

Fall Open Enrollment: A Resource for Journalists



Fall Open Enrollment takes place from October 15 to December 7 and is the time of year when people with Medicare can make unrestricted changes to their coverage options. Medicare beneficiaries need to be aware of this opportunity, as well as changes taking place in 2015, in order to assess their options and make the best informed decision.

The Medicare Rights Center has compiled below a list of upcoming changes, expert advice and related issues of interest to people with Medicare. Also included are consumer-friendly resources that may be of interest to your audience.

What's inside?

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Important Dates

The Fall Open Enrollment Period (also known as the Annual Coordinated Election Period, or ACEP) begins on **October 15** and lasts through **December 7**.

During Fall Open Enrollment, people with Medicare have the right to change their Medicare health and drug coverage options without restriction. They can make as many changes as they need, and the last change they make on or before December 7 will take effect on January 1, 2015.

What You Need to Know

Part D

- The average Medicare prescription drug plan premium will increase by about \$1 in 2015; it will be about \$32 per month. However, premiums for specific plans and regions vary from year to year. It is important for Medicare beneficiaries to examine their ANOC carefully to determine if and how their plan's costs or benefits are changing, and if it makes financial sense to explore other options.

- In 2015, Medicare beneficiaries will have a **55 percent discount** on the cost of their brand-name drugs during the coverage gap (also known as the doughnut hole). The discount for generics during the doughnut hole will increase **from 28 percent to 35 percent**.
- Part D formularies (lists of covered drugs) often change from year to year. Drugs and restrictions can be removed or added. It is important that a person checks the plan's new formulary to see how the drugs they take will be affected. The ANOC should include a summary of the new formulary. They can also get a complete copy of the formulary on the plan's website or by calling the plan.
- Part D plans can place coverage restrictions, such as quantity limits, prior authorization and step therapy (requiring a person to try another drug before the plan will cover the prescribed drug) on certain drugs. People should be sure to get the facts about coverage when considering changing plans by checking whether their current plan, or the plan they are considering switching to, places any coverage restrictions on their medication.
- A growing trend is for Part D plans to differentiate between "preferred" and "non-preferred" pharmacies within their network. Beneficiaries pay the least when they use preferred pharmacies. Therefore, beneficiaries should make sure the pharmacies they use are "preferred."

Premium Costs

- People with higher incomes will pay higher [Part B](#) and [Part D](#) premiums. Individuals with incomes over \$85,000 (\$170,000 for couples) will pay the higher premiums. Note: The premiums listed on Plan Finder are the basic premiums. They do not reflect the additional amount you must pay if you have high income, even if you enter personalized information.
- People who did not enroll in Part B or D when they were first eligible may also have higher premiums as a result of premium penalties. To find out more about penalties and how to avoid them, see [Medicare Part B late enrollment penalty](#) and [Will I be penalized for delaying enrollment in the Medicare prescription drug benefit \(Part D\)?](#)

Medicare Advantage Plans

- The Medicare private plan landscape continues to be streamlined to ensure meaningful differences exist among plans offered by the same company. Plans from the same company that offer nearly identical benefits have been **consolidated** to help simplify the choices available to consumers. Beneficiaries who were in a plan that was consolidated with other plan(s) will automatically be enrolled in a plan from the same company that has benefits most like those they had. Consolidated plans are not the same as terminated plans, and the rights accorded to beneficiaries in each group are different.
 - › Beneficiaries whose plans have been **consolidated** with others are automatically enrolled into another plan, but they have the right to choose and enroll in a different plan. They have until December 7 to choose a plan. Beneficiaries will

find out which plan they have been automatically enrolled into in their Annual Notice of Change (ANOC), which they should receive by September 30.

- › Plans that are **terminated** no longer participate in Medicare. Every year there are plans that are terminated. Beneficiaries whose plans have been terminated are entitled to a Special Enrollment Period (SEP), and have until February 29 to choose a new plan. If they do not do so, they will automatically be enrolled in Original Medicare (if their MA plan is terminating) or they will lose drug coverage (if their drug plan is terminating).

Note, however, that if they were in an MA plan with prescription drug coverage that terminated and choose Original Medicare or allow themselves to be automatically enrolled in Original Medicare, they must also choose a PDP or else they may lose drug coverage.

Tried-and-True Advice for People with Medicare

If there's one mantra for the open enrollment season, it's "review your options." Every year, the Medicare Rights Center advises people with Medicare to carefully consider how they get their Medicare benefits; most people are allowed to make a change only during Fall Open Enrollment. Here is some tried-and-true advice we offer beneficiaries depending on their Medicare coverage:

- If you have **Original Medicare** and a supplemental plan (often called a **Medigap**) and are happy with your coverage, you do not need to make a change.
- If you have a Medicare Advantage or Part D plan, you **should review all of your coverage options even if you are happy with your current coverage**, because plans change their costs and benefits every year.
- **Read your Annual Notice of Change (ANOC), which you should receive from your plan by September 30.** It will list the changes in your plan, such as the premium and copays, and will compare the benefits in 2015 with those in 2014. **It is very important that you read your ANOC and consider all of your options, since many plans make changes every year, and your current plan may not be your best choice for 2015.**
- Shop around to find a plan that best meets your needs and makes the most financial sense to you.
- If you decide to enroll in a new plan, do so by calling 800-MEDICARE rather than the plan itself.
- Keep records by writing down everything about the conversation when you enroll through Medicare. In your notes, record the date of the conversation, whom you spoke with, and any information you were given during the call.

Health Coverage Options

If you are considering enrolling in a **Medicare Advantage** (MA) plan:

- Even if you are happy with your current coverage, you **should review all of your options**, including Original Medicare and a Medigap.
 - › Before making your final choice during Fall Open Enrollment, call your State Health Insurance Assistance Program (SHIP) to find out if you will have the right to purchase a Medigap at this time, what options you have, and what consumer protections your state provides.
 - › See the **Medicare Advantage Disenrollment Period** section below for more information on Medigap rules.
- Make sure you understand how any plan you are considering works. Take the time to **ask questions**, such as:
 - › Will I be able to use my doctors or other providers I want to see?
 - › Are they in the plan's network and are they taking new patients who have this plan?
 - › Which specialists, hospitals, home health agencies and skilled nursing facilities are in the plan's network?
 - › How much will it cost to see my primary care physician? A specialist?
- For more questions to ask, see [What questions should I ask before joining a Medicare private health plan?](#)

Drug Coverage Options

If you are considering switching to a new **Part D plan**, either as part of an MA plan or as a stand-alone prescription drug plan (PDP):

- Review your ANOC and pay particular attention to the summary of the new formulary (list of covered drugs).
- If you use the online Plan Finder tool at www.medicare.gov to select the best plan for your needs, call the plan and confirm the information you've gathered with a plan representative. This will help avoid making a decision based on inaccurate information.
- Don't go by the price of the plan alone. Check to see if the plan you are considering covers all the medications you are taking. Also, see if the plan requires special permission before it will cover your medication (such as prior authorization, step therapy, or quantity limits).
- For more information, see [How do I compare Medicare private drug plans?](#)

Reminder: Health Reform Changes and Medicare

Doughnut Hole

- In 2015, Medicare beneficiaries will have a **55 percent discount** on the cost of their brand-name drugs during the coverage gap (also known as the doughnut hole). The discount for generics during the doughnut hole will increase **from 28 percent to 35 percent**.

Medicare Advantage

- Medicare Advantage (MA) plans cannot impose cost sharing on enrollees for preventive care services that are free for people with Original Medicare. However, if Medicare Advantage enrollees see providers that are not in their plan's network, charges will typically apply. For more information, see [Medicare-Covered Preventive Services](#).

Medicare Advantage Disenrollment Period

The Medicare Advantage Disenrollment Period (MADP) runs from **January 1 to February 14** each year. During the MADP:

- Beneficiaries who are unhappy with their Medicare Advantage (MA) plan are allowed to switch to Original Medicare, and **may also add Medicare prescription drug coverage, even if their MA plan did not include drug coverage.**
- **Beneficiaries in MA plans CANNOT switch to another MA plan.***
- **Beneficiaries with Original Medicare CANNOT make any changes.***
- *EXCEPTION: Beneficiaries have a separate SEP to enroll in a five-star MA or Part D plan at any point during the year, including during the MADP. (See explanation above under **Reminder: Health Reform Changes and Medicare.**)

Beneficiaries should choose their health care options carefully during Fall Open Enrollment. If they are considering an MA plan for 2015, it is important to be aware that if they become unhappy with their MA plan, they have the option to switch to Original Medicare during the MADP. But remember, **they may not be able to purchase a Medigap** to their Medicare coverage. **The rules and consumer protections for Medigaps vary from state to state.** Some beneficiaries may have access to Medigaps, but **may not be protected from higher premiums, coverage exclusions or waiting periods.** Before making a final choice during Fall Open Enrollment, beneficiaries should call their State Health Insurance Assistance Program (SHIP) to find out about their Medigap rights in their state.

Special Enrollment Period for Five-Star Plans

People with Medicare have a Special Enrollment Period (SEP) to enroll in an MA or Part D plan with a five-star rating (on a scale of one to five). **The SEP can be used at any time during the year, but only once per year, and to make only one change.**

For example, a beneficiary with Original Medicare and a PDP could enroll in a five-star Medicare Advantage plan with drug coverage (MA-PD) or in a five-star PDP. If the beneficiary chooses a five-star MA-PD, he or she would be disenrolled from the PDP and would have drug coverage and health coverage through the five-star MA-PD. If the beneficiary chooses a five-star PDP, he or she would retain Original Medicare and receive drug coverage through the new PDP.

In another scenario, a beneficiary in an MA-PD who enrolls in a five-star MA-only plan (Medicare Advantage without drug coverage) would typically not be able to join a PDP until the next Fall Open Enrollment Period, and would therefore be without drug coverage until the following year. A Part D penalty may then apply.

Different plans have different networks of providers and pharmacies, so beneficiaries who choose to enroll in a five-star plan may have to choose a new doctor or pharmacy. **For these reasons, Medicare Rights advises beneficiaries to think very carefully before enrolling in a five-star plan outside of Fall Open Enrollment.**

Plan ratings will be available at <https://www.medicare.gov/find-a-plan> beginning in early October.

Moving from the Health Insurance Marketplace to Medicare

The Health Insurance Marketplaces created by the Affordable Care Act (ACA) allow people to shop for coverage online or over the phone. The Marketplaces may also be known as Exchanges. Health insurance plans sold in the Marketplaces are called Qualified Health plans (QHPs).

- **If someone already has Medicare and does not have coverage through their own or their spouse's current employment, they should not make any changes to how they currently get their insurance. This means they should not enroll in a QHP for individual health coverage, because they already have Medicare.**

There are many reasons it is not a good idea to take a QHP over Medicare:

- › It is illegal for someone to sell a QHP to someone who they know has Medicare.
- › People with Medicare are not eligible for any tax credits to help pay for QHP premiums, and full QHP premiums are more costly than Medicare, Medigap or Part D premiums.
- › There is no guarantee that a QHP will pay for health costs if a beneficiary drops Medicare to take a QHP. In many cases, when someone is eligible for Medicare but does not have it, the insurance they do have can refuse to cover most if not all of their health care costs. This means that they may have little or no coverage if they rely on a QHP for health coverage.

Be aware that Medicare Advantage plans, Medigap supplemental policies and stand-alone Part D plans will not be sold through the Marketplaces.

Open Enrollment for the Marketplaces overlaps with Medicare Fall Open Enrollment. These enrollment periods are not the same. People with Medicare should use the Fall Open Enrollment Period (October 15-December 7) to review how they get their

Medicare and make any changes to their coverage for next year.

- **If someone has QHP coverage that they bought through the individual Marketplaces, they should take the following steps when they are eligible for Medicare:**
 - › Enroll in Medicare Part B as soon as they qualify.
 - › Drop the QHP coverage. Make sure to coordinate the end date of the QHP coverage with the effective date of the Part B coverage. Click [here](#) to learn more about these steps.
 - › After a person enrolls into Medicare, they should consider how to get their Medicare coverage. People have a choice between Original Medicare and a Medicare Advantage plan.

- **If someone already has Medicare Part B and coverage from their own or their spouse's current employment, the Marketplaces do not affect how Medicare works with their employer coverage.**
 - › The way coverage from a current employer works with Medicare should be the same, whether or not the employer offers coverage through a Small Business Health Options (SHOP) plan in the Marketplace. A SHOP plan is an employer plan purchased through the Marketplace. Depending on the size of your employer, Medicare either pays first or second on health insurance claims. If Medicare pays first, it is especially important that you keep Medicare. If you drop your Medicare coverage when Medicare is paying first, your employer plan may give you little or no coverage at all. Click [here](#) to learn more about how Medicare works with employer coverage.

- **If someone has QHP coverage that was purchased by their own or their spouse's employer through the SHOP and then becomes eligible for Medicare, they should talk to their employer to see whether they need Medicare in addition to the employer coverage. After speaking to the employer, they should confirm what they have learned with the [Social Security Administration](#) (800-772-1213). Get all answers in writing, and keep records of the conversations.**

Depending on the size of the employer, Medicare pays either first or second to employer plans. Keep in mind, a SHOP plan is an employer plan purchased through the Marketplace. If Medicare pays first, the beneficiary will need to take Medicare. On the other hand, if the SHOP plan pays first, they may be able to delay enrolling in Part B. Click [here](#) for more details on Medicare and the SHOP.

Be aware that there may be different rules for purchasing health coverage through the Marketplaces for people with ESRD or for those who would need to pay a premium for Medicare Part A. If someone has Medicare due to End-Stage Renal Disease or they pay a premium for Medicare Part A (hospital insurance), they may be able to purchase a QHP through the Marketplaces and to qualify for tax credits to help pay for premiums.

Helpful Resources

Health Reform Changes and Medicare

- [Health Reform and Medicare: Overview](#)
- [Health Reform and Medicare: Closing the Doughnut Hole](#)

Enrollment Periods

- [Open Enrollment and Disenrollment Periods](#)
- [Medicare Advantage Disenrollment Period \(MADP\)](#)
- From Medicare Interactive: [Can I change my Medicare health plan at any time?](#)
- From Medicare Interactive: [Guide to Medigap policies.](#)
- [Chart of Medigap Plans](#)
- From Medicare Interactive: [Can I buy a Medigap policy at any time? The best time to enroll in a Medigap.](#)
- From Medicare Interactive: [Comparing your Medigap options.](#)
- From Medicare Interactive: [Protected time to buy a Medigap.](#)

Medicare Health Coverage

- From Medicare Interactive: [What are my Medicare coverage options?](#)
- From Medicare Interactive: [How does Original Medicare work?](#)
- From Medicare Interactive: [What is a Medicare private health plan \(Medicare Advantage\)?](#)
- [Medicare Coverage of Preventive Care Services](#)
- [Questions to Ask Before Joining a Medicare Private Health Plan](#)
- [Comparing Medicare Options](#)
- **Medicare Drug Coverage** from Medicare Interactive: [How do I enroll in the Medicare prescription drug benefit \(Part D\)?](#)
- From Medicare Interactive: [How do I compare Medicare private drug plans?](#)
- From Medicare Interactive: [Should I review my Medicare prescription drug plan choice every year?](#)

From New Health Insurance Marketplace to Medicare

- [Medicare and the Marketplaces: What People with Medicare Need to Know](#)
- [Moving from the Marketplaces to Medicare](#)
- From Medicare Interactive: [Medicare and the Marketplaces](#)

Websites and Helplines

- [Medicare Plan Finder Tool](#) (an online tutorial from the Centers for Medicare & Medicaid Services about how to use Plan Finder)
- Find your State Health Insurance Assistance Program (SHIP) at www.shiptalk.org
- 800-MEDICARE (633-4227)
- Medicare Rights Center's Toll-Free Helpline: 800-333-4114 (Monday through Friday)