

Saving Money on Your Insurance

BY JOSE MONTE MAYOR

Medigap Guarantee Available for Texans Losing Medicare+Choice Plans

ABOUT 42,000 TEXANS will lose Medicare+Choice (M+C) coverage on January 1, 2002, because their plans are withdrawing from Medicare or dropping some counties from their service areas.

Federal law, however, gives these consumers special rights to join another plan, if one is available, or to buy certain Medicare supplement ("Medigap") policies to fill some of the gaps in original Medicare.

M+C plans consist of Medicare HMOs and private fee-for-service plans sold by an insurance company. A private fee-for-service plan helps reduce out-of-pocket costs such as deductibles and copayments. It also might provide benefits not offered by Medicare.

The M+C pullouts affect both seniors and people under 65 with disabilities. Some will have the option of joining another M+C plan.

M+C plans leaving Medicare were required to mail "final notification" letters to their members by October 2, 2001. These letters list the M+C plans that will remain after January 1, 2002, and explain the members' available options. If you received a letter, save it and its envelope to prove your eligibility for the protections and rights described below.

Subject to their doctor network capacity, M+C plans remaining in your area must accept you without considering your medical history. However, those plans may quickly reach their maximum enrollment.

M+C plans that are withdrawing must provide benefits through December 31, 2001. If your doctor leaves the plan before then, you can continue with that doctor by returning to original Medicare and exercising your right to buy Medigap insurance.

M+C plan members who haven't signed up with another M+C plan will return automatically to original Medicare on January 1, 2002. You may leave your present M+C plan earlier than that, however, to join a new plan or return to original Medicare.

If you return to original Medicare, you have a limited right to "guaranteed issue" of certain Medigap policies. 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, exclude coverage of pre-existing

conditions or charge a higher premium because of your health.

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 M+C plans.

Additionally, Texas law requires guaranteed issue of at least Medigap plan A for people under 65 with disabilities or end-stage renal disease (permanent kidney failure) who return to original Medicare. If a company sells plans B, C or F to persons under 65, it also must offer those plans on a guaranteed issue basis to applicants who have lost M+C coverage. In addition, federal law gives people with end-stage renal disease the right to join another M+C plan if their plan leaves Medicare or stops providing coverage in their areas.

People losing M+C coverage have a limited time to apply for a Medigap policy on a guaranteed issue basis. If you stay with your M+C plan until the final day of coverage on December 31, your deadline is March 4, 2002. You can apply for a Medigap policy as soon as you get your final notification letter. But to protect your rights, you must apply within 63 days after your M+C coverage ends.

Certain consumers will have a wider choice of Medigap policies if they return to original Medicare and apply for supplemental insurance before January 1, 2002. These consumers will receive an explanation of their expanded rights in their notification letters.

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 **1-800-599-7467** for a free printed copy.
- **Choosing a Medigap Policy**, published by the U. S. Center for Medicare and Medicaid Services 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), which provides one-on-one help to consumers with health insurance concerns. Call **1-800-252-9240** and ask for the Benefits Counselor Program. ★

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.