



# NEWS & VIEWS

A Complimentary Newsletter from Med-Net Concepts, LLC  
and its Network of Independent Affiliated Companies

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[Med-Net Concepts, LLC](#)

## Enrollment and Disenrollment in Medicare and Medicare Advantage

By:  
Louise Lindsey, Editor

Fifty-four years ago this past July 30, President Lyndon B. Johnson signed Medicare, a health insurance program designed to assist elderly Americans with their hospital and medical costs, into law. The place that President Johnson selected for this momentous bill-signing ceremony was the Harry S. Truman Library in Independence, Missouri. Johnson thought this location particularly appropriate because in 1945 the former President Truman had been the first president to propose national health insurance, even though Congress opposed the idea at the time. To acknowledge that fact, former President Harry S. Truman became the first enrolled beneficiary and was given the first Medicare card.

Today, Medicare has been expanded to cover more than the elderly population. In 1972, the program was extended to persons with disabilities, and those with permanent kidney disease requiring dialysis, even if they were under the age of 65. President George W. Bush signed the Medicare Modernization Act in December 2003 that added outpatient prescription drugs to Medicare benefits.

Since its enactment, and because it is solely funded by the federal government with higher and higher costs affecting the federal budget, Medicare has become a controversial and at times very heated political topic. It is also plagued by unscrupulous people who commit rampant fraud to steal billions and billions of taxpayer dollars every year.

Medicare is the largest healthcare reimbursement program in the United States and over 64 million people are currently covered by traditional Medicare. However, since the 1970s, beneficiaries have had the option to receive their Medicare benefits through private health plans like Health Maintenance Organizations (HMOs) and Preferred Provider Organizations (PPOs). Today, these plans are called Medicare Advantage plans. One-third of the total 64 million people on Medicare are enrolled in Medicare Advantage Plans and that number has been steadily increasing for almost the last ten years. Since 2010, the number of beneficiaries in these private plans

has nearly doubled from 11.1 million to 22.0 million in 2019.

## The Different Types of Medicare Advantage Plans

Medicare works with the following types of health plan insurers as described in Henry J. Kaiser Family Foundation's "Medicare Advantage" report published June 6, 2019:

- **HMOs and PPOs** - These insurers must establish provider networks. HMOs only cover services provided by in-network providers. PPOs will cover care provided by out-of-network providers, but enrollees are charged a higher level of cost-sharing. The areas covered by HMOs and PPOs are at least the size of a county. Most of the people enrolled in Medicare Advantage plans are in HMOs.
- **Regional PPOs** - These provide rural beneficiaries greater access to Medicare Advantage plans including extra benefits, and they cover an entire state or multi-state regions.
- **Special Needs Plans (SNPs)** - Usually, SNPs are HMOs that cover beneficiaries who are eligible for both Medicare and Medicaid, live in long-term care facilities, or require other types of institutional care, and persons with certain types of chronic or disabling conditions-2.9 million beneficiaries are enrolled in SNPs and 85% of these beneficiaries have dual eligibility in Medicare and Medicaid.
- **Group Plans** - These plans are usually sponsored by unions and employers for retirees. These arrangements involve a contract with an insurer to provide Medicare benefits and additional retiree health benefits to Medicare-eligible retirees. The insurer receives a fixed amount from Medicare for each enrollee and any additional benefits are paid by the employer, union, or the retiree.
- **Other Plans** - Medicare also has contracts with insurers to offer Private Fee-for-Service (PFFS), "Reasonable" Cost plans, PACE plans, and Medicare Medical Savings Accounts (MSAs)

## Enrollment in Medicare Advantage Plans

Enrollment in a Medicare Advantage (MA) plan can occur only during specified time periods. To join a MA plan, you must live in the plan's service area and the plan you select must be open to accepting new members. A person must also be enrolled in Medicare Parts A and B unless they are enrolled in a Medicare Savings Program (MSP). The following describes the different enrollment periods:

- **Initial Coverage Election Period (ICEP)** - The 7-month period during which an individual is first eligible for Medicare, and the coverage start date depends upon which month that person enrolls.
- **Annual Enrollment Period (AEP)** - Every year from October 15 to December 7 with coverage being effective the following January 1.
- **Medicare Advantage Open Enrollment Period (MA-OEP)** - Every year from January 1 - March 31, individuals enrolled in a MA plan with or without Part D coverage can switch to another MA plan with or without Part D, and disenroll from their plan and return to Original Medicare.
- **General Enrollment Period (GEP)** - Individuals with Medicare Part A who are enrolling in Part B for the first time during the GEP (Jan. 1 - Mar. 31 annually) can also enroll in a Medicare Advantage Plan (with or without prescription drug coverage), or a Part D prescription drug plan between Apr. 1 - Jun. 30 with a July 1 effective coverage date.
- **Special Enrollment Period (SEP)** - Allows a person to make changes to their Medicare Advantage plan or Medicare prescription drug coverage when certain events occur. Options available vary depending upon the situation.

Enrollment applications should be submitted directly to the plan using the plan's website or a plan sales representative. Enrollment can also be done by calling 1-800-MEDICARE or on the Medicare website at <https://www.medicare.gov>. Your coverage date depends on the period in which you enroll.

Important Note: Do not drop your existing coverage, if any, until your coverage with your Medicare Advantage plan has started.

For individuals already enrolled in a Medicare Advantage plan (with or without drug coverage), there is also an annual Medicare Advantage Open Enrollment Period (MA-OEP) from Jan. 1 - Mar. 31. During this period, persons can switch to another Medicare Advantage plan (with or without drug coverage) or, disenroll and return to Original Medicare. If a person disenrolls, he or she can also join a Part D prescription drug plan.

Depending upon the circumstances, an individual may need to take advantage of Special Enrollment Periods (SEPs) to enroll or disenroll from their MA plan. An example would be if a person moved out of their plan's service area. In such a case, they have a Special Enrollment Period (SEP) of up to 3 months to disenroll from their current plan and join a plan in their new location.

[See: <https://www.medicare.gov/sign-up-change-plans/when-can-i-join-a-health-or-drug-plan/special-circumstances-special-enrollment-periods> ]

## Disenrollment from Medicare Advantage Plan

Disenrollment from a Medicare Advantage Plan is limited to these periods: Annual Election Period (AEP) (Oct. 15 to Dec. 7); Medicare Advantage Open Enrollment Period (MA-OEP) (Jan. 1 to Mar. 31); and Special Enrollment Periods (SEP) (depending on the situation).

During one of these three periods, a person who wants to leave the MA plan they are in but does not want to join another MA plan, must notify the plan in writing or call 1-800-MEDICARE during the enrollment period.

To switch from one MA plan to another, a person simply submits an enrollment application to the new plan and if accepted into the new plan, they will automatically be disenrolled from the current one. These changes can only be made during the AEP, MA-OEP, or SEP. This method of disenrolling also applies to Part D prescription drug coverage. An example would be switching from an MA plan with Part D (MA-PD) coverage to a stand-alone prescription drug plan (PDP). When you enroll in a PDP, it automatically disenrolls you from your MA-PD and vice versa.

Two resources that may be helpful in ensuring that enrollments and dis-enrollments comply with the Centers for Medicare and Medicaid Services' (CMS) "Enrollment Guidance Policy Changes and Updates for Contract Year 2019" in its Health Plan Management System (HPMS) released July 31, 2018, are:

- <https://www.cms.gov/Medicare/Eligibility-and-enrollment/MedicareMangCareEligEnrol/index.html>
- [https://www.cms.gov/Medicare/Eligibility-and-Enrollment/MedicareMangCareEligEnrol/Downloads/2019\\_Enrollment-Guidance\\_Summary\\_of\\_Changes.pdf](https://www.cms.gov/Medicare/Eligibility-and-Enrollment/MedicareMangCareEligEnrol/Downloads/2019_Enrollment-Guidance_Summary_of_Changes.pdf)

## "Avoid Fraud Errors...Learn How From Med-Net Compliance's Avoidance Courses"

Jo Ann Halberstadter, Esq

### ADMINISTRATORS TAKE NOTE

Med-Net Compliance, LLC now offers two series of fraud modules with NAB/NCERS CEs on our website. Modules 1-8 offers 3 NAB CEs and modules 9-16 offer 3.75 CEs. All modules provide education on fraud, waste and abuse prevention and offer a combined total of 6.75 CEs for successful completion.

To review the NAB Approved courses visit our website:

<https://www.mednetcompliance.com/med-net-academy/nab-approved-courses/>

All 16 courses on fraud, waste and abuse were developed by Betty Frandsen, our Vice President of Professional Development and her staff.

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