

SHIC Talk

A publication of the North Dakota Insurance Department's SHIC program



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April 2012

National SHIP warns of scam

The Division of SHIP Relations was recently notified about a scam in which someone claims to be a jury duty coordinator and calls people to verify they received a summons for jury duty, and that a warrant had been issued for their arrest. If the person states they never received a summons, the scammer asks for their Social Security number and date of birth so he or she can verify the information and cancel the warrant. The person's

identity may be compromised by providing this information.

The fraud has been reported so far in 11 states: Minnesota, Florida, Oregon, Virginia, New York, Oklahoma, Illinois, Colorado, California, New Hampshire and Arizona. Facing the unexpected threat of arrest, victims are caught off guard and may be quick to part provide the information.

"They get you scared first," says a

special agent in the Minneapolis field office. "They get people saying, 'I'm not a criminal. What's going on?'" That's when the scammer dangles a solution—a fine, payable by credit card, that will clear up the problem. The FBI and the federal court system have issued nationwide alerts.



**North Dakota
INSURANCE
DEPARTMENT**
PROTECTING THE PUBLIC GOOD
STATE HEALTH INSURANCE COUNSELING



Adam Hamm
Insurance Commissioner

April 2012

A note from the Commissioner

We're back!

After a long hiatus from publishing this newsletter and providing you with up-to-date information that can help you and those you serve, I am happy to announce that SHIP Talk is back. We plan to publish this newsletter every two months.

The purpose of this publication is to educate and inform you, so please let us know if there are specific topics you would like to read about. Talk to us about

what questions or problems have been challenging you. We will do our best to provide information regarding those issues in a timely fashion.

This newsletter is the place to share the good and bad challenges we are all dealing with, and by doing so, we all learn and become more effective in our counseling.

If you have any ideas or requests for information, please call us at 1-888-575-6611 or email us at ndshic@nd.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Hamm". The signature is stylized and fluid.

Adam Hamm
Insurance Commissioner



Current counselor changes

NDPERS: Dealing with beneficiaries who did not tell you they have a health care plan through North Dakota Public Employees Retirement System (NDPERS). This has happened to many of us. You are asking all the right questions when assisting a person interested in a prescription drug plan (PDP) during the annual enrollment period. You do your best to provide the best information in the comparisons from the plan finder and they choose to enroll in a PDP. Later you learn that since they had NDPERS health care coverage, by enrolling them in the PDP, NDPERS canceled their coverage!

First and foremost, this issue can be resolved by working with NDPERS. They understand how this can happen. The key is to contact them as soon as you discover the problem.

How do we resolve this challenge and reduce the likelihood that

it happens again? There are a couple things you can do. Included with this newsletter is a copy of a recently modified State Health Insurance Counseling intake form, which may provide a way to jog our minds to make sure that certain pitfalls are minimized. On the form there are several questions designed to allow the beneficiary to provide as much information as possible ahead of time. Ask the beneficiary to complete the form prior to your appointment. If some questions are not answered, discuss them together. Questions on the form include:

1. Are you qualified for Medicaid? This will allow you to determine if they are dual eligible (Medicare and Medicaid) and thereby qualify automatically for Extra Help.

2. Are you getting medications from the VA? This lets you know they are currently receiving medication from a creditable

program and may be okay not enrolling in a PDP (they can enroll should they choose with no problems).

3. Do you have insurance through Tricare? Since all Tricare beneficiaries are automatically eligible for and automatically enrolled in a free Tricare Pharmacy program, they do not need to enroll in a Part D plan.

4. Are you insured by an employer health plan or retiree plan? If they are still covered under one of these plans, they do not need to enroll in a PDP, unless they know that the plan they have is not creditable (they need to ask the plan that question).

5. Are you insured through NDPERS? If they say they are, they need to be told that enrolling in a PDP will cancel that coverage. Refer them to NDPERS if they have further questions.

6. Do you get SSI (Supplemental Security Income)? If YES, they automatically qualify for Extra Help.

7. Have you qualified for MSP (Medicare Savings Program) available through Medicaid? If YES, they automatically qualify for Extra Help.

8. Have you qualified for LIS (also called Extra Help)? If they applied through Social Security and received a letter saying they qualify, you need to ask them the next question.

9. ... at what co-pay? If they qualified for "full" Extra Help, their co-pays are \$6.50 for brand name and \$2.60 for generics.

If they get "partial" Extra Help, they pay up to a 15 percent co-pay.

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You may have noticed an added statement about Power of Attorney. It is a good idea to ask the beneficiary if someone else has their medical Power of Attorney. If so, it is best not to conclude the process of enrolling without getting that person involved. The person you may be assisting may have some issues with memory and/or decision making that could cause issues. To avoid those issues, ask the question up front.

Beneficiaries with health plans other than Original Medicare:

Even though enrollment in Medicare Advantage plans (MA) is relatively low in North Dakota, there seem to be more and more issues with it. Later this year, CMS will announce if any more intend to decrease their coverage of various counties in North Dakota for 2013. Beneficiaries are to be notified of such a change early enough in the year so they can make changes as necessary during the time allowed.

Medicare Advantage plans function as a beneficiary's Part A and Part B. A portion of the Part B premium that they continue to pay for has been used to

subsidize the MA companies so they can offer the plans with lower premiums. Some MA plans include prescription drug plans and are therefore referred to as MA-PD plans. Those that do not are simply MA plans.

When the beneficiary seeks health care services, the MA or MA-PD plan is billed directly, not Medicare. Since there are no supplements with Medicare Advantage plans, there are frequently co-pays that can result in more out-of-pocket costs than one might experience with Original Medicare and a supplement.

If a beneficiary receives notification of non-renewal (usually no later than October), it will include information regarding their options and when they need to have things accomplished. For example, it may say "your current coverage continues through December 31 of this year. Your options include the following:"

- Enroll in another Medicare Advantage plan if one is available to you in your county
- Go back to Original Medicare (Part A and Part B) and enroll

in a Part D Plan.

- Due to this non-renewal, you have the option to enroll in a Medigap supplement plan and will have guaranteed issue until 60 days following the end of coverage of this plan.

Counselors can assist the beneficiary in looking for Medicare Advantage plans that may be available in their county by using the plan finder. Instead of checking the box for prescription drug plans, you can select health plans with or without prescription drug plans. Any health plan identified as a preferred provider organization (PPO), a fee-for-service (FFS) or health maintenance organization (HMO) represent actual Medicare Advantage plans that may be available to them. Note that you will most likely see several cost plans, which are not truly Medicare Advantage plans. So if the beneficiary had a MA plan previously and that is what they feel most comfortable with, only those identified above will work similar to what they had before. If none of those options exist, they may want to go back to Original Medicare again.

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Changes in LIS/Medicare Savings Program

The following income¹ and resource² information for both LIS (data represents partial help maximum) and MSP is now finalized for 2012.

Low Income Subsidy (LIS)		
Single (individual)	Income	\$ 16,755
	Assets	\$ 13,070
Couple	Income	\$ 22,695
	Assets	\$ 26,120

Medicare Savings Program	Individual monthly income limit	Individual annual income limit	Married couple monthly income limit	Married couple annual income limit	Helps pay your:
QMB (100% FPL)	\$951	\$11,412	\$1281	\$15,372	Part A & Part B premiums and other cost-sharing (like deductibles, coinsurance and copayments)
SLMB (120% FPL)	\$1137	\$13,644	\$1533	\$18,396	Part B premium only
QI (135% FPL)	\$1277	\$15,324	\$1723	\$20,676	Part B premium only
QDWI (200% FPL)	\$3809	\$45,708	\$5129	\$61,548	Part A premium only

¹Income limits, are based on the Federal Poverty Level (FPL)

²Financial resources or assets cannot include your primary home or your primary car. Other types of assets may not count. Check with your local Medicaid office for exact eligibility rules

Source: CMS

2013 approved drug plan cost sharing

This information was released April 2, 2012 and is considered final. It will apply to next year's prescription drug plans (PDP). These changes apply both to stand alone PDPs and to Medicare Advantage Plans that include Part D (MA-PD).

Source: CMS

2013 Part D benefit parameters	CY 2012	CY 2013
Defined standard benefit		
Deductible	\$320	\$325
Initial coverage limit (total drug costs after deductible before hitting coverage gap)	\$2,930	\$2,970
Out-of-pocket threshold (total amount beneficiary pays before hitting catastrophic phase)	\$4,700	\$4,750
Minimum cost-sharing for generic/preferred multi-source drugs in the catastrophic phase	\$2.60	\$2.65
Minimum cost-sharing for other drugs in the catastrophic phase	\$6.50	\$6.60
Retiree drug subsidy		
Cost threshold (amount RDS sponsor must spend before claiming the RDS subsidy.)	\$320	\$325
Cost limit (amount after which RDS sponsor claims no RDS subsidy.)	\$6,500	\$6,600

Client contact reminder



Each month we send out reminders that we need data from all of the client contacts (CC) you have had with Medicare beneficiaries. Many of you provide that information directly into the National SHIP NPR website by entering the data yourselves. Others submit paper versions of their contacts that are then entered into the NPR system by SHIC staff.

This information is essential, not only because it helps determine the level of grant support the program receives from the U.S. Department of Health and Human Services, but also because it provides extensive performance

measurement data that allows us to determine how effective the program is.

Aside from the direct contacts, we also ask you to provide any other information regarding presentations, displays and dedicated enrollment events that you may have provided to the public in your area that would improve the level of awareness related to any Medicare products, programs or processes. We refer to these kinds of events as PAM events (PAM is an acronym for presentations and media events). Table 1 demonstrates the critical deadlines that relate to this data entry.

This deadline is for data entry into NPR; if you are sending your CC or PAM information in we need to receive it no later than 10 business days before the deadline.

An issue regarding confidentiality of personal information was raised by several regional SHIC counselors. We listened and changed what data is provided to NPR. We have created a form that has the minimum data required for us to receive the most accurate performance data in return from NPR. That form was attached to the email with this newsletter as an Excel spreadsheet and as a Word document. If there are other formats you would like this available in, please let us know. The required data points are identified in Table 2.

Key reporting dates for NPR (CC, PAM)		
Quarter	Deadline*	Required
Oct, Nov, Dec	Jan. 31st	CC & PAM
Jan, Feb, Mar	April 30th	CC & PAM
Apr, May, Jun	July 31st	CC & PAM
Jul, Aug, Sep	Oct. 31st	CC & PAM

Item	Description	Item	Description
Date	Date contact occurred	LIS Y or N	If they get Extra Help Y or N
Name	Only initials	Dual eligible MH Y or N	Do they have Medicare & Medicaid plus mental health Issues
Zip	Contacts ZIP code	Disability Y or N	Are they receiving disability money from Social Security or have they applied
Sex	M (male) F (female)	Issues addressed	Check all that you have done for them. What parts of Medicare A, B, C and or D; info re: a Supplement; info about Medicaid, Medicare Savings Program (MSP); Info re: long-term care
Age	At time of contact		
Time	Hours and/or minutes to conclude entire contact (may include research time, phone calls, mailings, etc.).		

Disenrollment due to failure to pay higher rates

As of Jan. 1, 2011, individuals with certain incomes have been required by law to pay Part D-IRMAA (Income Related Monthly Adjustment Amount) in addition to their monthly plan Part D premium. Most individuals pay their Part D-IRMAA amount via deduction of their Social Security benefit. Some individuals are directly billed their Part D-IRMAA by CMS or the Railroad Retirement Board (RRB). CMS will begin disenrolling individuals for failure to pay Part D-IRMAA on April 1, 2012. (A total of 1,105 individuals nationally are being disenrolled on April 1, 2012 for their failure to pay Part D-IRMAA to either CMS or RRB.) Once the disenrollment policy takes effect on April 1, 2012, individuals will automatically be disenrolled at the end of the three-month grace period for which full payment of Part D-IRMAA is not made. Plans are required to notify the beneficiary of the disenrollment in writing. See the following chart that explains the additional Part D premium costs based on income.

The disenrollments will take effect on April 1, 2012, meaning that these individuals will no longer be enrolled in the plan that contains their Part D coverage as of this date. This may include individuals in Medicare Advantage plans with Part D coverage and some employer plans. All the disenrolled individuals will retain Medicare; they will receive their Medicare health benefits through Original Medicare. They will not have Part D coverage.

Individuals who are disenrolled may subsequently enroll in

another Part D plan (including a MA plan with Part D coverage) at their next valid election period. This may be the fall open enrollment period (annual election period with coverage starting January 1 of the following year) or a special enrollment period (SEP), such as 5-star SEP or other established SEPs based on the individual's circumstance.

Individuals who are disenrolled for failure to pay Part D-IRMAA may ask CMS to reconsider the decision. These individuals can call 1-800-MEDICARE within 60 days of disenrollment to request such an action. CMS has a policy to allow for reinstatement if the individual was unable to make timely payment due to an unusual and unexpected circumstance over which they had no control and that is not likely to happen again. Individuals who receive favorable determinations must pay all owed amounts within three months of disenrollment in order to get their coverage back.

The chart below shows your estimated prescription drug plan monthly premium based on your income. If your income

is above a certain limit, you will pay an income-related monthly adjustment amount in addition to your plan premium. NOTE: If you are contacted by someone who is complaining about their disenrollment for the reason above, it is best addressed by having them call 1-800-MEDICARE. The rules for reinstatement are quite strict and Medicare needs to work through it with an affected person directly. In North Dakota, they can enroll in a 5-star prescription drug plan in order to ensure they have the necessary coverage and minimize any late enrollment penalty. However, they will need to pay all previously-owed premiums (and the IRMAA amount due) and may need to pay for the next three months in advance. Because of these details it is recommended you refer them directly to 1-800-MEDICARE.

At the time of this printing, there are no North Dakotans experiencing this issue; however, this will be monitored monthly.

If your yearly income in 2012 is:		You pay:
File individual tax return	File joint tax return	
\$85,000 or less	\$170,000 or less	Your plan premium
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	\$11.60 + your plan premium
above \$107,000 up to \$160,000	above \$214,000 up to \$320,000	\$29.90 + your plan premium
above \$160,000 up to \$214,000	above \$320,000 up to \$428,000	\$48.10 + your plan premium
above \$214,000	above \$428,000	\$66.40 + your plan premium

Source: CMS

Plan finder update (effective April 19)

- If you click the Enroll Now button—they removed the Display of Original Medicare (OM)
- “My Current Profile” widget— (If you look someone up using the personal search, you will now have some additional information:
 - Effective date of when current coverage began
 - Effective date when Extra Help or other subsidy began (if applicable)
- Selecting your pharmacies
 - When drugs are entered, the user will be required to select a pharmacy—if you try to go past this step you will see an error message —“Enter Pharmacy;” they may have a tab where the system can recommend one if a person doesn’t offer one.
- When user select “I don’t want to add drugs now” OR “I don’t take drugs” user will skip the Select Your Pharmacies step and advance to Refine Your Plan Results step
- Your plan results screen changes
 - Updated the “view all” option to use existing default sort option
 - Updated the Medicare Health Plans with no drug coverage sort option— (eliminated sort options related to drugs)
- Overview tab
 - Renamed the existing link “View Important Notes and Drug Cost Sharing Information” on Overview Tab and DCC tab with “View Drug Benefits Summary” when no drugs are entered
- Updated the “View Drug Benefits Summary” pop-up to include tier cost-sharing for preferred pharmacies when applicable, e.g. Humana Walmart, Aetna-CVS, and other plans that offer preferred pharmacies
- Health plan benefits tab
 - Created a Customizable Report for “View More Detailed Cost and Benefit Information” page
- Drug costs and coverage tab (DCC)
 - Added fixed costs to DCC tab (Estimated version) when users select “I don’t want to add drugs” or “I don’t take any drugs” option.
 - “Floor pricing” will now display when applicable. This takes place when a plan negotiates a minimum price that a given pharmacy can charge the beneficiary when filling a prescription.
- Plan ratings
 - Minor updates to Plan Ratings based on changes resulting from reconsiderations, updates to previously sanctioned plans, etc.
 - Google analytics tracking added to Plan Ratings Tab



“In the spring, at the end of the day, you
should smell like dirt.”

Margaret Atwood

Sources: CMS, SHIP

Director's corner

Dave Zimmerman



Greetings!

I want to begin by first saying thank you to all who volunteer to provide Medicare beneficiaries with a tremendous service. Negotiating the rather tumultuous waters of a system that provides health care coverage for more than 108,000 North Dakotans is a daunting task. But you make it possible, and as a result, you make a tremendous difference in the lives of each of those you interact with.

Based on a three-year average, North Dakota SHIC counselors saved beneficiaries more than \$3.6 million dollars in 2011. That is an accomplishment you should be proud of, as we are of you!

Challenges facing SHIC:

- An expanding population, in the oil boom area and beyond
- The need for additional counselors across the state
- Addressing the needs of the ever-growing number of baby boomers turning 65 (nationally for the next 17 years, more than 10,000 turn 65 every day)

An expanding population is a challenge in providing services in the areas impacted and it is stretching current service providers to the extreme. How to address that with limited resources becomes an even greater challenge. Add to that the dramatically growing

population of the Medicare beneficiary age. These issues all seem quite insurmountable.

SHIC is developing strategies to improve access to service. We will begin recruiting more volunteers in these impacted areas. The very fact that baby boomers are turning 65 and retiring is providing a potential new pool of volunteers. I encourage any of you providing services and community presentations to take a few moments to encourage people to consider volunteering.

This same concept can be effective in addressing the overall issue of increasing the number of SHIC volunteers across the state. Many who are retiring are already concerned about what they are going to do with their time. If you are discussing their Medicare options with them and they seem to have a pretty good grasp of the information, don't forget to let them know about the SHIC program.

We are planning to create videos that will be on our website that will address many of the common questions baby boomers and others ask. Look for those videos later this year.

Sincerely,

Dave Zimmerman

For more information

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