

Saving Money on Your Insurance

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TEXAS COMMISSIONER OF INSURANCE

"Texans Losing Medicare HMOs Have Medigap Rights"

PEOPLE LOSING MEDICARE HMO coverage on January 1, 2001, have special rights to join another plan or buy insurance to fill some of the gaps in original Medicare.

More than 180,000 seniors and people under 65 with disabilities will be affected by the withdrawal of 11 HMOs from all or part of the Medicare market in Texas. Most can join another Medicare HMO or a "private fee-for-service" plan, which is a new option that helps Medicare beneficiaries with their out-of-pocket costs and may provide some benefits that Medicare does not offer. However, about 24,000 affected Texans live in areas without other Medicare HMOs or private fee-for-service plans.

Some doctors already have left HMOs that are withdrawing from Medicare. If your doctor is one of these, your HMO must provide another doctor.

HMOs leaving Medicare must mail "final notification" letters to their members by October 2, 2000. If you get a letter, save it and its envelope to prove your eligibility for the special protections described below.

Medicare HMOs remaining in your area must accept you without considering your medical history (except for end-stage kidney disease). If only one HMO remains in your area, it may have to limit enrollment. Therefore, if you're sure you want another HMO, you should consider enrolling as soon as possible.

Your current Medicare HMO benefits will continue through December 31, 2000. If you don't sign up with another Medicare HMO or a private fee-for-service plan, you will return to original Medicare automatically on January 1, 2001. You can leave your Medicare HMO earlier than that, however, to sign up with a new plan or return to original Medicare.

If you return to original Medicare, you have a limited right to "guaranteed issue" of certain Medicare supplement ("Medigap") plans. Guaranteed issue means an insurance company must sell you a Medigap policy, regardless of your medical history. The company can't impose a waiting period for coverage or charge a higher premium because of pre-existing medical conditions.

People 65 and older who return to original Medicare are entitled to guaranteed issue of Medicare supplement plans A, B, C or F if they apply no later than 63 days after termination of their Medicare HMO plans.

Individuals under 65 with disabilities who return to original Medicare are entitled to guaranteed issue of at least Medicare supplement plan A. If a company sells plans B, C and/or F to persons under 65, it also must make those plans available on a guaranteed issue basis to applicants who have lost Medicare HMO coverage.

There are deadlines for applying for a guaranteed issue Medigap policy. If you stay with your Medicare HMO until coverage ends on January 1, your deadline is March 3, 2001. If you opt to return to original Medicare before January 1, you must apply for Medigap insurance within 63 days from the date of your HMO's final notification letter or by December 4, 2000, whichever is sooner.

Certain consumers will have a wider choice of Medigap plans if they return to original Medicare and apply for supplemental insurance before their HMOs' January 1, 2001, withdrawal date. Most are people who (1) have been on Medicare less than six months, (2) joined an HMO when they first became eligible for Medicare and have been in the HMO for less than a year or (3) dropped a Medigap policy to join an HMO and have been enrolled in the HMO for less than a year.

If you want more information, here are some good sources:

* The Texas Department of Insurance's *Medicare Supplement Insurance Handbook and Rate Guide*. It's on our Web site, www.tdi.state.tx.us, or call **1-800-599-6467** for a free printed copy.

* *2000 Guide to Health Insurance for People with Medicare*, published by the U. S. Health Care Financing Administration and the National Association of Insurance Commissioners. You can get a free copy by calling the toll-free number listed above.

* The state's Health Information, Counseling and Advocacy Program (HICAP). Call **1-800-252-9240** and ask for the Benefits Counselor Program. ★

Editors:

- If you need further information, call:

**Texas Department of Insurance
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(512) 463-6425**

We welcome your questions and suggestions about this column.