

# talkingMEDICARE with Mangus

News to Use for Agents in the Senior Market

A Publication of Senior Marketing Specialists

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## Medicare Cost Plans

Medicare Cost plans are essentially an HMO with the option to see any doctor using traditional fee-for-service Medicare out of the network.

Medicare Cost plans provided a managed care option in areas of the country that traditionally had few Medicare Advantage plans. Original Medicare steps in only when the enrollee goes out-of-network for care. This was a popular option in areas that individuals would leave the network areas for long vacations and wanted to use original Medicare while out of network.

### Why are Cost Plans Exiting?

*“The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) amends the cost plan competition requirements specified in section 1876(h)(5)(C) of the Social Security Act (the Act).*

*The competition requirements provide that CMS non-renew cost plans beginning contract year (CY) 2016 in service areas where two or more competing local or regional Medicare Advantage (MA) coordinated care plans meet minimum enrollment requirements over the course of the entire prior contract year. Implementation of the statute means that affected plans would be non-renewed at the end of CY 2016, and will not be permitted to offer the cost plan in affected service areas beginning CY 2017.*

*MACRA (1) delays the non-renewal requirement for cost plans affected by the competition requirements by two years to CY 2019 and revises how enrollment of competing MA plans is calculated for the purpose of meeting the competition requirements; (2) permits cost plans to transition to MA by CY 2019; and (3) allows organizations to deem their cost enrollees into successor affiliated MA plans meeting specific conditions.”*

Source: <https://www.cms.gov/Medicare/Health-Plans/MedicareCostPlans/index.html>

**The above essentially means that as of January 1, 2019, this federal legislation requires health care carriers offering Medicare Cost plans to discontinue plans in service areas where at least two competing Medicare Advantage plans meeting specific enrollment thresholds over the course of the entire prior contract year are available. In the Minnesota market it is estimated that about 200,000 individuals or more will be impacted by plans exiting for CY 2019.**

### Disenrollment Rules:

“A member who is disenrolled from a cost plan under these provisions is allowed to choose another cost plan or an MA organization (if one is available and he/she meets applicable eligibility requirements), or original Medicare. If no other choice is made, the individual will automatically return to Original Medicare by default.”

Source: [https://www.cms.gov/Medicare/Eligibility-and-Enrollment/MedicareMangCareEligEnrol/Downloads/CY\\_2018\\_Cost\\_Enrollment\\_and\\_Disrollment\\_Guidance\\_6-15-17.pdf](https://www.cms.gov/Medicare/Eligibility-and-Enrollment/MedicareMangCareEligEnrol/Downloads/CY_2018_Cost_Enrollment_and_Disrollment_Guidance_6-15-17.pdf)

### What are the brand names of Medicare Cost Plans in Minnesota? (Reminder that not all Cost Plans will be required to exit)

Blue Cross and Blue Shield of Minnesota	HealthPartners	Medica
<ul style="list-style-type: none"><li>Platinum Blue Choice</li><li>Platinum Blue Choice with Rx</li><li>Platinum Blue Complete</li><li>Platinum Blue Complete with Rx</li><li>Platinum Blue Core</li><li>Platinum Blue Core with Rx</li></ul>	<ul style="list-style-type: none"><li>Freedom Active</li><li>Freedom Active with Rx</li><li>Freedom Balance</li><li>Freedom Balance with Rx</li><li>Freedom Basic</li><li>Freedom Basic</li><li>Freedom Ultimate</li><li>Freedom Ultimate with Rx</li><li>Freedom Ultimate with Enhanced Rx</li><li>Freedom Vital</li><li>Freedom Vital with Rx</li></ul>	<ul style="list-style-type: none"><li>Prime Solution Basic</li><li>Prime Solution Basic with Rx</li><li>Prime Solution Basic with Rx 2</li><li>Prime Solution Enhanced</li><li>Prime Solution Enhanced with Rx</li><li>Prime Solution Enhanced with Rx 2</li><li>Prime Solution Thrift</li><li>Prime Solution Thrift with Rx</li><li>Medica Prime Solution Value</li><li>Medica Prime Solution Value with Rx</li><li>Medica Prime Solution Value with Rx 2</li></ul>

### Resources:

Medicare.gov on Cost Plans

<https://www.medicare.gov/sign-up-change-plans/medicare-health-plans/other-health-plans/other-medicare-health-plans.html>

Specific Enrollment in Plans by County – Per CMS

<https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAAdvPartDENrolData/Monthly-MA-Enrollment-by-State-County-Contract.html>

Minnesota Government News Source on Exit of Cost Plans:

<https://mn.gov/commerce/media/news/?id=17-343500>

NOTE: It is highly important that expansion counties be monitored closely to determine opportunities being created by exiting cost plans and new plans being offered by new carriers in the exiting cost plans market.