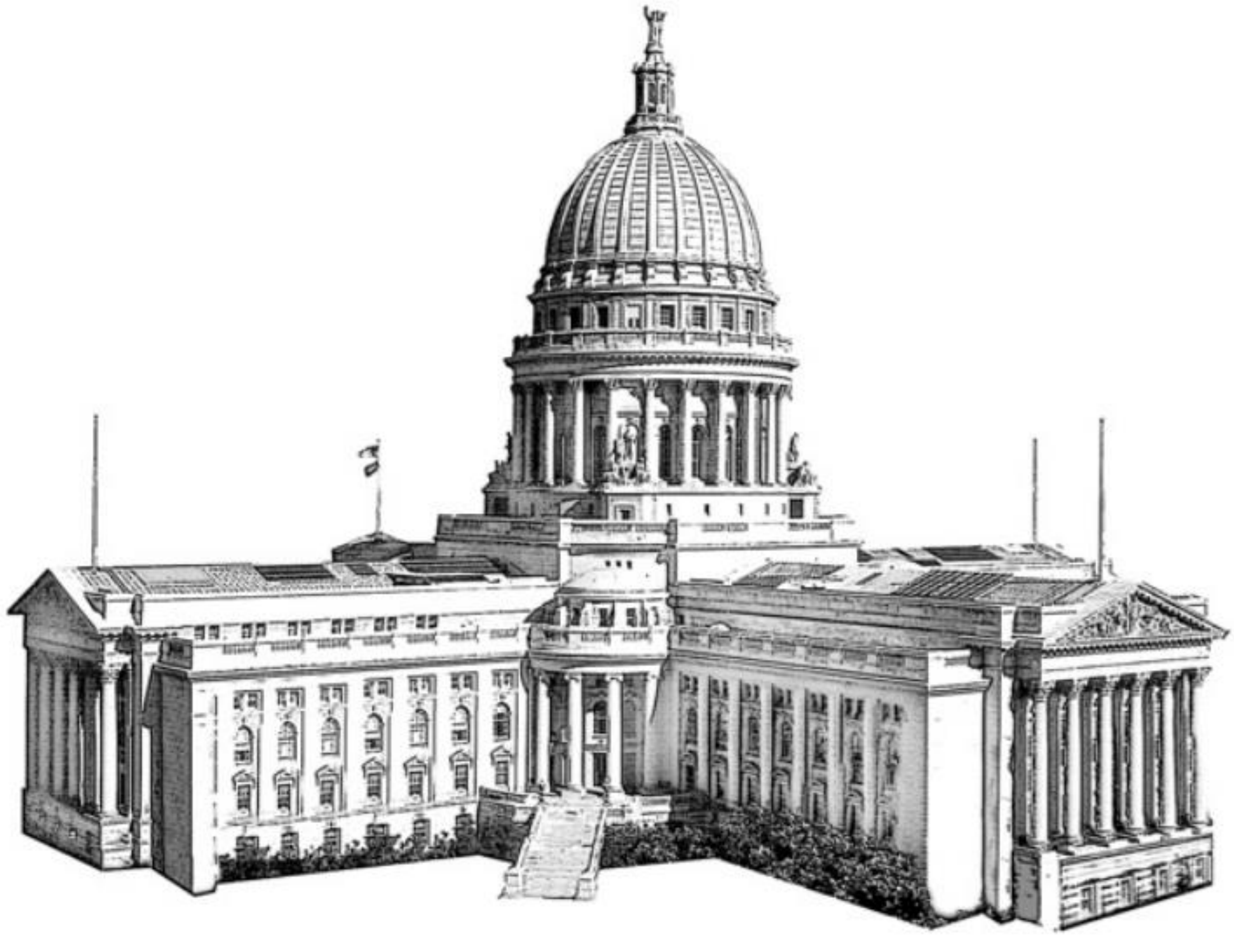

ACE Newsletter

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By Jack Lawton, ACE Board Member

What is New with the UHC Medicare Advantage Health Plan

Results of the 2019 *It's Your Choice* enrollments.

As you may remember from our previous newsletters, ETF developed a new Medicare Advantage plan for 2019 as an additional alternative to the Medicare Supplement plan and the regular HMO plans available to retirees. The Medicare Advantage plan is administered by United Healthcare

(UHC) and covers the same uniform benefits as all of the other plans, but at substantial savings. We wondered how popular Medicare Advantage would be, and so attended the February 20th meeting of the Group Insurance Board (GIB) where ETF staff briefed the Board on the results of the 2019 It's Your Choice selections made by Medicare-eligible annuitants.

The new UHC plan attracted 6690 enrollees out of approximately 23,000 Medicare-eligible individuals who could have chosen it. Most of the UHC enrollees had been insured by the largest plans the previous year. The largest single group of about 1900 came from the Medicare Plus plan which was the only plan last year to provide broad out-of-state coverage. We suspect that many of these people had been part of the old Humana Medicare Advantage plan that was discontinued at the end of 2017.

Other plans losing customers to UHC include Quartz (1250), WEA Trust East (875), Dean (800), and Network HP (430). Fifteen other plans lost smaller numbers to UHC.

As part of the annual *It's Your Choice* publications, ETF provides a "Report Card" on each of the health plans that were offered for the previous year. We will be looking for the ratings for UHC as compared to the other plans this Fall (if partial 2019 information is available) and in 2020 (for the full 2019 report).

Split Contracts: a new opportunity for Medicare-eligible enrollees with non-Medicare dependents.

The number of UHC enrollees was not surprising considering the cost and geographical coverage advantages of the plan. However even more retirees may have selected UHC if they had not been required to have a non-Medicare plan because one or more family members were not eligible for Medicare. To allow enrollment in these cases for 2020, the GIB will offer split contracts: one for the Medicare-eligible members, and one of the non-Medicare plans for the other family members.
This option was not available for the 2019 coverage year because of data processing issues. The programming problems were fixed recently, and the related policy changes were approved at the February GIB meeting.

Although it sounds like it should be a straight-forward change, the details get extremely complex and everyone should expect to rely on substantial clarification in the Fall by ETF as part of the 2020 *It's Your Choice* publications. The changes can be divided into the categories of manual actions that the enrollee must initiate, and automatic actions which ETF will do without input by enrollees. The following is a very condensed version of the new policies.

Manual Actions:

- Retirees and their family members may enroll in no more than two health plans where one is either Medicare Advantage (UHC) or Medicare Plus (WEA Trust) and the other is any single non-Medicare plan. Participants may change health plans within 30 days of enrollment or dis-enrollment from Medicare Part A and/or Part B, effective the date of the change in Medicare status. Retirees may enroll in the plan mid-year when they become eligible for and enrolled in Medicare.Previously this was possible only during the *It's Your Choice* period. A change of health plans will also be permitted when a participant under the age of 65 is dropped from Medicare due to being cured of a chronic, life threatening disease (e.g., getting a kidney transplant to resolve End Stage Renal Disease).
- When single Medicare Advantage enrollees marry and request coverage for a person who is eligible for but not enrolled in Medicare Part A and Part B, the enrollees will be informed that they must select another health plan for their family members' coverage because Medicare Advantage requires enrollment in both Parts A and B for every one of its enrollees.
- A participant may change coverage (for example, from family to single), drop a dependent and keep family coverage or cancel coverage.

Automatic Actions:

- When family members in a split contract become eligible for Medicare (and are paying for Part B), they will be automatically transferred to the Medicare plan in effect for the family member already covered by Medicare.
- When a Medicare-eligible family member in a Medicare Advantage split contract arrangement drops any part of Medicare (Parts A or B), that person will be moved to the non-Medicare health plan that covers the non-Medicare family member. ETF reported that a few people each year drop their Medicare Part B coverage in the belief that it will save them money but provide the same coverage.In reality their coverage is drastically reduced and they are no longer eligible for the UHC plan.This policy change will avoid any lapses in coverage for these individuals.
- For retirees who are paying their insurance premiums to the insurance company directly, nonpayment will result in termination of coverage as follows:
    - If the subscriber's premium is not paid, the entire contract will be terminated and any amount paid for the dependent's coverage for the month will be refunded.

    - If the dependent's premium is not paid, the family contract will change to a single contract, and the dependent's coverage will end.
- If a split contract covers one Medicare individual plus more than one non-Medicare participant and the Medicare participant dies, the premium rate will become the Medicare Family 1 rate with the non-Medicare health plan. This will result in substantial savings to the survivor(s).

We will continue to track these issues as ETF may bring additional topics to the GIB in May. For those who want more detailed information, the position paper that ETF presented to the GIB on February 20th is available here: http://etf.wi.gov/boards/agenda-items-2019/gib0220/item5c.pdf