



CALIFORNIA HEALTH ADVOCATES

## When Medicare Advantage Plans Terminate Coverage

Medicare Advantage (MA) plans are an alternative to Original Medicare. Medicare contracts with private insurance companies to offer MA plans to Medicare beneficiaries. MA plans must provide all Medicare-covered benefits. They may, but are not required to, offer additional benefits not covered by Medicare, such as dental coverage and gym memberships. For more information, please see our fact sheet "[Medicare Advantage: An Overview](#)."

Private insurance companies sponsoring Medicare Advantage plans have yearly contracts with Medicare. MA plan sponsors may decide to renew the contract for the following year or terminate it at the end of the current year. Furthermore, plans may terminate or be terminated by Medicare for specific reasons during the year.

This fact sheet discusses your rights and options if you are in either a non-renewal plan or a plan that terminates during the year.

### If Your MA Plan is Not Renewing

If your MA plan is not renewing its Medicare contract for the next year, it must notify you in writing at least 60 days before the plan ends. The notice reviews your rights and options to get other coverage and must be sent to you by November 2 since the plan ends on December 31. If your plan is not renewing and you don't receive your plan's written notice by November 2, call your plan or 1-800-MEDICARE (1-800-633-4227).

If your plan is not renewing, you have a Special Enrollment Period, October 1 to January 31, to join a different MA plan or return to Original Medicare.

1. **Join a different MA plan.** Note: If the non-renewing MA plan has prescription drug coverage, you may want to join another MA plan with prescription drug coverage. Not all MA plans have prescription drug coverage. If

you choose an MA plan that is an HMO or PPO and it does NOT cover prescription drugs, you may not join a separate Part D plan. But if you choose an MA plan that is an MSA plan or a PFFS that does not cover prescription drugs, you may join a Part D plan.

Below are your options regarding when and how to join a different MA plan.

- a. Choose another MA plan effective January 1, and stay in your current MA plan until it ends on December 31.
  - b. Choose another MA plan **before** your current MA plan ends. For example, after you receive the notice that your MA plan is not renewing, you enroll in another MA plan in November with an effective date of December 1. You may stay in the new MA plan for the following year or choose yet another plan using the Annual Election Period. (The AEP is November 15 to December 31 every year. Changes made using the AEP are effective January 1.)
  - c. Choose another MA plan **after** your current MA plan ends. For example, you enroll in another MA plan in January with an effective date of February 1. For the month of January, your coverage returns to Original Medicare. If your MA plan had prescription drug coverage, you would not have prescription drug coverage in January unless you are eligible for Extra Help also called the Low Income Subsidy (LIS). (See CHA fact sheet "[Extra Help for Part D Costs](#).")
2. **Return to Original Medicare.** Instead of joining another MA plan, you may choose Original Medicare by:
    - a. Enrolling in a stand-alone Part D prescription drug plan if your MA plan had prescription drug coverage. Enrolling in a Part D plan before your current MA plan

ends automatically disenrolls you from your MA plan and enrolls you in Original Medicare.

If you don't enroll in a Part D plan before your MA plan ends on December 31, you may still enroll in a Part D plan until January 31.

- b. Disenrolling from your MA plan and enrolling in Original Medicare before the plan ends.
- c. Taking no action. If you take no action, your MA plan disenrolls you and your coverage returns to Original Medicare effective January 1.

**Note:** If you return to Original Medicare and require prescription drug coverage, remember to sign up for a Part D plan before January 31 while still in your Special Enrollment Period. Otherwise you will have to wait until the next Annual Election Period (November 15 – December 31) and may be charged a penalty.

## If Your MA Plan Terminates During the Year

If your MA plan terminates or is terminated by Medicare during the year, you have a Special Enrollment Period to change your coverage.

1. **If your MA plan terminates during the year**, the plan must give you at least 60 days' written notice. You have a 3-month Special Enrollment Period that starts 2 months before the termination date and ends 1 month after the termination date. *Example:* If your MA plan terminates on April 30, the plan must send you a written notice by March 2. Your Special Enrollment Period starts March 1 and ends May 31. During the Special Enrollment Period, you may join another MA plan or Part D plan or return to Original Medicare. If you take no action by April 30 when the plan ends, your coverage automatically returns to Original Medicare effective May 1. After your coverage automatically returns to Original Medicare, you may still join another MA plan or a Part D plan before the Special Enrollment Period ends, in this example before May 31.

2. **If your MA plan is terminated by Medicare during the year**, the plan must give you at least 30 days' written notice. You have a 3-month Special Enrollment Period that starts 1 month before the termination date and ends 2 months after the termination date. *Example:* If your MA plan terminates June 30, the plan must send you a written notice by June 1. Your Special Enrollment Period to join another MA plan or Part D plan or return to Original Medicare starts June 1 and ends August 31. If you take no action by June 30, when the plan ends, your coverage automatically returns to Original Medicare effective July 1. After your coverage automatically returns to Original Medicare, you may still join another MA plan or a Part D plan before the Special Enrollment Period ends, in this example before August 31.

## Right to Buy a Medigap Policy

You have a guaranteed issue right to buy a Medigap policy to supplement Original Medicare if your plan is not renewing or terminating. (Note: a Medigap plan supplements Original Medicare, not an MA plan. For more information, see CHA fact sheets "[Supplementing Medicare: An Overview](#)" and "[Medigap Plans](#)".) Your right to buy a Medigap begins the date you receive notice that the MA plan is not renewing and ends 63 days after the MA plan ends. For example, if you receive written notice on November 2 that your MA plan is not renewing after December 31, your guaranteed issue period starts November 2 and ends March 4 (or March 3 in a leap year). For more information about guaranteed issue periods, please see CHA fact sheet "[Your Rights to Purchase a Medigap Plan](#)," and contact your local HICAP for counseling.

If you hear that your MA plan will terminate in your area but have not received a written notice from your plan, wait for the notice before taking any action, such as enrolling in another MA plan or a Part D plan, or buying a Medigap policy. The written notice is your proof that your MA plan is not renewing or terminating, and allows you to have the Special Enrollment Period to enroll in another MA plan or Part D plan, or a guaranteed issue period to buy a Medigap policy without health screening.

## Factors to Consider

Consider the following questions when choosing between joining another MA plan or returning to Original Medicare:

- Do I have to change doctors, hospitals or other providers? *Example 1:* If the non-renewing MA plan is an HMO, which requires you to use network providers, you probably have to change providers if you decide to return to Original Medicare. With Original Medicare you may see any doctor/provider that accepts Medicare. You are not limited to seeing only providers in the MA HMO's network. *Example 2:* If the non-renewing MA plan is an HMO, and some of its providers are also in the network of another MA plan that is available the following year, you may not have to change providers if you join the latter MA plan.
- What drugs are covered in the MA plan's formulary? Some MA plans offer prescription drug coverage. If you are considering such a MA plan, make sure it covers the medications you need. Or, if you return to Original Medicare, join a Part D prescription drug plan that covers the medications you need.
- What additional services does the MA plan offer? All MA plans must cover benefits covered under Medicare Parts A and B. Some MA plans offer additional benefits such as dental and/or vision services.
- Does the MA plan have an annual out-of-pocket maximum? Some plans offer an annual out-of-pocket maximum. *Example:* A plan has a \$5,000 annual out-of-pocket maximum. Once you have spent \$5,000 for deductibles and copayments, the plan pays 100% for covered services you need for the rest of the year.
- How do the copayments among various MA plans compare? Some MA plans charge the same copayment for all doctor visits, whereas other MA plans charge a lower copayment for a visit with a primary care provider and a higher copayment for a specialist visit.
- How do the costs (premiums, deductibles and copayments) of different MA plan options compare? And how do these MA

plan costs compare with costs in Original Medicare with or without a Medigap supplemental insurance plan? (In an MA plan, you pay a monthly premium in addition to the Medicare Part B premium. Similarly, you pay a monthly premium for a Medigap policy.)

## Beneficiaries with ESRD

Medicare beneficiaries entitled to both Parts A and B can join an MA plan except for beneficiaries who have end stage renal disease (ESRD) or permanent kidney failure, regardless of age. However, if you are already enrolled in an MA plan then develop ESRD, you can stay in that MA plan. If the MA plan you are enrolled in terminates coverage, you only have the right to join another MA plan in your area, and you do NOT have the guaranteed issue right to buy a Medigap policy. You do not have a right to buy a Medigap because insurance companies are not required by law to sell you a Medigap policy because you have ESRD, even if your MA plan is not renewing or terminating. See our fact sheet "Medicare and People with End Stage Renal Disease" for more information.

## Employer Sponsored Coverage

If you are in an MA plan through an employer, union or other group, and the MA plan is terminating, contact a benefits representative to find out what choices you have. DO NOT disenroll from your MA plan until you have talked to your benefits representative. An MA plan may only be terminating coverage for individual enrollees and not for members of certain groups. You may have options that are specific to your situation, and you may not be affected in the same way as other individuals.

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This fact sheet contains general information and should not be relied upon to make individual decisions. If you would like to discuss your specific situation, call the Health Insurance Counseling and Advocacy Program (HICAP). HICAP provides free and objective information and counseling on Medicare and can help you understand your specific rights and health care options. You can call 1-800-434-0222 to make an appointment at the HICAP office nearest you.