PENNSYLVANIA Health Law PROJECT

SENIOR HEALTH NEWS

A publication of the Pennsylvania Health Law Project

Helpline: 800-274-3258 • www.phlp.org
Volume 15, Issue 5 • October 2013

Medicare Open Enrollment Period Underway: Time to Compare Plan Options and Make Changes

Medicare's Annual Open Enrollment Period has been underway since October 15th and will end December 7th. All Medicare beneficiaries can add (or drop) drug coverage during this period and change their Medicare Advantage plan or their Medicare Prescription Drug Plan for 2014. After this period ends, individuals are generally only allowed to make changes to their health or drug plans during the year if they qualify for a Special Enrollment Period (dual eligibles and people receiving the low-income subsidy qualify for an ongoing Special Enrollment Period and can change their plans at any time during the year).

It is important that **all** Medicare beneficiaries review their current plan, as well as their 2014 plan options, to determine whether their best choice is to stay with the plan they have or to switch to a different plan. Here are some factors to consider when comparing plan options:

Costs: What does the plan charge for a premium? Is there a deductible? What are the co-pays for medications, for other services? How much will my drugs cost in the doughnut hole?

Please note: if you qualify for a Low-Income Subsidy, you are not required to pay the plan's listed costs for prescription drugs. Instead, your subsidy limits how much you pay for drugs under any plan you join. You can contact Medicare for more information about what your drug costs will be with your subsidy.

Coverage: Are the drugs I take covered on the plan's formulary? Does the plan have any special rules for coverage of my drugs such as requiring Prior Authorization, Step Therapy, or Quantity Limits before they can be covered by the plan?

(Continued on Page 2)

INSIDE THIS EDITION

(Continued from Page 1) **Pharmacy network:** Can I continue to go to my local pharmacy to get my medications? What are the plan's mail order options? Does the plan have "preferred" pharmacies? If so, how much will I pay at a preferred versus a non-preferred pharmacy?

Provider Network (if considering a Medicare Advantage Plan): Are all the health care providers I use in the plan's network? Does the plan have any rules for how I access care (i.e., do I need a referral to see a specialist?)

Anyone who needs help comparing plans or learning about plan options for next year can call Medicare (1-800-633-4227), APPRISE (1-800-783-7067), or PHLP (if dual eligible) at 1-800-274-3258. Plan options can also be researched by going to www.medicare.gov.

Medicare Announces 2014 Part D Costs

Medicare recently updated its premiums, deductibles, and co-pay amounts for 2014. While the Medicare Part A costs are increasing slightly, there will be no change to the Medicare Part B monthly premium or annual deductible. Medicare credits various reforms required by the Affordable Care Act for the relative stability in Medicare costs next year. The following costs are effective January 1st.

Medicare Part A

Part A is the hospital benefit of Medicare that covers inpatient hospital care, care in a skilled nursing facility (up to 100 days), some home health care, and hospice (care for the terminally ill) services. In 2014, the Part A hospital deductible will be $1,216 (up from $1,184 in 2013). If someone is in the hospital longer than 60 days, their cost-sharing in 2014 will be:

- $304/day for days 61-90 (up from $296 in 2013)
- $608/day for days 91-150 (up from $592 in 2013)

Medicare beneficiaries in a skilled nursing facility that accepts Medicare will pay $152/day for days 21-100 (compared to $148 in 2013). There is no cost for Medicare-covered skilled nursing facility care for the first 20 days.

Medicare Part B

Part B is the medical benefit of Medicare that covers outpatient services such as doctor visits, outpatient hospital services, diagnostic tests and lab work, ambulance services, and durable medical equipment. The Part B premium will continue to be $104.90 in 2014. As in previous years, beneficiaries with higher income (a modified adjusted gross annual income greater than $85,000 for a single person/$170,000 for a married couple) will pay a higher Part B monthly premium. Individuals with limited incomes and resources may be able to get help through a Medicare Savings Program to cover the cost of the Part B premium.

The Part B annual deductible will remain at $147 next year. Individuals have to meet this deductible before Medicare starts covering most Part B services. Once the deductible is met, Medicare will cover both physical health and mental health services at 80% in 2014. In past years, Medicare covered mental health services at a lesser rate than it covered physical health services (i.e., 65% in 2013).

Medicare 2014 Plan Choices for Pennsylvanians

Medicare beneficiaries in Pennsylvania continue to have many choices when it comes to Medicare Prescription Drug Plans and Medicare Advantage Plans. In fact, Pennsylvania continues to have the highest number of stand-alone drug plan options of any state in the country. This year, there are 39 plans total; however, only 34 of these plans are available for enrollment. The remaining five plans, offered by Silver Script (three plans) and SmartD Rx (two plans), will continue for current members but are banned from all marketing activities and from new enrollments as a result of Medicare sanctions. Monthly premiums for the 34 available Prescription Drug Plans (PDPs) range from $12.60 to $169.

Zero Premium Prescription Drug Plans

In 2014, 11 zero-premium PDPs are available for people who qualify for the full Low-Income Subsidy. *First Health Part D Premier* (which will be called "*First Health Part D Essentials*" in 2014) is the only current zero-premium plan that will **not** continue to be zero-premium next year. Members of this plan who have the full subsidy will want to switch and enroll into a different plan for 2014 or else they will have to start paying a $14.80 monthly premium starting in January.

If Medicare auto-enrolled someone with a full subsidy into the First Health Premier plan and that person fails to make a different choice by the end of the year, Medicare will reassign her into a different zero-premium plan for 2014 in order to avoid that person having to pay a Part D premium next year. These individuals will receive a notice printed on blue paper that tells them about the plan reassignment.

Individuals with a full subsidy who joined the First Health Premier plan on their own will need to make a different choice as they will not be reassigned by Medicare. These individuals will receive a notice on tan paper in upcoming weeks that tells them they need to choose a different plan or start paying a premium in January.

Silver Script Basic and *Smart D Rx Saver* will continue to be zero-premium for their current members in 2014 but are not available for enrollment by new members due to the Medicare sanctions noted above.

The list of 2014 zero-premium plans is available on PHLP's website at www.phlp.org.

Medicare Advantage Plans

Medicare Advantage refers to Medicare managed care where individuals can join a private plan that contracts with Medicare to provide its members with their Medicare coverage. Medicare managed care plans may or may not include prescription drug coverage.

Medicare Advantage plan options vary county by county. Next year, every county in Pennsylvania has Medicare Advantage Plan options available to their residents. Bradford County offers the fewest number of Medicare Advantage plans (14) and Lancaster County offers the highest number of Plans (43). All but four counties have more than 20 Medicare Advantage plans available.

(Continued on Page 4)

(Continued from Page 3)

Special Needs Plans for Dual Eligibles

Special Needs Plans (SNPs) are a subset of Medicare Advantage plans that can limit their enrollment to certain groups of Medicare beneficiaries. There are Special Needs Plans for dual eligibles (D-SNPs) that generally require enrollees to have full Medical Assistance coverage in addition to their Medicare. All counties in PA except for Bradford and Franklin County will offer dual eligibles at least one D-SNP plan option next year. Some notable changes regarding D-SNP plans in 2014 include:

- *United Healthcare Dual Complete, Security Blue Care and Bravo Health Spring-Silver* are ending as of December 31st and will no longer operate in 2014. Members of these plans have already received written notification from their plan about it ending. These individuals can join a different D-SNP available in their area, a Medicare Advantage plan, or a stand-alone Prescription Drug Plan (PDP) for coverage in 2014. Individuals joining a PDP will then have Original Medicare for their health coverage.

  Members who do not take action to join another plan by the end of December will revert back to Original Medicare (red, white, and blue card) and be auto-enrolled into a zero-premium prescription drug plan by Medicare effective January 1st. Medicare will send a notice on blue paper that tells members which plan they will be assigned to if they do not make any different choice by the end of the year.

- The D-SNP *Bravo-HealthSpring Select* will be going by a new name, *Cigna-HealthSpring Total Care*, and it will no longer be offered in Allegheny, Washington, and Westmoreland counties.

- *Health Partners Medicare Special* is a new D-SNP in 2014 that will only be offered in Philadelphia County.

- Gateway Medicare Assured continues to offer two D-SNPs in 2014, but these plans are going by new names. The *Gateway Medicare Assured Diamond* plan is available to full dual eligibles in various counties. The *Gateway Medicare Assured Ruby* plan is available to dual eligibles who only get help from Medicaid with their Part B premium (through any of the Medicare Savings Programs) in various counties.

Other types of Special Needs Plans exist: Institutional SNPs (for people receiving long-term services in a nursing home or in the community) and Chronic Care SNPs (for people who have certain conditions specified by the plan such as diabetes or congestive heart failure).

Individuals who want to find out what plans are available in their county (Prescription Drug Plans, Medicare Advantage, and Special Needs Plans) can contact 1-800-MEDICARE or visit www.medicare.gov. Contact information for all 2014 plans can also be found in the Medicare & You 2014 Handbook sent to all Medicare beneficiaries in recent months.

Reminder: Medicare Beneficiaries Should Not Shop the Marketplace

During this Medicare Open Enrollment Period, Medicare beneficiaries should be exploring their coverage options available through Medicare. Information about 2014 Medicare Plan options is available at www.medicare.gov or by calling Medicare at 1-800-633-4227. ***Medicare beneficiaries should not be contacting the Marketplace since the Marketplace does not have any information about Medicare plans.***

The Marketplace is primarily where individuals who do not have any insurance can go to buy insurance. Individuals with Medicare do not need to buy coverage through the Marketplace. In fact, the Centers for Medicare and Medicaid Services recently issued information clarifying that it is illegal to sell a Marketplace plan to a person who has Medicare. To view the Frequently Asked Questions about people with Medicare and the Marketplace, click here: http://www.cms.gov/Center/Special-Topic/Open-Enrollment/Downloads/Medicare-Marketplace-FAQs.pdf

PACE/PACENET and Medicare Part D Refresher

Individuals who get help from Pennsylvania's PACE and PACENET programs, and who also have Medicare, are encouraged to sign up with Medicare Part D plans to get more help with their prescription costs and to save the PACE/PACENET programs money. In many cases, the PACE/PACENET program will take steps to ensure that their members are also enrolled with Part D coverage. Each year, PACE/PACENET works with certain plans it calls "Partner Plans". The 2014 PACE/PACENET Partner Plans are:

- CIGNA Medicare Rx Secure (formerly Plan One)
- SilverScript Basic
- Wellcare Classic

Envision Rx Plus Silver will no longer be a Partner plan after the end of the year. The list of PACE/PACENET Partners plans is also available on our website, www.phlp.org.

Letters have already gone out to certain current members to tell them whether PACE/PACENET recommends they stay with their current plan, or whether it recommends that they change their plan. In some cases, the program will be enrolling the member into one of the partner plans for 2014. Individuals who do not wish to follow the Program's recommendation for 2014 coverage must contact PACE/PACENET by **November 15, 2013**.

When PACE/PACENET auto-enrolls a member into a Partner plan, it uses an "intelligent assignment" process. That means the program reviews the medications a consumer takes, and the pharmacy (ies) he prefers and auto-enrolls the member into the partner plan that will best meet his needs.

(Continued on Page 6)

(Continued from Page 5)

Note: It is especially important for people who are currently enrolled in a Medicare Advantage plan to read their notices carefully and make sure PACE/PACENET knows about their Medicare Advantage coverage. If PACE/PACENET does not know that someone is in a Medicare Advantage plan, the Program may take action to auto-enroll him in a partner plan. This will result in the individual losing their Medicare Advantage coverage. If a PACE/PACENET member has a Medicare Advantage plan that she wants to keep, she needs to notify PACE about this!

The coverage PACE and PACENET provide is creditable coverage to Medicare Part D. This means that if a PACE/PACENET member does not want to sign up with Part D at all, they can delay enrolling in Part D and shouldn't have to pay a late fee if they change their mind and want to join a plan later on.

In addition to the Partner plans, PACE/PACENET has agreements with other Medicare plans to help pay plans' premiums and/or other costs on behalf of their members. Here's a reminder of how each program works with Medicare Part D to help members with the costs of their Part D coverage.

PACE Plus Medicare

PACE will pay the Part D plan premium (up to $35.50 in 2014) for PACE members enrolled into a PACE Partner Plan or into any other Part D plan that has a signed agreement with PACE.

PACE will pay the Part D costs (above the $6/$9 PACE co-pays) for all PACE Members regardless of which Part D plan they are enrolled in. PACE acts as the secondary coverage to the individual's Medicare Part D plan, so individuals with both Medicare Part D and PACE should never pay more than $6 for generic drugs and $9 for brand name drugs as long as the medication is covered by the PACE program and they are going to a pharmacy that works with both their Part D plan and with PACE.

PACENET Plus Medicare

PACENET members are responsible for paying their Part D plan premium (even if they are enrolled in a Partner plan). Premiums for Partner plans will be paid at the pharmacy when the person gets their medication. Premiums for non-Partner plans must be paid directly to the Part D plan.

Even though PACENET does not help its members with Part D premium costs, it does act as secondary insurance to Part D. This means that PACENET members should never pay more than $8 for generic drugs and $15 for brand-name drugs at the pharmacy as long as that medication is covered by the PACE program and as long as they are going to a pharmacy that works with both their Part D plan and with PACE.

PACENET members who do not have any Part D coverage will have to pay a $35.50 deductible at the pharmacy each month before they can get their drugs at the $8/$15 co-pay amount.

For more information on PACE/PACENET auto-enrollment into Medicare part D and how the coverage works together with Medicare Part D, go to the PACE/PACENET website at https://pacecares.magellanhealth.com or call 1-800-225-7223.

APPRISE Program Available For Anyone On Medicare

The federal government provides funding for State Health Insurance Programs (otherwise known as "SHIPs") across the country. These programs offer one on one counseling and assistance to people on Medicare and their families.

Pennsylvania's SHIP program goes by the name of "APPRISE." There are APPRISE staff and volunteers in every county who offer free trainings and insurance counseling to Medicare beneficiaries of any age. APPRISE educates new beneficiaries on how Medicare works and assists beneficiaries wanting to enroll into, or to switch, Medicare Advantage Plans, Medicare Supplements (a/k/a "Medigap plans") and/or Part D Plans.

APPRISE staff and volunteers are also very knowledgeable about programs that will help low-income beneficiaries pay for their Medicare costs. They will work with individuals to determine if they are eligible for programs such as the Low Income Subsidy and the Medicare Savings Programs, help them complete an application, and trouble-shoot any problems that may arise in the application process.

To contact APPRISE, consumers can call their county's Area Agency on Aging or can call toll-free 1-800-783-7067.

Please **support PHLP** by making a donation through the United Way.

For Southeast PA, go to www.uwsepa.org and select donor choice number 10277.

For the Capital Region, go to www.uwcr.org and pledge a donation to PHLP.

For the Pittsburgh Region, go to www.unitedwaypittsburgh.org and select agency code number 11089521.

You can also donate directly to PHLP at www.phlp.org or by mailing a check to PHLP at 123 Chestnut St. Suite 400, Philadelphia, PA 19106.