

Updates on Medicare Parts C and D

ACUU

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Session topics

- Changes in Medicare Parts C and D
 - 2010
 - 2011 and beyond
 - Marketing protections for beneficiaries under Medicare Improvements for Patients and Providers Act (MIPPA)
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Changes in Medicare Parts C and D

2010

Multiple and Low Enrollment Plan Offerings by Medicare Advantage Organizations (MAOs)

- Many (MAOs) offered large number of plan benefit packages per contract
 - For 2010, CMS asked MAOs to eliminate plan offerings that had little or no enrollment, and duplicative plan offerings with indistinguishable benefit differences
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Reference-based pricing

- Reference-based pricing allowed plans to require enrollees to pay additional cost-sharing above the defined cost-sharing amount
 - Based on difference in cost between drug being dispensed and lower-cost preferred alternative, e.g. generic
 - Confusing to beneficiaries
 - Reference-based pricing eliminated in Part D beginning in CY2010
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Extra Help/LIS Changes

- Effective January 1, 2010, in-kind assistance and life insurance value no longer counted for Extra Help
 - Extra Help application automatically starts MSP application process
 - Information forwarded by SSA to NYSDOH unless opt-out box checked on LIS application
 - MSP Request for Information form mailed to beneficiary
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\$250 Coverage Gap Rebate

- For beneficiaries who reach the coverage gap "donut hole" in 2010
- One-time rebate
- No need for beneficiary to apply
- Rebates begin in June
- Payments made by mid-September for beneficiaries who reach coverage gap now

Fox Termination

- Fox Insurance Company (PDP) terminated
 - Effective March 10, 2010
 - Members got drugs temporarily through LI-NET
 - Could remain in LI-NET through April 30
 - Enrolled into new benchmark plan effective May 1
 - EPIC members reassigned by EPIC
 - Special Enrollment Period to switch plans
 - Through June 30

2011 and Beyond

Coverage Gap Reduction

- 2011 - Coverage gap reduction begins
 - 50% discount on brand name drugs
- 2020 - 25% cost-sharing through gap

Part D Standard Benefit (2010-2011)

Benefit Parameters	2010	2011
Deductible	\$310	\$310
Initial Coverage Limit	\$2,830	\$2,840
Out-of-Pocket (OOP) Threshold	\$4,550	\$4,550
Total Drug Cost at OOP Threshold	\$6,440.00	\$6,447.50

LIS Copayments (2010-2011)

Low Income Subsidy (LIS) Copayments	2010	2011
Institutionalized	\$0	\$0
Up to or at 100% FPL	\$1.10/\$3.30	\$1.10/\$3.30
Other LIS	\$2.50/\$6.30	\$2.50/\$6.30

Enrollment Periods

- Annual Coordinated Election Period
 - November 15 – December 31
 - Stays the same for 2010
 - NEW: October 15 – December 7
 - 2011 and beyond

Enrollment Periods

- Medicare Advantage Open Enrollment Period (OEP)
 - January 1 – March 31
 - NEW: Eliminated for 2011
- MA Annual 45 Day Disenrollment Period (ADP)
 - NEW: Available 1st 45 days of 2011
 - Switch from MA to Original Medicare
 - May elect to enroll in PDP

Upcoming Medicare Change

- 2013 - Barbiturates and Benzodiazepines covered under Part D

Marketing Protections for Beneficiaries under the Medicare Improvements for Patients and Providers Act

Standardization of Plan Names

- Plan sponsors must include plan type in each plan's name
 - Effective January 1, 2010
- Must display the plan type on all marketing materials that include the plan name
- SNPs and Employer Group Waiver Plans must include the plan type and plan name on all marketing materials

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Plan Ratings

- Plan sponsors must provide information about their plan or plans' ratings information to current and prospective enrollees by:
 - Including the information in pre-enrollment packets and
 - Referring them to <http://www.medicare.gov> and
 - Making the rating information available upon request

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Plan Mailing Statements on Envelopes

- One of following statements must be included on the mailing envelope or mailing itself:
 - Advertising pieces- "This is an advertisement"
 - Plan Information- "Important plan information"
 - Health- "Health or wellness or prevention information"

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Plan Mailing Statements on Envelopes

- Non-health or non-plan information- "Non-health or non-plan related information"
- Plan sponsors must include plan name or logo on every mailing to beneficiaries

Marketing at Educational Events

- No plan marketing activities at educational events
 - Event advertising materials must include disclaimer
 - No sales activities, or distribution/acceptance of enrollment forms and/or business reply cards

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Marketing at Educational Events

- Plans may distribute
 - Promotional gifts
 - Medicare and/or health educational materials
 - Agent/broker business cards, upon beneficiary request
 - Containing no benefit information

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Marketing/Sales Events

- Plans may:
 - Accept and perform enrollment
 - Distribute health plan brochures and pre-enrollment materials
 - Formally present benefit information
 - Provide nominal gifts to attendees
 - Accept one-on-one appointment if beneficiary has requested

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Marketing in Health Care Settings

- No plan marketing activities in healthcare setting
 - No sales activities or distribution/acceptance of enrollment forms
 - Examples: waiting rooms, exam rooms, hospital patient rooms, dialysis centers, pharmacy counter areas
- Marketing allowed
 - In common areas, such as: hospital or nursing home cafeterias, community or recreational rooms, conference rooms
 - By providers, per current CMS Marketing Guidelines

Sales event cancellation notice to beneficiaries

- If event cancelled within 48 hours of originally scheduled date and time, must have a representative at the site
- If event cancelled more than 48 hours prior to its originally scheduled date and time, should notify beneficiaries of the cancelled event using same means the plan used to advertise the event

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Unsolicited Contacts Prohibited Activities

- Calls to confirm receipt of mailed information
- Approaching in common areas
 - Parking lots, hallways, lobbies, etc
- Calls/visits after attendance at sales event, unless express permission given
- Door hangings
- Unsolicited emails

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Unsolicited Contacts Permitted Activities

- Calls to:
 - Existing members to conduct normal business related to plan
 - Former members for disenrollment survey
 - Only after disenrollment effective date
 - No sales or marketing information
 - Members by the agent/broker who enrolled them in the plan
 - Beneficiaries who have given express permission

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Outbound Verification Calls

- All plan sponsors are required to conduct outbound verification calls to new enrollees
- Plan must obtain beneficiary phone number to conduct verification call
- Description of verification process must be explained to beneficiary during the application process

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Scope of Appointments

- Lines of business to be discussed with potential enrollee
 - Must be identified prior to marketing and/or in-home appointment
 - Must be identified on all marketing and advertising materials and announcements
 - Examples: Medigap, MA, or PDP
- Additional products can only be discussed on beneficiary request

Agents/Brokers Training and Testing

- Agents/Brokers must be trained and tested annually
- CMS has developed an online training and testing module
- Released as a pilot for CY 2010 on July 31, 2009

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CMS Training Module

- Training Content
 - Medicare Basics
 - Enrollment and Disenrollment
 - Beneficiary Protections
 - Marketing Regulations and Materials for Sales Agents
 - Medicare Marketing Events
- Testing
- Certification Exam

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Agent/Broker Compensation

- Goals of MIPPA policy:
 - Eliminate incentive to inappropriately move beneficiaries from plan-to-plan
 - Set limits on compensation structures to ensure beneficiaries enroll in plans that meet their needs

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CMS Surveillance Activities

- Secret shopper activities
- Reviewing plans' local print and broadcast advertisements
- Reviewing recordings of enrollment calls
- Ensuring health plans detect, report, and respond to agent/broker marketing misrepresentation

CMS Compliance Efforts

- Need detailed complaint information
- Complaint goes to account manager
- Starts with informal contact and moves to enforcement depending on severity
- CMS responsible for actions involving plans
- State Departments of Insurance responsible for actions involving agents/brokers

Resources

- Call 1-800-MEDICARE with complaints
- <http://www.cms.hhs.gov/ManagedCareMarketing/>

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