

Alternatives to Medicare Supplement Insurance

Disenrollment

How and when can a beneficiary disenroll?

Once you are enrolled in an HMO, you may wish to disenroll at some point. Whether you stay enrolled or leave an HMO is your decision. Your HMO cannot try to keep you from disenrolling, nor can the HMO try to get you to leave.

To disenroll, a beneficiary should state in writing that he or she wants to withdraw from the plan and return to fee-for-service Medicare coverage. The written statement should go to either the plan's administrative office, the local Social Security Administration or, if appropriate, the Railroad Retirement Board office. The coverage under the fee-for-service system will begin the first day of the following month.

If you want to change from one managed care plan to another, you may do so by simply enrolling in the other plan as long as it has a Medicare contract. You will be automatically disenrolled from the first plan.

If you disenroll from an HMO, return to original Medicare and do not purchase a Medicare supplemental insurance policy, you will have to pay any deductibles or coinsurance under the payment rules of the traditional Medicare program.

Medicare Advantage eligible individuals may make one Medicare Advantage open enrollment period election from October 15th through December 7th.

Medigap Protections—Guaranteed Issue

Guaranteed Issue

The Balanced Budget Act of 1997 increases Medigap portability by providing for guaranteed issue without a pre-existing conditions limitation in the following circumstances, effective July 1, 1998:

- Individuals enrolled in an employee welfare benefit plan, where the plan terminates or ceases providing supplement benefits (opens plans A, B, C, F, K and L)
- Individuals enrolled in a Medicare Advantage plan or a Medicare SELECT policy that is discontinued because (a) organization terminates its Medicare contract or ceases serving a geographic area, (b) individual moves outside of the service area of the plan, or (c) individual disenrolls with the organization due to cause (opens plans A, B, C, F, K and L)
- Individuals who are enrolled under a Medigap policy that is terminated due to the insolvency or bankruptcy of the issuer (opens plans A, B, C, F, K and L)
- Individuals enrolled in a Medigap Supplement who terminate the plan to enroll in a Medicare Advantage or Medicare SELECT and then terminate that plan within the first 12 months of enrollment (opens old plan if available; if not, any A, B, C, F, K and L plan)
- Individuals who first become eligible for Medicare at age 65, enroll in a Medicare Advantage plan, and disenroll within one year, may enroll in any of the 10 Medigap plans within 63 days of disenrollment (unless the individual is within six months of purchasing Part B, in which case they may have a slightly longer period of guaranteed issue).