

Saving Money on Your Insurance

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TEXAS COMMISSIONER OF INSURANCE

People Who Lost Medicare HMOs Need to Act Quickly

TEXANS WHO RETURNED to original Medicare after losing Medicare HMO coverage in January must act by March 3, 2000, to assure "guaranteed issue" of the supplemental insurance that many will need.

More than 31,000 people in 36 counties were affected when five HMOs decided to stop providing Medicare coverage on January 1 in some or all of the areas they served. The HMOs are Humana ("Humana Gold and Gold Plus"), HMO Blue ("Senior Blue Northeast Texas"), United Healthcare, Cigna and Healthfirst HMO East Texas Medical Plan.

Many people joined other Medicare HMOs before January 1, but others did not. Some chose to return to original Medicare rather than change doctors. In six East Texas counties—Camp, Franklin, Gregg, Henderson, Upshur and Wood—original Medicare was the only option because no Medicare HMOs remained.

Individuals who did not join another Medicare HMO before January 1 automatically returned to original Medicare.

Original Medicare has a number of coverage gaps, including deductibles and copayments that can easily exceed several hundred dollars. To fill some of these gaps, many Medicare beneficiaries buy Medicare supplement ("Medigap") insurance. There are 10 standard Medigap plans, labeled "A" through "J."

By law, if you apply to an insurance company within 63 days after losing your Medicare HMO coverage—that is, by March 3—the company must sell you Medigap Plan A, B, C or F regardless of your medical history. This right is called "guaranteed issue." In addition, an insurance company cannot make you wait for coverage of pre-existing medical conditions or charge a higher rate because of your health history. But you lose that right if you miss the March 3 deadline.

Medigap insurers are required to ask appropriate questions on their applications to identify people who qualify for guaranteed issue. Save the withdrawal letter from your Medicare HMO. You will need to submit a copy of the letter with your Medigap application.

There are some limits to the guaranteed issue requirement:

- Only people who remained in their Medicare HMOs through December 31, 1999, have the right to guaranteed issue in this situation.
- The requirement applies only to the policies a company actively sells in Texas. All companies that market Medicare supplement insurance must sell Medigap Plan A, the basic plan. Companies are not required to sell Plans B, C or F, which offer more benefits.

People 65 and over who are in their six-month "open enrollment" period have more choices than Plans A, B, C or F when buying Medigap insurance after their Medicare HMO coverage ends. They are entitled to guaranteed issue of any Medigap policy an insurer offers. This right, which lasts for six months after a person first enrolls in Medicare Part B, might extend past March 3 for some former Medicare HMO members.

People under 65 who receive Medicare because of disabilities have the same guaranteed issue rights as Medicare beneficiaries 65 and older. If a company sells Medigap plans A, B, C or F to people under 65, it must make those plans available without regard to medical condition when such people lose coverage because of a Medicare HMO withdrawal. (In Texas, a company is required to offer only Plan A to people under 65, although it can voluntarily offer other plans.)

The state's Health Information, Counseling and Advocacy Program (HICAP) can provide free one-on-one counseling on options available to cover costs not paid by Medicare. For the location and phone number of the nearest HICAP counselor, call

1-800-252-9240.

Consumers can call the Texas Department of Insurance at

1-800-599-7467

for a free copy of the Department's *Medicare Supplement Insurance Handbook and Rate Guide*. The guide also is available at TDI's Web site, www.tdi.state.tx.us. ★

Editors:

- If you need further information, call: **Texas Department of Insurance Public Information Office (512) 463-6425**

We welcome your questions and suggestions about this column.