

SHIC

talk

A program of the ND Insurance Department - Jim Poolman - Commissioner

June 2007

Commissioner Comments



Dear Friends,

Recently, I held a press conference to warn seniors across North Dakota know about abusive and aggressive sales tactics revolving around the marketing of Medicare Advantage plans. The result of these tactics is that some seniors may feel pressured into purchasing a policy that is not of benefit to them and may replace coverage they already have that is working well for them.

We have had many reports of seniors who have inadvertently signed up for a Medicare Advantage Plan thinking they were buying a Medicare supplement plan. We are also getting a number of complaints on agents who have misled seniors into switching from their Medicare coverage to a Medicare Advantage Plan without their knowledge.

The Insurance Department is currently monitoring complaints about Medicare Advantage plans and the agents selling them. An investigation is underway into the alleged abusive sales practices. In addition, I have written a letter to both the Centers for Medicare and Medicaid Services (CMS) and North Dakota's congressional delegation outlining the alleged sales practices and articulating the Department's appeal for additional regulatory authority over these entities.

CMS is becoming less responsive to our requests for assistance to help North Dakota seniors, and it is becoming increasingly clear that if our Department is expected to hold agents and companies accountable, we need the regulatory oversight to properly do so. The North Dakota Insurance Department approves general health insurance plans as well as Medicare Supplement plans but does not have regulatory authority over Medicare Advantage Plans.

If you have clients who think they may have been the victim of abusive sales practices, or has been switched to a Medicare Advantage plan without knowledge or full consent should call the Senior Health Insurance Counseling (SHIC) program at 1.888.575.6611. The information will assist in our investigation. If you have questions about these sales tactics, please contact Cindy Sheldon.

Thanks again for all that you do for the SHIC program. By working together, we can accomplish great things! Your efforts are valued and appreciated!

A handwritten signature in blue ink, appearing to read 'Adam W. Hamm'. The signature is stylized and fluid.

Adam W. Hamm
Insurance Commissioner

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DAKOTA

a program of the
North Dakota
Insurance Department

SHIC
Senior Health
Insurance Counseling

Medicare Advantage Plans - Under the microscope

St. Louis Post-Dispatch
18 May 2007

Insurance commissioners in at least 39 states are investigating the use of illegal tactics to sell private Medicare plans. People with mental disabilities and dementia have been sold health insurance they didn't want and didn't need, state officials have said. In some cases, miraculously, salespeople appear to have sold policies to the dead.

The New York Times and Washington Post reported this week that at least 22 states have received complaints about fraudulent signatures on insurance applications. Many others are looking into improper hard-sell tactics. Oklahoma's insurance commissioner, for example, completed a major investigation this month documenting widespread misconduct.

Industry groups maintain that the kinds of abuses described in a recent survey by the National Association of Insurance Commissioners are the work of a handful of unscrupulous agents. But two significant, mainstream Medicare insurers - Humana and WellCare Health Plans - have been implicated in possible misconduct.

The root of the problem is the staggering complexity of a Medicare prescription drug bill passed by a Republican-controlled Congress in 2003. Under the provisions of that bill, drug benefits are available only through private health insurance companies. But these same companies also offer a version of managed care for those eligible for Medicare called Medicare Advantage plans. These plans combine drug benefits with coverage for other health care services traditionally covered by Medicare. However, unlike traditional Medicare, which allows patients to choose their own doctors, the managed care plans may put limits on where care may be provided and by whom. In addition, patients often are charged a monthly fee to

enroll in Medicare Advantage plans.

Many of the current crop of complaints to state insurance commissioners involve people who only wanted - and thought they only were signing up for - Medicare drug plans. They later discovered that they had been steered into enrolling in managed care plans. Oklahoma's investigators, for example, reported that some agents used bait-and-switch techniques to get into elderly people's homes, then pressed hard to sell the managed care plans.

When the federal Medicare drug bill originally was approved, proponents argued that private plans would provide competition for Medicare. The many available options would allow elderly people to pick the plan that would work best for them.

But the dozens of available choices in each state also have been used to provide cover for high-pressure salesmen who manipulate their targets into more expensive plans.

Seniors aren't the only victims when such abuses occur. A federal Medicare advisory committee calculates that Medicare managed care plans cost taxpayers 12 percent more per person covered than traditional Medicare costs.

Congress must establish stronger oversight of Medicare insurance plans and how they are sold. It needs to standardize benefits. That's what it did for so-called Medigap plans, which cover the 20 percent co-pay for traditional Medicare.

These new revelations suggest that, in some cases, the Medicare insurance plans create a kind of "competition" that comes at too high a price, both for the elderly and for taxpayers. Officials should pursue their investigations aggressively.

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DID YOU KNOW that shingles vaccines are covered by Medicare?

Consumer Services Provided by ND Health Care Review, Inc.

North Dakota Health Care Review, Inc. (NDHCRI) is the Quality Improvement Organization for North Dakota. This organization works closely with doctors, hospitals, home health agencies, nursing homes, and other healthcare professionals and organizations to promote the health and safety of older adults. Medicare consumers have certain rights and protections. NDHCRI ensures that those Medicare rights are protected and that the care received by Medicare consumers was appropriate and meets certain guidelines.

NDHCRI provides a consumer helpline for answering questions regarding the quality of the health care a North Dakota Medicare consumer has received. For more than 30 years NDHCRI has provided medical case review services for the Centers for Medicare & Medicaid Services (CMS). This program is designed to protect consumers by addressing individual cases such as consumer quality of care complaints, hospital-issued notices of noncoverage (HINNs), and other quality-related concerns.

NDHCRI can conduct reviews in the following settings:

- Ambulatory surgical centers

- Community mental health facilities
- Comprehensive outpatient rehabilitation facilities
- Critical access hospitals
- Emergency rooms
- Home health agencies
- Hospices
- Hospital outpatient areas
- Inpatient hospitals/units
- Outpatient physical therapy and speech/language pathology services
- Physician offices
- Skilled nursing facilities
- Skilled nursing facility swing beds within inpatient hospitals and critical access hospitals
- Specialty hospitals (e.g., psychiatric and rehabilitation)

When there are situations involving unresolved issues between patients and their healthcare providers that do not involve quality of care concerns, NDHCRI has two other options available—facilitated resolution and mediation.

For more information on any of these services, please contact NDHCRI's consumer helpline at 1-800-472-2902 or visit our website at www.ndhcri.org.

Hoeven Signs a Bill to Establish a Prescription Drug Repository

House Bill 1256 creates a state "Prescription Drug Repository" to collect and distribute unused medication so that pharmacies and physicians can distribute them to those who can't afford them.

The available drugs, medical devices and supplies will be posted

on a web site, where patients and practitioners can access the information.

"Providing affordable prescription drug relief, especially for seniors and those who are critically ill, and taking care of children and families in need are two of the most

important things we can do in the area of healthcare," Hoeven said. "Everyone involved in initiating and passing these bills, legislators, families and community advocates—should be proud of the good work they've done for some of the most vulnerable North Dakotans."

CMS Bus Tour in North Dakota - Come join us for the fun!

The CMS "A Healthier US Starts Here" bus tour will be visiting North Dakota July 2, 2007.

- **Grand Forks** - 10:00 am - 11:30 am
UND Wellness Center - 801 Princeton Street
- **Fargo** - 1:00 pm - 2:30 pm
Fargo Cass Public Health/Family Healthcare Center - 401 3rd Avenue North

PAP Eligibility Criteria and Medicare Part D

Wondering if your Medicare patients will be eligible for Patient Assistance Programs?

Please see the following charts to find out. Updates to this chart are made as they are received. Last updated March 21, 2007.

To view the chart online, visit:

<http://www.rxassist.org/docs/medicare-and-paps.cfm>

| No Medicare Patients may apply for PAPs | | |
|---|---|--|
| <p>Actelion American Regent Axcan Biogen Boehringer Ingelheim Cangene Celgene Cephalon</p> | <p>Dermik Eisai IVAX MedImmune Millenium Mylan PDL Biopharm Purdue</p> | <p>Salix Savient Sciele Pharma Scios Teva/Gate Watson</p> |
| Medicare Patients without a Part D plan may apply for PAPs | | |
| <p>Alpharma Amgen (Part D see below) Amylin Astellas Pharma (Part D see below) Bayer Berlex Biovail Bradley Pharmaceuticals Centocor Daiichi Sankyo Duramed Eli Lilly (Part D see below)</p> | <p>Endo Enzon ESP Forest Galderma Genentech Genzyme (Part D see below) Graceway Intermune King MedPointe MGI NitroMed</p> | <p>Novo-Nordisk Ortho-Biotech (Part D see below) Reckett Benckiser Reliant Roche (Part D see below) Serono Shire (Part D see below) Solvay TAP (Part D see below) UCB Upsher-Smith Valeant (Part D see below) Vistakon</p> |
| All Medicare Patients may apply for PAPs | | |
| <p>Abbott * Alcon (Part D enrollees must submit a hardship letter) Allergan* AstraZeneca-Part D enrollees use AZ Medicines & Me Bristol Myer Squibb* Berlex/Beta Seron Fnd. (Cannot be LIS eligible) Chiron/TOBI - Part D enrollees may be eligible for product or co-pay assistance</p> | <p>Digestive Care Eytech Gilead* GlaxoSmithKline-Part D enrollees use GSK Access program Johnson & Johnson* Kos Merck* Merck/Schering Plough * NABI (Cannot be LIS eligible)</p> | <p>Novartis Pfizer* (Some medications may not be available to Part D enrollees) Procter & Gamble (Cannot be LIS eligible) Sanofi-Aventis (Appeal process for Medicare enrolled, financially-needed patients who have a life threatening condition confirmed by physician) Schering-Plough Takeda* Wyeth (Part D enrollees must submit a hardship letter or LIS denial letter)</p> |
| Medicare Part D patients may apply for selected medications | | |
| <p>Amgen- Sensipar and Enbrel only Astellas Pharma - Prograf only Eli Lilly - Zyprexa, Forteo and Humatrope only</p> | <p>Genzyme - Renagel only through Renagel Part D PAP Ligand--only if drugs not in patient's Part D plan Ortho-Biotech - Only if drugs not in patient's Part D plan Roche - Only if drugs not in patient's Part D plan</p> | <p>Shire - Fosrenol, only if drug not in patient's Part D plan TAP - Prevacid Only Valeant - Only if drugs not in patient's Part D plan; Part D enrollees ineligible for Infergen PAP</p> |

Director's Corner

Dear SHIC Counselors and Friends:

As you can see, the North Dakota Insurance Department has been busy with Medicare Advantage Plan awareness and consumer protection campaigns. Hopefully, this will ensure that agents are not misrepresenting the product and beneficiaries are aware of the facts surrounding a Medicare Advantage purchase.

We have successfully completed the spring update and new counselor training. It was nice to meet so many of you. I apologize for not being able to attend the Fargo update training. Unfortunately, the Medicare Advantage press release and press conference caused a conflict with our schedule. Thanks, Corinne, for taking my place!

Organizational stipends have been implemented. These stipends, taken from grant monies received from CMS, are available to all organizational sponsors in the rural areas (this DOES NOT include Fargo or Bismarck). The amount is up to \$250.00 and can be used for Internet access, supplies, and general operating and utility expenses. If you are an organizational sponsor and have not received this packet via regular mail, please give me a call and I will send you one for completion. Please see this stipend as a small 'Thank You' for supporting the SHIC program.

We are working on collecting data for CMS more regularly and will be having our local volunteers call counselors who have not submitted beneficiary data by the 10th of each month. I appreciate your willingness to help in this area. It is a lot to ask of a volunteer position, but you were very receptive to assisting us meet our goals. Thank you for your graciousness.

Again, thank you for all you are doing. We appreciate each and every one of you!



Cindy Sheldon

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If you have questions about any content or have suggestions for content for our next publication, please contact Cindy Sheldon, Director, at 701.328.9604 or csheldon@nd.gov.

Extra Brochures: The SHIC office has an overabundance of CMS pamphlets called 'Mammograms and Breast Health'. Please call our office if you are interested in these brochures.