NARFE 100 1921-2021

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Understanding Medicare Advantage Options

A NARFE Federal Benefits Institute Webinar

Presented by Tammy Flanagan
Federal Benefits Expert

Sponsored by Aetna

Closed Captioning (CC) is available on the recorded version of this webinar.

Agenda

- Medicare Options
- What is Medicare Advantage?
- Features of FEHB Medicare Advantage Plans
- Resources and Summary

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Medicare Options

Medicare Options

Two Medicare Paths

Original Medicare Plus…

- **Part A and Part B PLUS**
  Medicare Supplement + Part D
  Or FEHB as secondary payer
  Or TRICARE For Life.

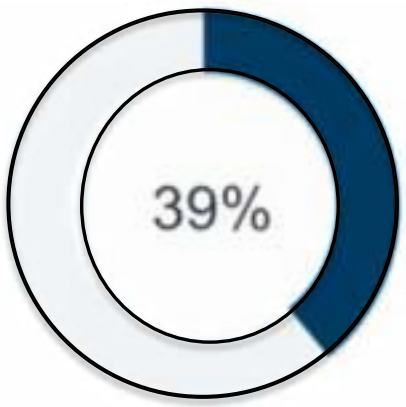
Medicare Advantage

- All-in-one.
- **Provider submits claim to Medicare Advantage organization.**
- Required to enroll in Medicare Parts A and B
- Automatic enrollment in Part D (usually).

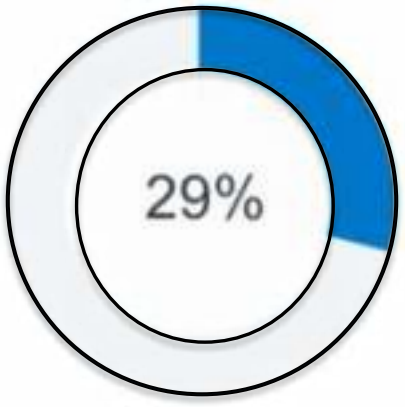
Medicare Options

Many People on Medicare With No Supplemental Coverage Have Low Incomes and Are in Relatively Poor Health

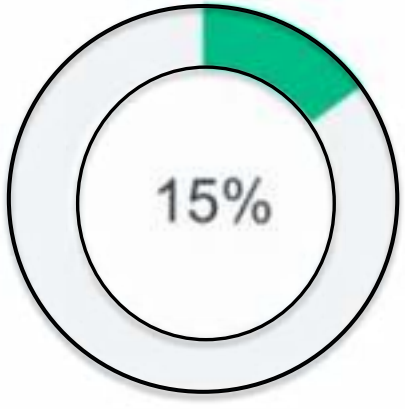
Characteristics of Medicare Beneficiaries With No Supplemental Coverage



Per capita income of $20,000 or less per year



Fair or poor self-reported health



Age 85 and older

Medicare Beneficiaries With No Supplemental Coverage in 2017: 6 million
SOURCE: KFF analysis of Centers for Medicare & Medicaid Services Medicare Current Beneficiary Survey 2017.

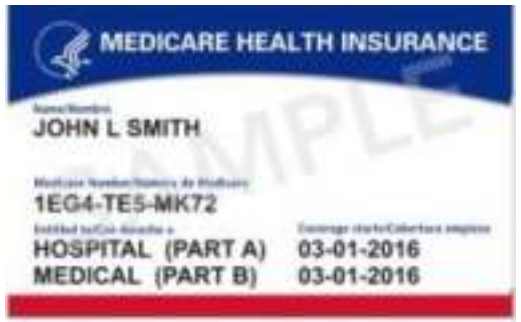
KFF HENRY J KAISER FAMILY FOUNDATION

Medicare Options

Original Medicare Part A and Part B

- Original Medicare does NOT cover
  - Routine dental
  - Routine vision
  - Routine hearing
  - Gym memberships
  - Prescriptions

Look for these benefits in your FEHB or FEDVIP plan.



FEHB vs. Medicare Advantage

FEHB Medicare Advantage Plans

- Pay FEHB premiums and Medicare Part B.
- Two-step enrollment process requires enrollment in FEHB and second enrollment in the MA option.
- Premiums for higher income beneficiaries, IRMAA, on Medicare Parts B and D.
- No gap (donut hole) in prescription drug coverage.
- DO NOT SUSPEND FEHB.

Medicare Advantage

- Most plans with no or very low premiums; must enroll in Medicare Parts A and B (and possibly Part D).
- Deductibles, copays and coinsurance are generally not waived; there will be out-of-pocket costs for medical care.
- Some plans operate in specific regions; more common in big metropolitan areas.
- Gap in prescription drug coverage (donut hole).
- Suspend FEHB to use Medicare Advantage plans available outside of FEHB.

What Is Medicare Advantage?

What Is Medicare Advantage?

Medicare Advantage (MA)

- Also known as Medicare Part C.
- Alternative to Original Medicare.
- Other than Medicare Part B, there may be low or no premiums (non-FEHB MA plans).
- Non-FEHB MA plans may have deductibles, copays and coinsurance (capped amount).
- Non-FEHB MA plans have open enrollment from October 15 – December 7 (also can cancel enrollment from January – March).
- Coverage for dental, vision, gym memberships, meal delivery, transportation to doctors and more are often included.
- May suspend FEHB to use non-FEHB MA plans.

What Is Medicare Advantage?

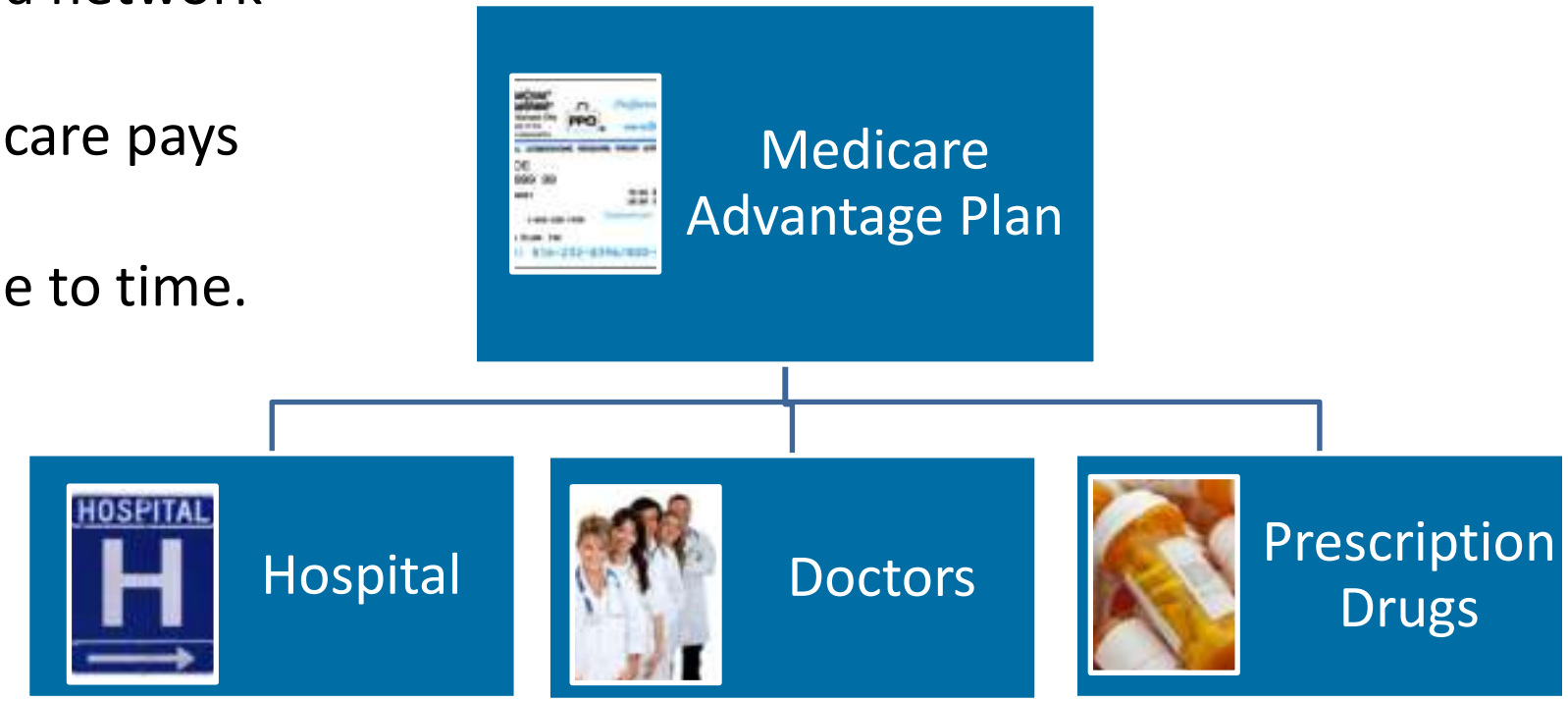
Medicare Advantage (MA)

- Must provide at least the same coverage as Original Medicare, including:
  - Services/supplies needed to diagnose/treat medical conditions.
  - Health care to prevent illness or detect it at an early stage.
  - Emergency care.
- Some services may only be covered in certain facilities or for patients with certain conditions.
- Plans may choose not to cover services that are not medically necessary.
- You have the right to appeal.
  - MA plans overturned 75 percent of their own denials during 2014-2016.
  - An estimated 216,000 denials were overturned each year.
  - This is a concern to the HHS Office of Inspector General Medicare Advantage Appeal Outcomes and Audit Findings Raise Concerns About Service and Payment Denials.

What Is Medicare Advantage?

Also Known as Medicare Part C and MA

- Medicare Parts A, B and D (usually) combined in one plan with a network of providers.
- Providers bill MA and Medicare pays the MA plans.
- Plans may change from time to time.
- Out-of-pockets expenses per person limited to $7,550 (in-network) and $11,300 (out-of-network).
- Low or no premiums.



What Is Medicare Advantage?

One plan

"Medicare Advantage" or Medicare Part C plans have all the benefits of:

Medicare Part A
(hospital coverage)

Medicare Part B
(doctor and outpatient care)

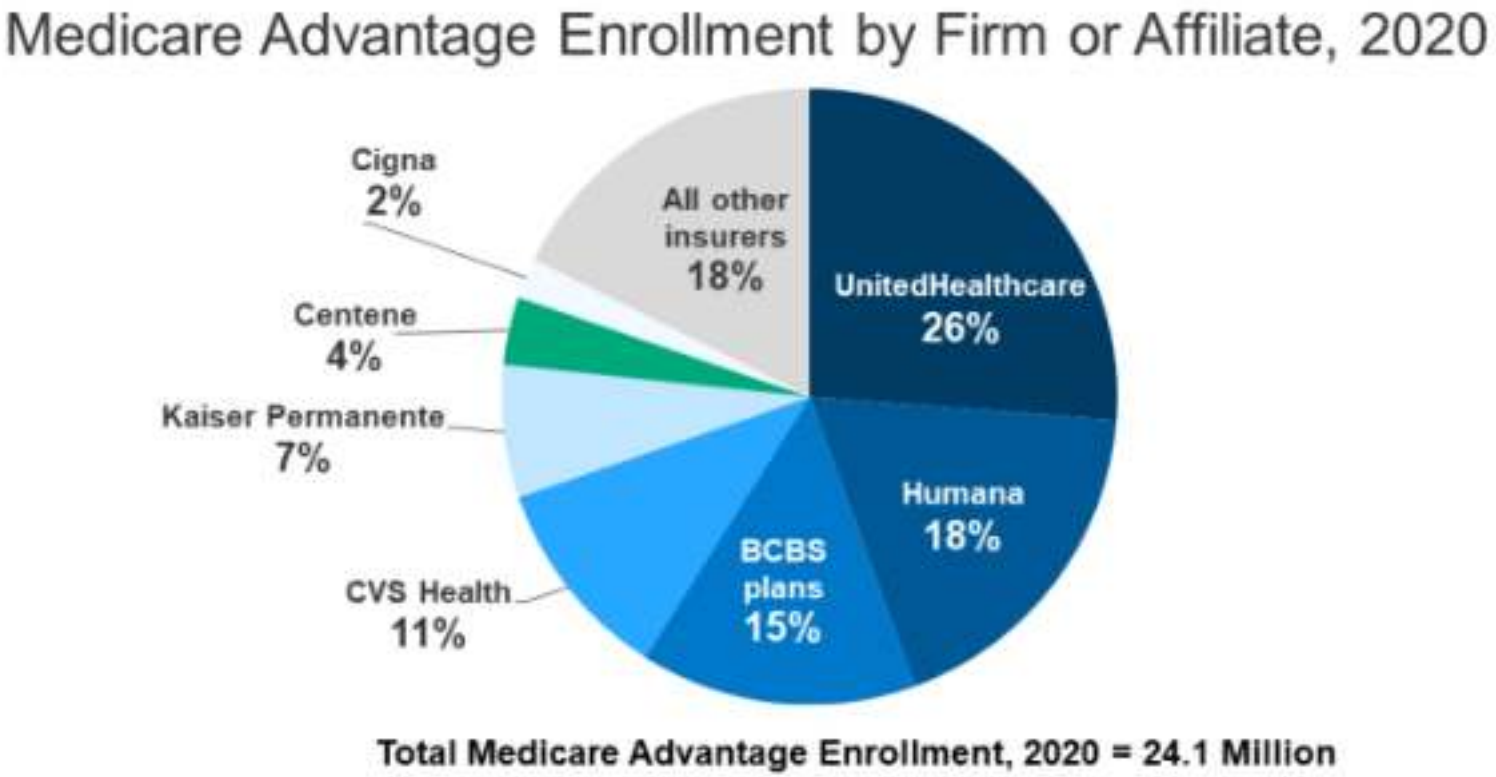
Plus extra programs that go beyond Original Medicare
(Medicare Parts A and B)

One card

Previously you may have carried different ID cards — your Medicare and health insurance cards. Well, not anymore.

Now you need just 1 card for all your medical covered services.

What Is Medicare Advantage?



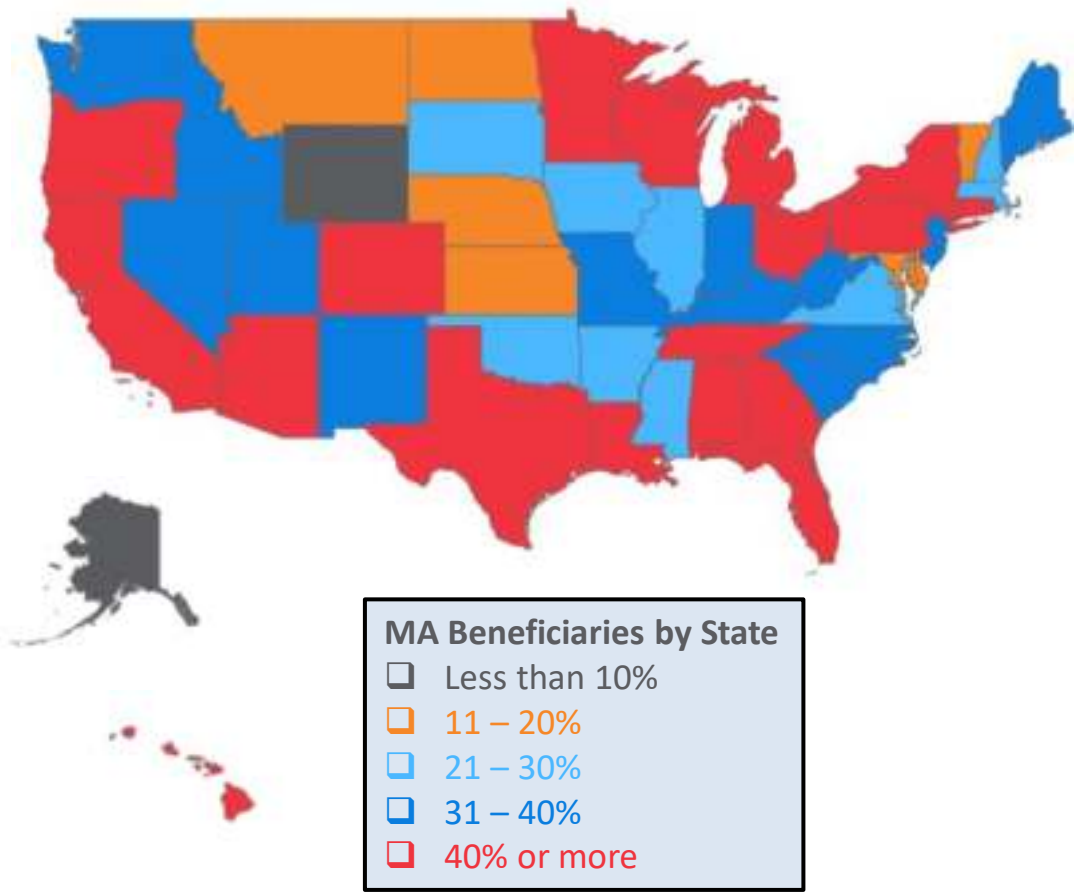
NOTE: All other insurers includes firms with less than 2% of total enrollment. BCBS are BlueCross and BlueShield affiliates and includes Anthem BCBS plans. Anthem non-BCBS plans are less than 2% of total enrollment. Percentages may not sum to 100% due to rounding.
SOURCE: KFF analysis of CMS Medicare Advantage Enrollment Files, 2020.

What Is Medicare Advantage?

Medicare Facts

- In 2019, 4.4 million Medicare Advantage enrollees (20 percent) were in a group plan (more than double the number of Medicare beneficiaries in group plans in 2010).
- Group plans are largely sponsored by unions and employers for retirees (e.g., the federal government under FEHB).
- Medicare pays the insurer a fixed amount per enrollee (called capitation) to provide benefits covered by Medicare.
- 76 percent of group plan enrollees are in local PPOs.
- One-third of all large firms that offer retiree benefits do so through a contract with a Medicare Advantage plan.

What Is Medicare Advantage?



Medicare Facts

- There are 61.2 million total Medicare enrollees.
- 39 percent of all beneficiaries are enrolled in MA plans.
- Medicare pays plans a capitated rate amounting to $274 billion in 2019.
- The capitated rate averages over $13,000/enrollee.

What Is Medicare Advantage?

Medicare Facts

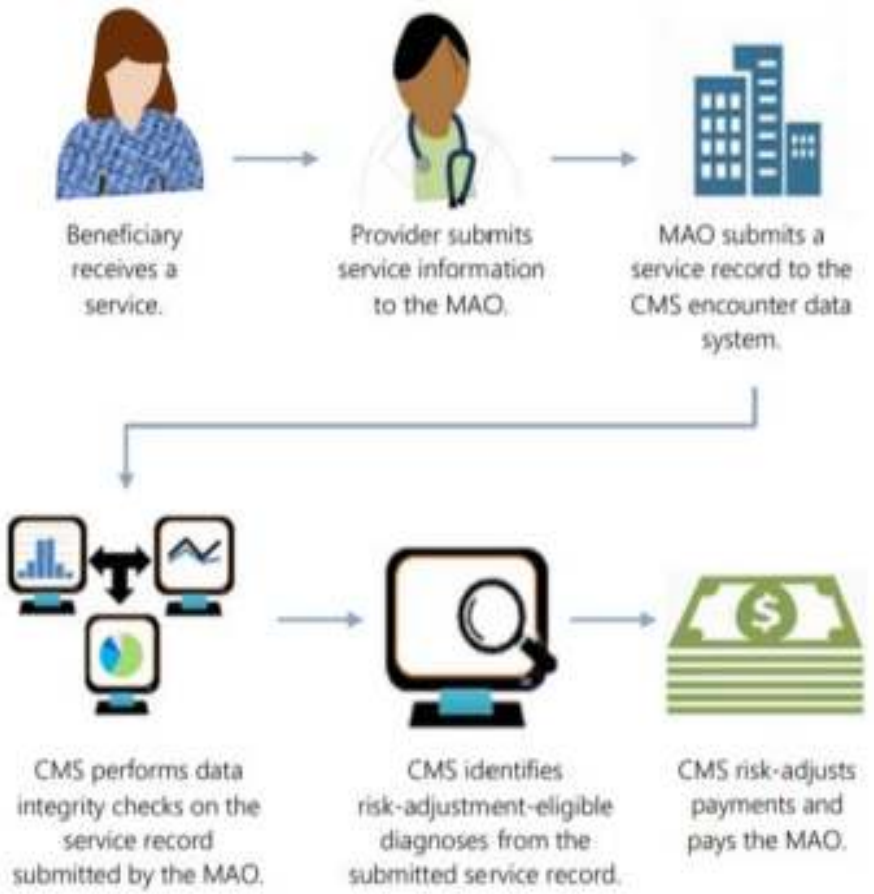
- Medicare pays based on a bidding process.
  - Plans submit “bids” based on estimated costs per enrollee .
  - Bids are compared to benchmarks that vary by county (or region).
  - For bids higher than the benchmark, enrollees pay the difference (monthly premium) + Medicare Part B.
  - For bids lower than the benchmark, plan + Medicare split the difference; plan’s share is used to provide meal delivery, gym memberships, etc.
  - Payments are adjusted based on enrollees’ risk profiles.

What Is Medicare Advantage?

How Medicare Advantage Organizations Get Paid

- Per each beneficiary enrolled, Medicare Advantage Organizations (MAOs) receive a payment that reflects the Centers for Medicare and Medicaid Service's (CMS) predicted cost of providing care.
- CMS risk-adjusts payments to pay MAOs more for beneficiaries with higher expected health care costs.
- Doctors and other providers submit service information to the MAO, not CMS.
- CMS provides "risk-adjusted" payments to the MAO.

Exhibit 1: Risk-adjustment process for MA encounter data



What Is Medicare Advantage?

What's the Problem?

- CMS estimates that from 2013 through 2017, Medicare paid $50 billion in overpayments that resulted from plan-submitted diagnoses that were not supported by beneficiaries' medical records.
- In-home health risk assessments generated 80 percent of an estimated $2.6 billion in risk-adjusted payments for 2017.
- Millions of these payments were for beneficiaries for whom there was not a single record of any other service being provided in 2016.

OIG Report – 2020

U.S. Department of Health and Human Services
Office of Inspector General

Billions in Estimated Medicare Advantage Payments From Diagnoses Reported Only on Health Risk Assessments Raise Concerns

Christi A. Grimm
Principal Deputy Inspector General

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Features of FEHB Medicare Advantage Plans

Features of FEHB Medicare Advantage Plans

Open Season

- November 8 – December 13, 2021.
- Two-step process:
  - Enroll in FEHB plan during Open Season.
  - Enroll in MA Plan by completing an application/see plan brochure or website.
- You MUST remain enrolled in an FEHB plan.
- Do not suspend or terminate this FEHB plan.
  - Medicare Retiree Advantage plan will also terminate.
  - You will be left without coverage.
- No medical underwriting (this is true of all FEHB options).
- Check Section 9 of your FEHB plan brochure to find out if enhanced level of benefits are offered.

Features of FEHB Medicare Advantage Plans

Aetna Advantage Z2

	Code	2022 Monthly Premium	Change from 2021
Self Only	Z24	$125.00	$0
Self Plus One	Z26	$275.00	$0
Self and Family	Z25	$331.25	$0

2021 Features

- PPO plan with a Medicare contract.
- Use any doctor licensed to receive Medicare payment and willing to accept the plan (most of US).
- $75/person/month Medicare Part B reduction.
- $0 deductible and lower/eliminate cost-sharing.
- Catastrophic max = $6,350/person.
- Silver Sneakers® free gym membership.
- Hearing aid = $2,000/3 years.
- Nonemergency transportation.
- Resources for living (life consultant).

Additional Features of MA plans offered by FEHB

UnitedHealthcare Advantage Y5

UnitedHealthcare Medicare Advantage Value Plan

	Code	2021 Monthly Premium	This plan will not be available in 2022
Self	Y51	$102.93	
Plus One	Y53	$226.45	
Family	Y52	$272.77	

2021 Features

- HMO plan with a Medicare contract serving most of the U.S.
- Must use professionals in the network.
- $50/person/month Medicare Part B reduction.
- $0 deductible/lower/eliminate cost-sharing.
- Catastrophic max = $7,350/person.
- Renew Active free gym membership.
- Hearing Aid = $2,500/3 years and routine eye exam.
- Meal delivery (14 meals).
- House calls annual in-home preventative care visit.
- Health Navigators (life consultant).

Additional Features of FEHB Medicare Advantage Plans

UnitedHealthcare Advantage Y8

UnitedHealthcare Medicare Advantage Value Plan

	Code	2022 Monthly Premium	Change from 2021
Self Only	Y81	$145.31	$1.13
Self Plus One	Y83	$312.43	$2.45
Self and Family	Y82	$343.67	$2.69

2021 Features

- HMO plan with a Medicare contract serving 17 states.
- Must use professionals in the network.
- $144.60/person/month Part B reduction.
- $0 deductible/lower/eliminate cost-sharing.
- Catastrophic max = $7,350/person.
- Renew Active® free gym membership.
- Hearing aid = $2,500/3 years and routine eye exam.
- Meal delivery (14 meals).
- Health Navigators (life consultant).

Additional Features of FEHB Medicare Advantage Plans

APWU Health Plan High Option 47

UnitedHealthcare Medicare Advantage for APWU Plan

	Code	2022 Monthly Premium	Change from 2021
Self Only	471	$230.51	$5.91
Self Plus One	473	$461.41	$11.80
Self and Family	472	$582.46	$5.41

2021 Features

- PPO plan with a Medicare contract with nationwide network.
- In- and out-of-network coverage.
- $50/person/month Medicare Part B reimbursement.
- $0 deductible/lower/eliminate cost-sharing.
- Catastrophic max = $6,500/person in-network.
- Silver Sneakers® free gym membership.
- Hearing aid = $1,500/3 years.
- One 45- to 60-minute at-home visit from a health care practitioner each year (preventative).

Additional Features of FEHB Medicare Advantage Plans

MHBP Standard Option 45

	Code	2022 Monthly Premium	Change from 2021
Self Only	454	$169.56	$14.00
Self Plus One	456	$424.49	$66.42
Self and Family	455	$394.05	$32.54

2021 Features

- PPO plan with a Medicare contract with nationwide network.
- In- and out-of-network coverage.
- $50/person/month Medicare Part B reimbursement.
- $0 deductible/lower/eliminate cost-sharing.
- Catastrophic max = $6,500/person in-network.
- Silver Sneakers® free gym membership.
- Hearing aid = $1,500/3 years.
- One 45- to 60-minute at-home visit from a health care practitioner each year (preventative).

Additional Features of FEHB Medicare Advantage Plans

Compass Rose Standard Option 42

Compass Rose Medicare Advantage

	Code	2022 Monthly Premium	Change from 2021
Self Only	421	$230.01	$.40
Self Plus One	423	$536.53	$1.01
Self and Family	422	$581.40	($7.67)

2021 Features

- PPO plan with a Medicare contract with nationwide network.
- In- and out-of-network coverage.
- $100/person/month Medicare Part B reimbursement.
- $0 deductible/lower/eliminate cost-sharing.
- Renew Active® Fitness Program.
- Hearing aid = $1,500/3 years.
- One 45- to 60-minute at-home visit (preventative).
- Dental and vision coverage.

Additional Features of FEHB Medicare Advantage Plans

Rural Carrier Benefit Plan High Option 38

	Code	2022 Monthly Premium	Change from 2021
Self Only	381	$283.42	$8.86
Self Plus One	383	$536.23	$44.93
Self and Family	382	$513.26	$37.76

2021 Features

- PPO plan with a Medicare contract with nationwide network.
- In- and out-of-network coverage.
- $50/person/month Medicare Part B reimbursement.
- $0 deductible/lower/eliminate cost-sharing.
- Catastrophic max = $6,500/person in-network.
- Silver Sneakers® free gym membership.
- Hearing aid = $1,500/3 years.
- One 45- to 60-minute at-home visit from a health care practitioner (preventative).

Additional Features of FEHB Medicare Advantage Plans

Kaiser Permanente KC, NZ, 62

Kaiser Permanente Senior Advantage Plans 1 and 2

	Code	2022 Monthly Premium
Self Only	KC, NZ1, 621	$230.10 - $471.77
Self Plus One	KC3, NZ3, 623	$621.27 - $1,255.89
Self and Family	KC2, NZ2, 622	$514.02 - $1,148.64

2021 Features (may vary by region)

- HMO plan with a Medicare contract.
- Benefits vary by location (nine regions nationwide).
- Must use professionals in the network.
- $0-$250/person/month Medicare Part B reduction (Senior Advantage Plan 2).
- $0 deductible/lower cost-sharing.
- Catastrophic max = $2,000/person.
- Silver&Fit® fitness membership.
- Eyewear allowance and dental (varies by location).
- Hearing aid = $500/3 years (varies by location).

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Resources and Summary

Surprise Medical Bill (an unexpected "balance bill")

- When you receive a "surprise" bill because you were not aware that treatment received was out of your plan network.
  - For example, in an emergency room.
  - Planned care from an in-network facility, but an anesthesiologist or radiologist, for example, does not participate in plan's network.
- No Surprises Act takes effect January 1, 2022.
- Read more - HHS Announces Rule to Protect Consumers From Surprise Medical Bills.

The rule does not apply to people with coverage through programs such as **Medicare**, Medicaid, Indian Health Services, Veterans Affairs Health Care, or TRICARE. **These programs already prohibit balance billing.**

*"Facing a difficult medical situation is challenging enough – no one should then face a surprise medical bill when they get home," said **OPM Director Kiran Ahuja**. "This interim rule helps to protect Americans from financial ruin and honors federal employees, retirees, their covered family members and other enrollees who receive healthcare through the FEHB Program, the largest employer-sponsored plan, by giving them new protections from unexpected medical bills."*

Resources and Summary

Suspend FEHB to Enroll in a Non-FEHB Medicare Advantage Plan

- Retirement and Insurance Form - RI 79-9.
- www.opm.gov/forms/.
- Do not CANCEL FEHB.

C. ☐ **I am suspending my Federal Employees Health Benefits Program (FEHBP) enrollment because I am enrolled in a Medicare Advantage health plan.** *Please note: Medicare Parts A and B are not the same as a Medicare Advantage health plan. You CANNOT suspend your FEHBP enrollment if you are covered by Medicare Parts A and/or B only.* ***Any Questions: Call Medicare at 1-800-633-4227.***

These Medicare Advantage health plans are Health Maintenance Organizations or Fee-For-Service plans approved by the Centers for Medicare and Medicaid Services (CMS). If you are enrolled in a Medicare supplemental plan and are not sure if it qualifies as a Medicare Advantage health plan, call Medicare at the number shown above. To suspend your FEHBP coverage for this reason, you must give us documentation that shows the effective date of your Medicare Advantage health plan coverage. If we receive this form within 31 days before to 31 days after the effective date of your Medicare Advantage health plan enrollment, we will suspend your FEHBP coverage at the close of business the day before your Medicare Advantage health plan enrollment begins. Otherwise, we will suspend your FEHBP coverage at the end of the month in which we receive your documentation.

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
RETIREMENT OPERATIONS
WASHINGTON, DC 20415-3532

For CSRS and FERS Annuitants, Survivor Annuitants, and Former Spouse Annuitants

Health Benefits Cancellation/Suspension Confirmation

You asked us to cancel or suspend your enrollment in the Federal Employees Health Benefits Program (FEHBP). Please read the front and back of this form and check only the ONE block that applies to you. Please note that the Affordable Care Act (ACA) requires that individuals maintain minimum essential coverage (MEC). For more information, please visit the IRS website at www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision. Because many annuitants who cancel their FEHBP enrollments will not be eligible to reenroll, we want to be sure you are fully informed about the effect of any action you take. We will not process your request until you sign, date, and return this form indicating that you understand how your request will affect your future FEHBP enrollment eligibility. **Any Questions? Call OPM at 1-888-767-6738.**

A. ☐ **I am cancelling my FEHBP enrollment to be covered under a family member's FEHBP enrollment.**
If you are cancelling your FEHBP enrollment because you will be covered under your spouse's FEHBP enrollment and your spouse is a Federal employee, please include with this form a copy of your spouse's SF 2809, Health Benefits Registration Form, showing the change to a family enrollment. If your spouse is an annuitant, please give us your spouse's name and annuity claim number.

Spouse's name (Last, first, middle)	Spouse's claim number

If you cancel FEHBP coverage for this reason, we will coordinate the effective date with the effective date of your new coverage under your spouse's enrollment.

Reenrollment eligibility: As long as you are continuously covered as a family member on your spouse's FEHBP enrollment, you will be eligible to resume your own enrollment if your coverage under your spouse's enrollment ends for any reason.

B. ☐ **I am cancelling my FEHBP coverage for reasons other than the situation described in part A.**
We will cancel your enrollment effective the end of the month in which we receive this signed and dated form. Any health benefits premiums you pay for a period after the cancellation effective date will be refunded in one of your future monthly annuity payments.

Reenrollment eligibility: If you check this block to cancel your FEHB enrollment, you will not be eligible to reenroll in the FEHBP. Additionally, if you cancel your FEHBP enrollment, you and any family members covered by your enrollment will not be entitled to the free 31-day extension of coverage to convert to an individual health benefits contract or to enroll for Temporary Continuation of Coverage.

I certify that I have read and understand the information on canceling FEHBP coverage. I understand that if I checked block B, **I will never again be eligible** to enroll in the Federal Employees Health Benefits Program.

Signature	Daytime Telephone No. (including area code)	Date

SUSPENSION INFORMATION IS SHOWN ON THE REVERSE

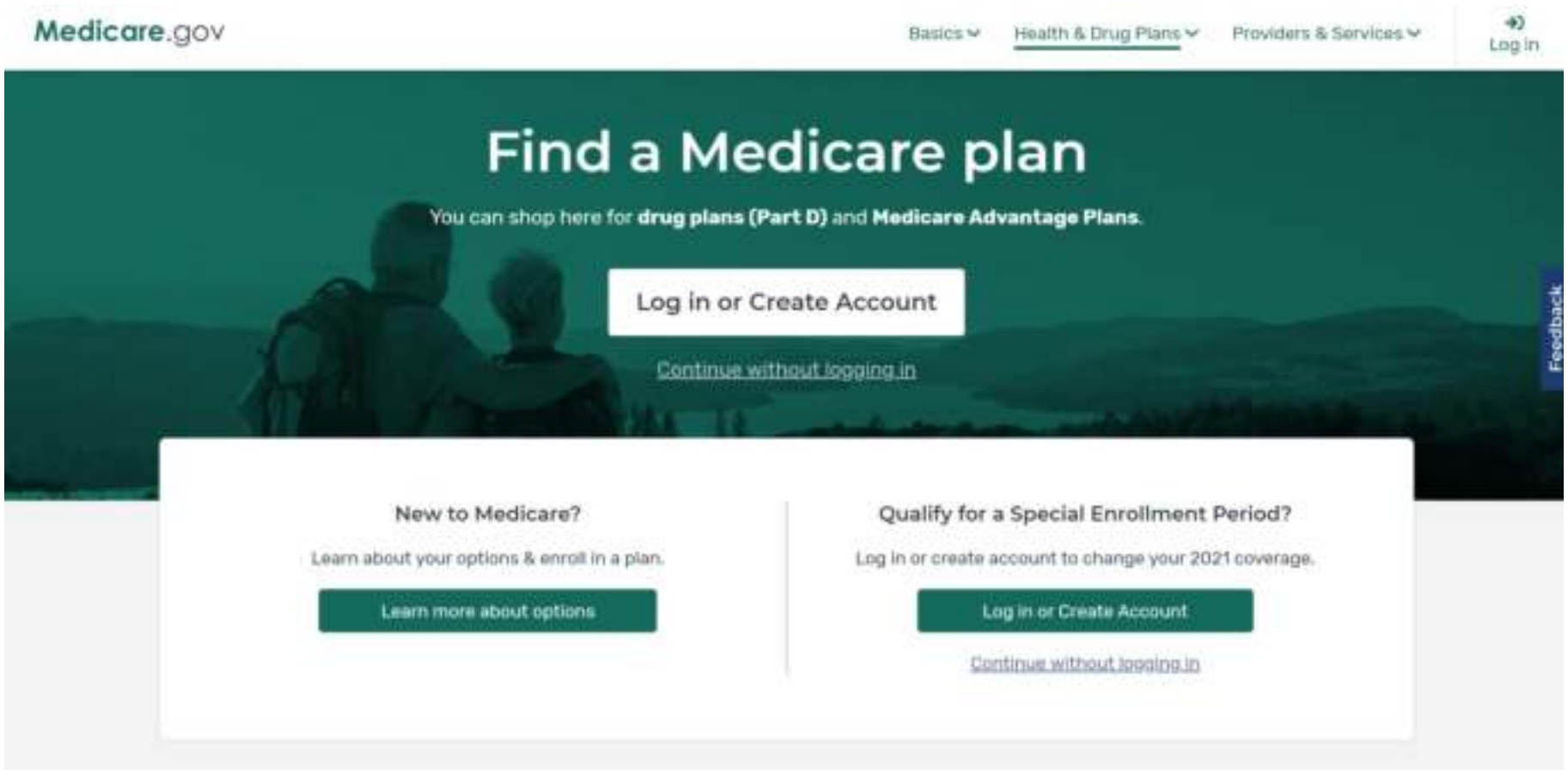
Previous editions are not usable.

RI 79-9
Revised August 2014

Resources and Summary

Find a Medicare Plan

- Medicare Part D drug plans.
- Medicare Advantage plans.



Resources and Summary

Enrolling in an FEHB Plan with a Medicare Advantage option

- Retired enrollees age 65 and over agree to have Medicare Parts A and B.
- You agree that you will be enrolled in a Medicare Advantage plan.
- **DO NOT SUSPEND FEHB.**

Enrollment is a 2-step process:

- **Step 1:** Choose the FEHB plan of your choice during Open Season from November 8 – December 13.
- **Step 2:** We may need more information to enroll you in this plan prior to your effective date. Contact your plan for additional information.

Resources and Summary

To Change Your Health Plan During Open Season

- Use OPM's online system.
- Call OPM's Open Season Express line: (800) 332-9798.
- Send your change request to:

  Office of Personnel Management
  Open Season Processing Center
  P.O. Box 5000
  Lawrence, KS 66046-0500

Clearly State Your Open Season Request

- Provide:
  - FEHB plan name.
  - Type of coverage you want (Self Only, Self Plus One, or Self and Family).
  - Corresponding enrollment code.
- Include:
  - Annuity claim number (CSA or CSF).
  - Social Security Number (SSN).
- Open Season changes will be effective January 1, 2022.

To-Do List for Medicare Decisions

At retirement, if later than age 65, Medicare Special Enrollment Period (SEP) open, which is used when covered by current employment health plan.

January 1 – March 31 every year Medicare General Enrollment Period (GEP), used to sign up for Part B if you missed the IEP or SEP. Late enrollment penalty may apply.

Age 65, Medicare Initial Enrollment Period (IEP) begins 3 months before age 65 and ends 3 months after age 65.

Second Monday of November – Second Monday of December Annual Open Season for FEHB and FEDVIP – time to reevaluate your coverage. This year: November 8 – December 13, 2021.

Get the coverage and savings you're looking for.

Aetna offers two affordable health care plans designed for federal retirees with Medicare Parts A & B.

aetna®

Connect with us live for information on Aetna's Federal retirement plans:

- Contact your account manager:
  - Susan Allgood

    sgallgood@aetna.com

    615-465- 9241

- Make an appointment, or chat with us live:

  www.AetnaFedsLive.com

- Visit our website:

  www.Aetnafeds.com/retireeplans

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Thank You

A NARFE Federal Benefits Institute Webinar

Presented by Tammy Flanagan

Email fedbenefits@narfe.org

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