

Keep The Faith

Follow the proper procedures to ensure you maintain a good relationship with insurer-wary disenrolled HMO clients

With more and more HMOs dropping Medicare beneficiaries, there has never been a better time for UA Agents to increase production by bringing Seniors into UA's stable Medicare Supplement environment. A UA Med-Supp policy gives the policyholder many advantages over Medicare HMO policies, including: choice of primary care physicians, choice of specialists, hassle-free "Automatic" Claims Filing and the peace of mind that they will never again be faced with the discomfort that goes along with being dropped by their healthcare provider.

But an Agent can ruin the trust he and UA have worked so hard to develop with the client if the Agent does not bring the policyholder into the fold in the proper manner. It's important to make all the necessary arrangements in order for the policy to take effect when it is promised and ensure that there is no lapse in the policyholder's coverage.

Make sure the client is back on Medicare when the Med-Supp policy becomes effective.

To get back on Medicare, the client must ask the HMO to put them back on Medicare. The Balanced Budget Act Med-Supp form must be completed on behalf of the client. If the form is received by Medicare before the 10th day of the month, the client will usually be back on Medicare the first of the following month. After the 10th it will take until the first of the second month to conclude the re-entry into Medicare. In such a case, the policy must be made effective the first of the second month, when Medicare becomes effective.

Neither the Agent nor UA should be involved in returning the client back to Medicare.

The law states that it is up to the client to get the HMO to help them get back on Medicare. Assist the client from an information standpoint, but do not contact the HMO or file the form for the client.

UA will date policies in advance but only when the app is received before the requested date.

If an Agent requests a July 1 effective date but the app is not received by UA until July 6, the policy cannot be dated prior to July 6. Thus, the Agent must keep this in mind when making a sale to replace a HMO. In this example, he should have the client get the HMO to make Medicare effective Aug. 1 and request an Aug. 1 effective date.

Remember: Applications must be written in person

Writing business by mail or over the phone is not allowed by UA.

HMO Disenrollee Checklist

These guidelines apply to persons age 65 and older who are on Medicare by reason of age. Persons on Medicare because of disability must qualify except in any state which mandates guaranteed issue.

- ✓ Complete the application as usual except do not ask or answer the health questions. Write the words "Guaranteed Issue" across the health questions section of the application.
- ✓ Attach a copy of the disenrollment letter from the HMO. If the letter is not personalized, also attach a copy of the client's HMO ID card.
- ✓ If the client does not have disenrollment letter, attach a copy of the ID card and proof that the HMO is disenrolling its members (a newspaper article will suffice).
- ✓ Request a policy date commensurate with the HMO disenrollment date. Most often, this will be Jan. 1.

IMPORTANT NOTES

Do not request a policy date prior to the client returning to traditional Medicare. UA cannot pay claims until the client is back on Medicare.

If a client is not a disenrollee, the HMO must put them back on traditional Medicare. This process must be initiated by the client and is not automatic.

The application question about existing Medicare Supplement coverage should be answered "yes" if the client is covered through an HMO and the appropriate replacement form should be completed with the application.

A Reminder from Legal: Medicare Supplement Sales

This is a follow-up to our prior communications regarding Medicare Supplement policies. As you know, you must comply with applicable laws and regulations in each state in which you are appointed.

1. As you know, you are required to ask all of the questions on the application and to leave with the applicant an outline of coverage, a Medicare Buyer's Guide and the brochure from which an application is taken. If replacement is involved, you must, along with the applicant, fill out and sign the Replacement Notice and return it to the company with the application. Be certain that any comparison of other coverage is fair and accurate. Be certain that excessive insurance is not sold.
2. You should determine in each case that any policy sold is suitable to the needs of the applicant. In doing so, you should consider such issues as a prospective insured's financial condition, their need for insurance, the values, benefits and costs in relation to any existing coverage and whether in the totality of each applicant's circumstances this sale is suitable. Of course, always remind the applicant that they have a free look period to review their new coverage.
3. If any sale involves the replacement of an HMO, be certain that you do not create any hardships. You should assist in making certain that correct information is obtained about disenrolling from an HMO. Duplicate insurance is not allowed and enrollment in Medicare is necessary to ensure that benefits are not lost.