HEALTH BENEFITS E-NEWS

Department of Human Resource Management
Office of Health Benefits

June 8, 2011

Martha Jefferson Hospital Joins Sentara Healthcare System

Two hospitals have recently become affiliated with Sentara Healthcare, parent company of Optima Health, and are now in-network for COVA Connect members. Martha Jefferson Hospital in Charlottesville joined the hospital system on June 1, and Rockingham Memorial Hospital (RMH) in Harrisonburg officially became part of the system on May 1, 2011. These facilities continue to be in-network hospitals for COVA Care members. To learn more about Martha Jefferson Hospital, visit http://www.marthajefferson.org/ and about RMH, go to www.rmhonline.com.

Updates to Active Enrollment Form and Qualifying Mid-Year Events Information

The Office of Health Benefits has recently updated two communications for employees and state agencies.

- **2011 Active Employee Eligibility and Enrollment Form:** HIPAA Special Enrollment information has been added that was left out inadvertently when the form was developed before annual Open Enrollment. You will be notified when supplies of the new form are available to order using the Commonwealth of Virginia Materials Order Form. Please use the attached enrollment form until the printed version is available for order. Be sure to destroy all prior copies. The revised form will be available soon on the Resource Center under HR Community, Benefits Administration at www.dhrm.virginia.gov.
- **Enrolling and Making Changes:** Information has been revised on the DHRM website to the answers to questions, initial enrollment period, Open Enrollment and QMEs to reflect recent changes to the timeframes for submitting enrollment or QME change requests. Visit the Resource Center under Publications at www.dhrm.virginia.gov/hbenefits/qme/enrollingandmakingchanges.html.

Medicare Part D Late Enrollment Penalty Communications to Retirees, Survivors, LTD Participants (and their Dependents) Enrolled in Advantage 65 Plans That Include Prescription Drug Coverage

Medicare now requires notification of a possible Late Enrollment Penalty (LEP) to any Beneficiary enrolled in a Medicare Part D plan if their initial enrollment in Medicare Part D is after their initial eligibility. This would generally apply to anyone who became eligible for Medicare while still working and did not enroll in a Medicare Part D plan at that time (which is what many beneficiaries do). However, if that beneficiary had creditable prescription drug coverage (coverage at least as good as Medicare's standard coverage), the penalty would not apply. Anyone enrolled in a State Health Benefits Program plan during that period would have had creditable coverage, so no penalty should apply.

In the past, the Office of Health Benefits' Retiree Program was given an opportunity to attest to creditable coverage for any new Advantage 65 Enrollee (except Enrollees in the Medical-Only Plans) who was eligible for Medicare prior to their Part D enrollment since many new Enrollees had creditable drug coverage through the state program during that period. Unfortunately, new requirements from Medicare have eliminated the opportunity for the state program to confirm creditable coverage and prevent an initial LEP letter from going out under these circumstances. This means that new Advantage 65 Enrollees with an effective date after their initial Medicare eligibility date will get an LEP letter. However, we were allowed to add the following paragraph to the initial letter:

"Since you were eligible for Medicare prior to your enrollment in Medco Medicare Prescription Plan (PDP) for the Commonwealth of Virginia Retiree Health Benefits Program, the Centers for Medicare & Medicaid Services must have proof that you had creditable prescription drug coverage (coverage at least as good as Medicare Part D) for the period that you were eligible but were not enrolled in a Part D plan. Medco Medicare Prescription Plan (PDP) is required to send you this notice, but the Commonwealth of Virginia will also be notified of the need for attestation of your creditable coverage. ***If you had continuous coverage through the Commonwealth of Virginia Health Benefits Program since your Medicare eligibility, the Commonwealth of Virginia Department of Human Resource Management will attest to your coverage, and you may disregard this notice.*** *However, if you did not have coverage through the state program, you will need to provide proof of creditable coverage from your previous plan(s) for the period listed previously."*

If you are contacted by new retiree group participants regarding these communications from Medco, and they have had continuous coverage in the state program, please refer them to the above paragraph and assure them that the Office of Health Benefits will resolve their penalty status. Because of the timing of the automatic letter generation, they may get more than one letter before the matter can be resolved through this process. In the interim, you may also assure them that the penalty will not be applied to their Advantage 65 premium; however, the penalty status needs to be corrected should they move to other Medicare Part D coverage in the future. If an Advantage 65 participant receives more than three LEP letters, please send the name and ID number to the Office of Health Benefits for review.

If any or all of their coverage for the period between their Medicare eligibility and their Advantage 65 enrollment was not in the state program, they will need to provide documentation from their previous plan(s).

Correct Medicare Claim Number Essential for New Medicare Part D Enrollees

When keying a new Enrollee in an Advantage 65 Plan that includes Medicare Part D prescription drug coverage (all Advantage 65 Plans except those indicating Medical Only), it is more critical than ever that you provide an accurate Medicare/Health Insurance Claim Number (designated as "HIC" on the BES record). This is often a Beneficiary's Social Security Number with an "A" suffix, which is the BES default. However, this number, suffix or prefix can vary based on the beneficiary's Social Security status. Failure to provide a correct claim number can result in denial of Medicare Part D coverage. Also, based on new requirements from Medicare, if an incorrect HIC is submitted, it will generate inquiries from Medco when they are unable to match Medicare's records. If Medco requests HIC information from a new Enrollee and that Enrollee fails to respond, it can result in both an initial denial of Part D enrollment AND an enrollment date penalty. The enrollment date penalty is new and can create a gap in prescription drug coverage and potentially a break in coverage that is not allowed in the state program.

If you are unable to get confirmation of the beneficiary's correct HIC, you should wait to key the enrollment/plan change until you are sure that it is correct. Requesting a copy of the most recent Medicare identification card is one way to obtain more accurate information. You should encourage beneficiaries to confirm this number with the Social Security Administration if there is any possibility of a change in status (e.g., they have previously declined Social Security benefits and are now requesting the start of benefits) or they have not received an updated card recently. This is also a good way to ensure that new Enrollees have actually enrolled in Medicare Parts A and B, which is critical to coordination with Advantage 65's Medicare supplemental coverage.