Staying Ahea

Updates and information t

A number of announcements regarding changes in Medicare have come down the pipe this Fall, including the withdrawals of HMOs in several markets. Medicare changes and HMO withdrawals are essential information to anyone attempting to sell Med-Supps in the marketplace today, and both are good reasons to contact prospective customers. To make your job a little easier, these pages offer an update on Medicare and suggestions on how to plan for HMO withdrawals.

Knowing the Game Plan

Changes in Medicare have been significant and encompass three basic areas: prescription drugs, preventive services, and retired military. Additionally, the Health Care Finance Administration (HCFA), the government agency responsible for administering Medicare, is now called The Centers for Medicare & Medicaid Services (CMS). Here is an overview of the new game plan for Medicare:

Prescription Drugs. President George W. Bush called lowering the cost of prescriptions for Seniors "Medicare's most pressing challenge." His answer to this challenge is a program encouraging Medicare enrollees to participate in proposed discount drug programs endorsed by Medicare. The discount drug plans approved by CMS will form a consortium, or cooperative arrangement, to provide discounted prescription services to Medicare recipients. The CMS program, however, has been placed on hold by a federal judge in response to considerable opposition by a coalition of independently-operated pharmaceutical companies.

Preventive Services. As a result of the Beneficiary Improvements and Protections Act (BIPA), CMS is now required to provide coverage for certain tests and therapies which can detect diseases early, when they are most easily treated. The new services will be covered under Medicare Part B with a 20% co-pay of the Medicare - approved amount. Here is a breakdown of the added preventive services, along with their effective dates:

Effective July 1, 2001

- Pap tests and pelvic exams every two years for women with a low risk of uterine or vaginal cancers. These tests were previously approved only for women at high risk.
- A screening colonoscopy every 10 years for people with a low risk of colorectal cancer. Until now, the test was covered every two years for people at high risk only.

Effective Jan. 1, 2002

- An annual glaucoma screening for people at high risk, a family history of the disease, or those diagnosed with diabetes. The screening has not been available through Medicare in the past.
- Medical nutrition therapy by registered dieticians or other qualified nutrition professionals for people with diabetes, chronic renal disease, and post-transplant patients. This service was not previously covered by Medicare.

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o help you prepare for Fall

Surveying the League

The deadline for HMOs to notify the government of their intent to withdraw from the market was Sept. 17, 2001. Although the Bush administration extended the notification deadline for health plan providers through the summer, a federal judge has ruled Seniors must still be mailed information on private health plans by the original Oct. 16, 2001 deadline. In other words, the Department of Health and Human Services is about to kick into high gear as it has only one month left to notify those Seniors that will be affected by the 2002 HMO non-renewals. The following are ways you can prepare for what promises to be a busy month ahead.

Focus	Familiarize yourself with local HMOs and identify areas which may be affected by the withdrawals.
Learn	Senior health care is a hot topic right now in the media. Pick up a favorite news source to stay abreast of the changing marketplace. Also, reacquaint yourself with all HMO replacement procedures.
Contact	Begin making contacts with local Senior associations to organize group informational meetings and get valuable referrals.
Recruit	Recruit new Agents to prepare for the upsurge in new business.
Advertise	Run ads in local newspapers to increase awareness of UA. Sample ads can be viewed on page 10.

Now is a good time to familiarize yourself with HMO disenrollee procedures. Below is a checklist for you to review. 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 states which mandate guaranteed issue.

HMO Disenrollee Checklist

- ☑ Complete the UA Medicare Supplement 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 a 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 involuntarily disenrolled from an HMO, the HMO must put them back on traditional Medicare. This process must be initiated by the client, it is not automatic, if the client voluntarily terminates coverage with the HMO.

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 must be completed with the application.