she will soon become Maud Ille. Now that he has a companion they plan to do a lot of traveling. He wants to make sure he gets a health plan that will provide good coverage when he travels.

How would you help him?

Case Study — Bobbi Penn

Bobbi calls you for help with her health care costs. She has been on Medicare with a Medicare supplement since her doctor dropped her contracts with the Medicare Advantage plans a few years ago. She is very happy with her supplement because she does not need to get referrals and does not have co-pays. However, her premium increased to \$634.50 per quarter and she can no longer afford it along with her Part D premium of \$85.30 per month. She tells you her only income is a Social Security check for \$1405 per month. She would like to stay with Medicare and a Medicare supplement so she can continue with her doctor.

How would you help her?

Medigap Quiz

1. What is Medigap insurance?
2. Which plan covers the hospital deductible?
3. Who can purchase Medigap insurance?
4. Medicare beneficiaries in Massachusetts must go through a health screening process to purchase Medigap insurance.

_____ True _____ False

5. All companies selling Medigap in Massachusetts have continuous open enrollment.

_____ True _____ False

6. Explain the difference between a group Medicare supplement plan and an individual Medicare supplement plan.

7. Ms. Brewer meets with you at the SHINE office. She has a handful of bills. She is confused about their status and worried whether Medicare and her Medicare supplement insurance have paid any of them. List questions you would ask her to begin to clarify her situation.

1.

2.

3.

4.