P/NW Health Benefits Consortium

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http://www.pnwboces.org/hbc/hbc.htm	200 BOCES Drive, Yorktown Hts. NY 10598 914-248-2456
http://www.aetna.com/index.htm	Aetna customer service **POS2**– 877-223-1685 Aetna customer service **Medicare Advantage**– 877-872-3682
http://www.express-scripts.com	Express Scripts customer services – 866-790-8282
http://www.PNWMeds.com	PNWMeds/CanaRx – 866-893-6337

In July, an informational meeting was held to discuss the Medicare Advantage plan. This is a follow up addressing some of the questions and concerns raised.

What are the Parts of Medicare

There are 4 parts of Medicare:

1. Medicare Part A generally covers hospital services.
2. Medicare Part B generally covers physician services.
3. Medicare Part C, or Medicare Advantage, is an alternative to Parts A&B. Part C combines the benefits of Parts A & B plus supplemental coverage into a single policy.
4. Medicare Part D covers prescription drugs. Sometimes, Medicare Advantage Plans include Part D.

What is the Medicare Enrollment Period

Most people enroll in Medicare shortly before their 65th birthday. The 7-month enrollment period for members reaching their 65th birthday starts 3 months prior to the month they turn 65. It is important not to delay enrollment in Medicare Parts A & B because the effective date could be later than the month you turn 65. Once you are enrolled in Medicare Parts A & B, you will likely be transferred to the Consortium's Medicare Advantage Plan with Aetna. The rules are different if your health insurance is due to "active" employment or disability. Please refer to your Plan Document for more information and contact Medicare and/or the Office of Risk Management if you still have questions.

Aetna Medicare Advantage

The Aetna Medicare Advantage PPO was designed exclusively for members of the Putnam/ Northern Westchester Health Benefits Consortium. The benefits of this Plan closely match the benefits of the POS2 plan, which is the plan for active employees and pre-Medicare retirees. A comparison of some of the key parameters is shown below.

	Aetna POS2	**Aetna Medicare Advantage PPO**
Primary Care Copay (In Network)	$20	$20
Specialist Copay (In Network)	$25	$20
Maximum Out of Pocket (Note 1)	$3,231 per individual or family	$1,500 per individual
Medical Deductible (Out of Network)	$500	$147
Medical Coinsurance (Out of Network)	20%	20%
Hospital Inpatient (In Network)	$200	$200
Hospital Outpatient Surgery (In Network)	$75	$20
Eyewear reimbursement	none	$70 once every 24-months
Hearing aid reimbursement	none	$500 once every 36-months
Medical Case Management/ Nurse Advocate	Not Available	Available at no additional cost

Note 1.

The $1,500 Medicare Advantage Maximum Out of Pocket limit includes all deductibles, copays and coinsurance.

The $3,231 POS2 Maximum Out of pocket limit does not include medical deductibles or hospital deductibles/copayments. It only includes medical copays and coinsurance

Once the Medicare Advantage Maximum Out of Pocket limit is reached, the patient is not responsible for any more medical or hospital deductibles, copays or coinsurance.

Once the POS2 Out of Pocket limit is reached, the patient is not responsible for any more medical copays or coinsurance. S/he is still responsible for medical deductibles and hospital deductibles/copays. When utilizing non-participating providers the member is always responsible for all amounts above Reasonable & Customary charge limits.

Medicare Payment Variations

How are doctors paid, and what is the patient's responsibility, when covered by Medicare?

There are 2 things to consider:

First, what is the relationship of the doctor with Medicare? Does s/he -

1. Accept Medicare assignment?
2. Does s/he accept Medicare but does not accept Medicare Assignment?
3. Does s/he Opt Out of Medicare?

Second, does s/he participate in Aetna's network?

Let's take a look at the doctor's relationship with Medicare first.

1. If a doctor accepts Medicare Assignment, it means that s/he accepts the Medicare allowable amount as payment in full.

2. If a doctor accepts Medicare but does not accept Assignment, it means that s/he wants to be paid more than the doctor who accepts assignment. However, by federal law, the doctor can not charge, in most cases, more than 115% of the Medicare allowable amount.

3. If a doctor Opts out of Medicare, it means that s/he wants to be paid his/her full charges. In order to Opt-Out, the doctor must inform you in writing that s/he has Opted Out of the Medicare program for at least 2-years and Medicare will pay nothing.

What if My Doctor Does Not take Aetna?

If your doctor participates with Medicare but not with Aetna, that is OK. The doctor will simply be treated as an out of network Physician.

1. If the doctor accepts Medicare Assignment, s/he will receive up to 100% of the Medicare Allowance.

2. If the doctor accepts Medicare, but does not accept Assignment, s/he will receive, generally, up to 115% of the Medicare Allowance.

3. If the doctor Opts-Out of Medicare, you will be responsible for the doctor's entire expense.

Medicare Payment Examples

Assume the

- doctor's normal charges are $275;
- Medicare allows $200;
- Medicare pays 80% = $160;
- Patient copay if doctor is in Aetna network = $20, or
- Patient coinsurance if doctor is not in Aetna's network = 20%;
- All deductibles have been satisfied.

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1. If the doctor accepts Assignment, s/he will only be paid $200. Medicare will pay $160 and the patient and/or secondary insurance will pay $40. The doctor will waive the remaining $75

2. If the doctor accepts Medicare but not Assignment, then s/he can expect to be paid $230 (115% * $200) as payment in full. Medicare will pay $160, the patient and/or secondary insurance will pay $70 and the doctor will waive $45 of the total billed amount of $275.

3. If the doctor opts out of Medicare, then the doctor expects to be paid the full $275 s/he charged. Medicare will pay nothing. Secondary insurance will pay as if Medicare did pay, leaving a significant balance for the patient's responsibility.

After determining whether the doctor accepts Assignment, accepts Medicare but not Assignment or Opts out, we need to know if the doctor participates in Aetna's network.

When a doctor participates in Aetna's network, it means that s/he has a written contract that specifies what amount Aetna will pay. The patient's responsibility is limited to the copayment.

When a doctor does not participate with Aetna, but participates with Medicare, then Aetna allows the charges that the doctor is permitted to bill under the Medicare program. This is, generally, 100% or 115% of the Medicare allowable charges.

The following table illustrates the examples, and applies to claims in which the member is covered by Medicare parts A & B plus Aetna supplemental coverage, as well as for a member covered by Aetna Medicare Advantage PPO.

When a member is covered by Aetna Medicare Advantage PPO, Aetna pays the portion listed as “Medicare pays” and the portion listed as “Aetna pays”.

	Doctor Participates in Aetna’s Network	Doctor Does Not Participate in Aetna’s Network
Doctor Accepts Medicare Assignment	Patient pays $20 Copay Only	Doctor charges $275 Medicare allows $200 Medicare pays 80% * $200 = $160 Aetna allows $200 Aetna pays 80% * $200 minus Medicare’s payment Aetna pays = $0 Doctor waives $275 - $200 = $75 **Patient pays $40**
Doctor Accepts Medicare but not Assignment	Patient pays $20 Copay Only	Doctor charges $275 Medicare allows $200 Medicare pays 80% * $200 = $160 Aetna allows (115% * $200)=$230 Aetna pays 80% * $230 minus Medicare’s payment Aetna pays $184 - $160 = $24 Doctor waives $275 - $230 = $45 **Patient pays $46**
Doctor Opts-Out of Medicare	Aetna pays nothing	Doctor charges $275 Medicare allows nothing Medicare pays nothing Aetna allows nothing Aetna pays nothing Doctor waives nothing **Patient pays $275**