MVP Broker Bulletin - Creditable Coverage, H1N1, Senate Finance Committee Update
NY East

October 22, 2009

Broker Bulletin

Creditable Coverage Mailings to Employers

MVP will send letters to employers about creditable coverage in accordance with the Medicare Modernization Act. Employers must send this annual notification by November 15 to all employees, retirees, and COBRA participants who are Medicare eligible, and receive prescription drug benefits through the group. The annual notification will inform employees if their prescription drug coverage is considered to be "creditable."

"Creditable" coverage is defined as prescription drug coverage that is at least equal to coverage provided under Medicare Part D prescription drug coverage. Medicare eligible individuals are required to have this notification in order to avoid a late enrollment penalty if they later decide to enroll in a Part D plan. In the letter, MVP will provide guidance to employers about whether their MVP prescription drug coverage is creditable.

MVP will send a letter (sample shown below), directing employers in the use of the template letters. This mailing has occurred and employers should receive the letter by October 27. To view the template letters, please click here.

If you have any questions, please contact your Account Representative.

October 2009

Re: Creditable Coverage Notification

Dear (Employer group name/contact)

At MVP Health Care, we strive to provide the best customer service and the highest quality benefit plans for your employees and their family members.

As part of the Medicare Modernization Act, CMS (the Centers for Medicare & Medicaid Services) requires employer groups to send a Creditable Coverage Notification each year. This notification must be sent to all employees, retirees, and COBRA participants who are Medicare eligible and receive prescription drug benefits through the employer group, to let them know whether the prescription drug coverage is "creditable."

Creditable coverage is defined as "whether the expected amount of paid claims under the employer's prescription drug coverage is at least as much as the expected amount of paid claims under the standard Part D benefit." In other words, the prescription drug coverage is at least "as good as" Part D prescription drug coverage. A Medicare eligible individual is required to have this notification in order to avoid a late enrollment penalty if they later decide to enroll in a Medicare Part D plan. CMS requires that the notification be sent annually by November 15th, and upon any change that affects whether the coverage is creditable. For example a change in status from active employee to retiree or COBRA participant may result in a change in creditable coverage.

Medicare Part D coverage is the standard that all other prescription drug coverage is compared to and so is, by definition, creditable. Therefore, retirees already enrolled in a Part D prescription drug plan through the employer group, are not required to receive this notification.

MVP recognizes that most employer groups need assistance in determining whether their prescription drug coverage is creditable. MVP Health Care's actuaries have evaluated your current prescription drug coverage offerings and have determined that your prescription drug cover is creditable/non-creditable.

Enclosed with this letter is the (Creditable Coverage/Non-Creditable Coverage) Notice Template. Please use this CMS-approved template to complete the notification requirement to your Medicare eligible employees, retirees, and COBRA participants by November 15th. This letter is also available electronically from the Employer home page on our Web site (mvphealthcare.com).

Annually, employer groups are also required to disclose to CMS whether the prescription drug coverage being offered to employees, retirees, and COBRA participants is creditable. This disclosure can be done online through the CMS Web site at www.cms.hhs.gov/creditablecoverage. For additional creditable coverage guidance, please visit the CMS Web site at www.cms.hhs.gov/CreditableCoverage/Downloads/CCGuidance.pdf.

Thank you for your continued confidence in MVP Health Care. We appreciate the opportunity to help you and your employees take on life and live well. If you have questions about this process, please contact your Account Representative.

Sincerely,

Barbara Leonard

Director of Sales Operations
MVP Health Plan, Inc.
MVP Health Insurance Company

Update on Senate Finance Committee Bill

This is an update on the health care reform debate underway in Washington. On October 13, the Senate Finance Committee passed its version of health care reform on a 14 to 9 vote. Now a group of senators, including several committee chairs and Majority Leader Harry Reid, will blend provisions of the Finance Committee bill with the Senate Health, Education, Labor and Pensions (HELP) committee bill passed in July.

There are elements of the Senate Finance Committee bill that MVP Health Care supports including the approach the bill takes to tying Medicare Advantage plan reimbursement to measures of clinical quality and plan member satisfaction, as well as recognizing regional differences in Medicare reimbursement.

However, there are other elements that are of concern.

MVP Health Care supports both an end to exclusions for pre-existing conditions and a strong individual mandate. Amendments have weakened the individual mandate and these amendments will result in higher premiums since health insurers will not be able to spread risk over a larger pool of enrollees. This was demonstrated clearly in a study of the issue conducted by PricewaterhouseCoopers for the America's Health Insurance Plans (AHIP).

These are the key findings of the study:

- Health reform could have a significant impact on the cost of private health insurance coverage
- There are four provisions included in the Senate Finance Committee proposal that could increase private health insurance premiums above the levels projected under current law:
  - Insurance market reforms coupled with a weak coverage requirement,
  - A new tax on high-cost health care plans,
  - Cost-shifting as a result of Medicare cuts, and
  - New taxes on several health care sectors.
- The overall impact of these provisions will be to increase the cost of private insurance coverage for individuals, families, and businesses above what these costs would be in the absence of reform.
- On average, the cost of private health insurance coverage will increase:
  - 26 percent between 2009 and 2013 under the current system and by 40 percent during this same period if these four provisions are implemented.
  - 50 percent between 2009 and 2016 under the current system and by 73 percent during this same period if these four provisions are implemented.
  - 79 percent between 2009 and 2019 under the current system and by 111 percent during this same period if these four provisions are implemented.

If you would like to read the entire PwC study please click here.

Impact of new taxes on the Middle Class
Several taxes included in the bill will have the affect of increasing the federal tax burden on middle-income families. For example, the tax on health insurance company revenues will be passed on to subscribers in the form of higher premiums adding about $400 dollars to the amount of federal tax a family of three earning $75,000 per year would pay.

This calculation is based on a family of three, earning $75,000. Please click here to view a table that outlines how the Senate Finance Committee bill would effectively raise middle class federal taxes by 6.6 percent for this family.

There are also additional taxes proposed on prescription drugs and medical devices. All of these will increase the amount of federal taxes that many health care consumers will pay.

Member Outreach for H1N1 Flu Vaccine

MVP plans to notify employers about a clinical initiative we have undertaken with respect to the H1N1 flu immunization.

MVP has contracted with ELIZA Corporation to perform automated telephonic outreach to members who should be receiving H1N1 immunization according to the published guidelines of the Centers for Disease Control (CDC). Dependent upon vaccine availability, this may be done in two waves, starting with those individuals that the CDC has identified as at highest risk for contracting the H1N1 flu virus.

The first wave would include households representing 30,000 target members, expanding to households representing 172,000 target members by the end of the second wave. The call is generic, intended to convey information to each household that will give them the information they need regarding who should receive the immunization. These outreach calls will start during the week of October 26.

We have worked with ELIZA in a number of initiatives. They are particularly strong for clinical topics such as this. Our experience has been that members are very comfortable taking the calls. Using this automated telephonic approach allows the communication to happen more quickly and effectively than a mail campaign would provide.

The content of the outreach call is as follows:

"H1N1, sometimes called the swine flu or Novel H1N1, has been receiving a lot of attention this year, and it's a good time to make sure you have the most up-to-date information on the virus. The best protection from the H1N1 is to get the H1N1 vaccine, which is now beginning to become available. Once all supplies are received, there should be enough vaccine for everyone who wishes to be vaccinated. So, in addition to your regular seasonal flu shot, please do follow-up with your doctor to see when you can get the H1N1 vaccine. This shot is especially important for those with a higher risk as well as the people who live with or care for them. That includes people who live with or care for children under six months of age, anyone between six months and 24 years of age, people between the ages of 25 and 64 with a chronic condition, women who are

pregnant, as well as medical services personnel. Along with getting the vaccine, it's important that you take the same precautions against H1N1 as you would for the regular seasonal flu - be sure to wash your hands often, avoid touching your eyes, nose and mouth, and try avoiding contact with others who are sick. The symptoms of swine flu can include fever, cough, sore throat, body aches, headache, chills, or fatigue. If you don't feel well or are worried about flu-like symptoms, you should contact your health care provider. And, if you're diagnosed with swine flu, you should stay home from work or school. Also, as a reminder, antibiotics do not protect against either H1N1 or the regular seasonal flu. To find out the latest detailed information on H1N1, just go the CDC's Web site, **www.cdc.gov/h1n1flu.**"

We wanted to make you aware of this effort as we continue to support employers, employees and their families as they take on life and live well.

© 2009 MVP Health Care. All rights reserved.

Forward email

SafeUnsubscribe®
This email was sent to bmchugh@mvphealthcare.com by bmchugh@mvphealthcare.com.
Update Profile/Email Address | Instant removal with SafeUnsubscribe™ | Privacy Policy.

MVP Health Care | 625 State Street | Schenectady | NY | 12305

Email Marketing by
Constant Contact
TRY IT FREE