

PRESS RELEASE

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State Insurance Department Advises Medicare + Choice Members to Make Changes Now if They Are Losing Coverage

Arizona Insurance Director Charles R. Cohen reminded Medicare beneficiaries that some of them will be losing their Medicare+Choice HMO coverage after Dec. 31, 2000, and that now is the time to take action to secure other coverage, if they have not already done so.

Effective Jan. 1, 2001, 11 of Arizona's 15 counties will have no Medicare HMO plans. Counties that will continue to have Medicare HMOs are Maricopa, Pima, Pinal and Santa Cruz. Counties that are losing their Medicare HMO plans effective Jan. 1, 2001, are Cochise and Gila. Other counties without any Medicare HMO plans are Apache, Coconino, Greenlee, Graham, La Paz, Mohave, Navajo, Yavapai and Yuma.

The deadline for obtaining other coverage is March 4, 2001.

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.

Some Medicare beneficiaries who lose their Medicare HMO coverage 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.

Consumers who are losing their coverage should have received an official termination letter from their plan during the first week of October. Consumers who decide to buy a guaranteed-issue, Medicare Supplement policy will need to send a copy of the letter with the application to the Medicare Supplement insurance company.

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Here are the options:

- Consumers can purchase a Medicare Supplement policy during the first 63 days of 2001. These affected members can purchase a guaranteed-issue Medicare Supplement Plan A, B, C, or F without any exclusions for preexisting conditions or a waiting period. 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.
- Consumers can purchase another type of Medicare+Choice plan called a Private-Fee-For Service plan, which is available in all Arizona counties, but does not include prescription drug coverage.
- Consumers can join another Medicare HMO plan that still accepts new enrollees, if there are other HMOs in the county where the consumer lives. Two plans in Pima County are withdrawing from the Medicare+Choice program, but other coverage is still available there.
- However, Medicare beneficiaries who are under 65 have limited choices. Not all Medicare supplement insurance companies offer coverage to this group. Of the companies that do offer coverage, only Plan B is available.

Medicare+Choice HMO plans available by county, effective Jan. 1, 2001, are:

Maricopa (including Apache Junction): Aetna U.S. Healthcare; CIGNA Healthcare of Arizona; Humana Health Plan of Arizona; Intergroup of Arizona; Pacificare of Arizona; Sun Health Medisun (Western Maricopa County only).

Pima: Intergroup of Arizona; Pacificare of Arizona.

Pinal: Intergroup of Arizona; Pacificare of Arizona.

Santa Cruz: Intergroup of Arizona.

For more information, consumers can call the State Health Insurance Assistance Program, (SHIP), at 1-800-432-4040; the Arizona Department of Insurance Consumer Affairs Division at (602) 912-8444 or statewide at 1-800-325-2548, or 1-800-MEDICARE (1-800-633-4227). Information is also available on the Insurance Department's web site at www.state.az.us/id or at www.medicare.gov which is the federal government's web site.

"We recommend that consumers get all the facts before making any decisions," Cohen said. "The best advice we can give Medicare beneficiaries is to shop around for the best rates on Medicare Supplement insurance, if they want to purchase coverage to supplement the gaps in traditional fee-for-service Medicare. The time to do that is now."