

PRESS RELEASE

JANE DEE HULL
GOVERNOR



CHARLES R. COHEN
DIRECTOR OF INSURANCE

ARIZONA DEPARTMENT OF INSURANCE

2910 North 44th Street, Suite 210, Phoenix, Arizona 85018-7256 · (602) 912-8456 · FAX: (602) 912-8452
www.state.az.us/id

Media Contact: Don Harris
Public Information Officer
(602) 912-8402

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Director of State Insurance Department Advises Medicare + Choice Members to Understand Rights Before Making Changes

Arizona Insurance Director Charles R. Cohen advised Medicare beneficiaries that although some of them are receiving notice that they will be losing their Medicare HMO coverage after Dec. 31, 2000, they will have full coverage until the end of the year and do not need to take any immediate action.

At least one Medicare + Choice HMO recently announced that it plans to withdraw from certain Arizona counties at the end of this year. Similar announcements from other Medicare + Choice HMOs may follow in the next two weeks. However, Cohen advises Medicare beneficiaries enrolled in these plans to understand the options before making any changes in their Medicare coverage.

Some Medicare beneficiaries who lose their Medicare HMO coverage on Dec. 31, 2000, have the option of switching to a different Medicare HMO. All Medicare beneficiaries always have access to original fee-for-service Medicare. In addition, many will have the right to purchase a "guaranteed-issue" Medicare Supplement policy for a certain time. A Medicare Supplement policy is designed to supplement original fee-for-service Medicare. While some Medicare Supplement plans provide prescription drug coverage, the plans that are available under the guaranteed issue rules do not provide drug coverage. "Guaranteed issue" means the insurance company can't turn you away, Cohen explained.

Although Medicare + Choice HMOs are announcing their plans for 2001 now, official notice to affected members will not be mailed until fall. In late September or early October, affected members will receive an official termination notice from their plan. This letter will provide more information to consumers about their options. Consumers should save these termination letters, because if they decide to buy a guaranteed-issue, Medicare Supplement policy they will need to send a copy of the letter with the application to the Medicare Supplement insurance company. Some plans may send a letter this summer to members, announcing the changes, but the official termination letter will arrive in the fall. It is this official termination letter that triggers the "guaranteed issue" time period.

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Here are the options:

- When consumers receive an official notice of termination from the Medicare + Choice HMO, they will have a 63-day window to purchase a guaranteed-issue Medicare Supplement Plan A, B, C, or F without any exclusions for preexisting conditions or a waiting period. The 63-day open enrollment period begins on the date of the termination letter.
- Or, if they wait until the end of the year when their coverage expires, they can purchase a Medicare Supplement policy during the first 63 days of 2001. This supplement insurance is available from any insurer that markets the four plans listed above, as long as the beneficiary applies for the plan before March 4, 2001.
- Or, the consumer can join another Medicare HMO plan that still accepts new enrollees, if there are other HMOs in the county where that consumer lives.

Arizonans who already have original fee-for-service Medicare will not be affected by the HMO changes. The recent notices affect only those individuals who receive their coverage through a Medicare HMO.

To help Medicare beneficiaries sort through the confusion, Arizona has a State Health Insurance Assistance Program, (SHIP). Medicare beneficiaries and any consumer can dial 1-800-432-4040, a statewide toll-free number, to obtain free counseling on available options. The SHIP program has trained counselors who can give callers facts and information regarding Medicare, Medicare + Choice plans, and Medicare Supplement (also known as Medigap) insurance plans. The SHIP program is administered through the Aging and Adult Administration at the Arizona Department of Economic Security.

“The best advice we can give Medicare Beneficiaries is to stay put for right now and wait until they receive their official Medicare + Choice termination letters in the fall before taking any action,” Director Cohen said. “Medicare + Choice HMO enrollees can continue to use their same doctors and hospitals until the end of the year, even if their coverage will end Dec. 31, 2000. We recommend that consumers get all the facts before making any decisions. The staff at the State Health Insurance Assistance Program can be very helpful and we strongly recommend consulting them.”

Consumers can also obtain information by calling 1-800-MEDICARE (1-800-633-4227) or on the Internet at www.medicare.gov which is the federal government’s web site. A list of insurers who have approved Medicare Supplement policies or who are authorized to offer Medicare HMO coverage in Arizona is available from the SHIP program at 1-800-432-4040.

In addition, Medicare beneficiaries can learn more from The 2000 Guide to Health Insurance for People with Medicare, available from the SHIP program or from the Arizona Department of Insurance Consumer Affairs Division at (602) 912-8444 or statewide at 1-800-325-2548.