

Medicare Advantage Q&A

Question	Answer
1 Is it true that Medicare-eligible Retirees Will be Moving from the State Employee Retiree Health Plan to a new Medicare Advantage Plan?	No – Medicare eligible retirees will remain on the State Employee Health Plan. What will change is the vehicle by which Plan benefits are delivered.
2 What does that change to Medicare Advantage mean for how Plan Benefits are delivered to Medicare-covered retirees?	Currently when those retirees get Medicare covered services, Medicare pays first, and the State Plan through its insurance vendor pays the part Medicare doesn't pay (subject to plan co-pays and deductibles). Some services are not Medicare covered (like Naturopaths) and those services are covered only through the Health Plan. Under Medicare Advantage, for Medicare covered services the insurance vendor pays both the part Medicare pays, and the part the State Plans pays, and then is reimbursed by the federal government. As before, non-Medicare covered services will continue to be paid by the Plan without federal reimbursement.
3 Will my benefits change?	Yes, but only positively. Every single benefit currently covered under the State Employee Health Plan will continue to be covered. Some new benefits will be provided – for instance “Silver Sneaker” coverage is added at no cost.
4 But won't more doctors be out of Network?	Actually it's the opposite. The plan currently has a wide network of providers, but there are a substantial number who will be out of Network. Using Medicare Advantage to provide Medicare covered services, the Plan will treat all doctors who accept Medicare in any way as in Network. That's over 99% of doctors who provide Medicare covered services. The Network for non-Medicare covered services won't change.
5 This sounds too good to be true? How can this change possibly save money?	The answer is in how the federal government reimburses for Medicare covered services. Under the current structure for delivering those services, Medicare pays pre-set amounts for specific services, regardless of the particular patient involved. Under the new Medicare Advantage vehicle, the federal government accepts that patients have various risk factors that make services more likely to be needed. Medicare reimburses <i>more</i> for those patients, and the State shares some of those savings. In addition, Medicare provides incentives for keeping riskier patients healthier, and the State share part of those savings as well.

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6 Isn't the State self-insured? How do we know the Insurance vendor isn't making savings promises it can't keep	The contract with a Medicare Insurance provider is insured. That is, the provider must provide the benefits at the cost to the State it quoted during the contract period.
7 One of my parents was on an individual Medicare Advantage plan years ago? Is this the same kind of vehicle?	Not at all. Individual Medicare Advantage Plans provide benefits set by the Carrier. We Have GROUP Medicare Advantage with benefits set by the group, in this case our SEBAC agreement, NOT the carrier; and so the carrier must provide all the services covered by the State Employee Health Plan. In addition, years ago Medicare Advantage plans made their money by using narrow networks which allowed them to lower provider reimbursement rates. Currently, group Medicare Advantage makes money (and shares savings) by maximizing federal reimbursement rather than negotiating low provider rates.
8 What do we hope will happen as a result of the Medicare Advantage vehicle?	We hope not only to save money due to the higher federal reimbursements, but in the long run save even more money by keeping seniors healthier. The federal reimbursement structure is designed to encourage things like home visits for at risk seniors, 24 hour telephone availability for seniors with questions or concerns, and wellness incentives like Silver Sneakers. If we work together, we will save money, improve health, and improve the quality of life for our Medicare Covered retirees.
9 Can the Insurance Vendor Change Our Coverage or Benefits Over Time?	Absolutely not. The benefits and coverage rules are set by the SEBAC Agreement. The vendor must provide the State Employee Health Plan using the Medicare Advantage vehicle.