



Medicare Supplement Plan – Senate Bill 407 Medicare Supplement Benefit Coverage Frequently Asked Questions

October 2024

THIS DOCUMENT IS TO BE USED AS A TOOL ONLY TO VERBALLY ANSWER QUESTIONS FROM PROSPECTIVE ENROLLEES OR CURRENT MEMBERS. THIS DOCUMENT CANNOT BE GIVEN TO EITHER PROSPECTIVE ENROLLEES OR CURRENT MEMBERS.

Senate Bill (SB) 407 is effective 7/1/2020, and consists of the following:

- Requires a separate line item for Extra or innovative benefits on Medicare Supplement bills
- Deems plans with Extra or innovative benefits equal to the standard versions of the same plans
- Extends the annual open enrollment period to a minimum of 60 days

In addition to the above, the 2020 APL 20-025 Guidance Regarding Medicare Supplement New or Innovative Benefits requires the following for Plan F Extra and Plan G Extra (effective 1/1/2021):

- Carriers that offer "Extra" or innovative Medicare Supplement plans must provide the Notice of New or Innovative Benefits form which includes a list of all innovative benefits, descriptions, costs, and premiums.
- For current members, this form must be provided annually with the birthday letter.
- For prospective enrollees, this form must be provided with the plan pre-sale materials, specifically with the Application and Summary of Benefits

How Blue Shield will implement this requirement for 2020 and beyond for members and all prospects:

- For Medicare Supplement Plan F Extra and Plan G Extra **members and prospects**, the notice will be provided in full on the Blue Shield website, see link below.
blueshieldca.com/innovativebenefits
https://www.blueshieldca.com/basca/bsc/wcm/connect/sites/sites_content_en/medicare/resources/general-resources/plan-documents-medsupp

- In December 2020, we provided information about the notices and directing members and prospects to the website to view the notices in full in our "Cost Share Letter" to satisfy the annual notification requirements for 2020.
- After 1/1/21, we will provide the notices by including the information about the notices and directing members and prospects to the website to view the notices in full. The notice information will be included with the Pre-Sale kits, which includes the application and summary of benefits.

1. **What Blue Shield Medicare Supplement plans include Extra or innovative benefits?**

The following Medicare Supplement Plans include Extra benefits:

- Plan F Extra*
- Plan G Extra

* Plan F Extra is only available to applicants who attained age 65 before January 1, 2020, or who first became eligible for Medicare benefits due to disability before January 1, 2020.

2. What will be the impact on Medicare Supplement bills?

Medicare Supplement billing statements for the above plans will display a separate line item for Extra benefits. The purpose of this addition is to show members the portion of the total premium due that is attributed to the Extra benefits. Members are required to pay the Total Amount Due as indicated on their billing statement. The total includes the medical benefit premium and the Extra benefit premium. See below for sample sections of the billing statement.

All other tools, materials, and documents that reference rates will display the total premium, including both the medical and Extra benefit amounts.

3. Are members required to pay the total premium due (or 'Total Amount Due')?

Yes, members are required to pay the total premium due. Extra benefits are embedded in the plan and are therefore part of the total premium.

4. What plans will be deemed to be equal?

Extra plans will be deemed to be equal to the standardized versions of the plans. For example, Plan G will be equal to Plan G Extra. In addition, Plan F will be equal to Plan F Extra. This is applicable to Medicare Supplement plans with Blue Shield or another carrier. **As a result, during the Medicare Supplement Open Enrollment Period (OEP) members enrolled in Plan G or Plan F with Blue Shield or another carrier will be able to transfer from Plan G to Plan G Extra, and from Plan F to Plan F Extra, respectively, without having to go through underwriting. All other transfers to richer benefit plans (example Plan A and N) must go through underwriting review.**

-Current Blue Shield of California Medicare Supplement members requesting to transfer to a plan with equal or lesser benefits can complete and submit a Medicare Supplement Plan Transfer Application. Subscribers transferring from other carriers' plans must complete the full Application for Blue Shield of California Medicare Supplement plans.

5. How is the Medicare Supplement Open Enrollment Period (OEP) changing for Guaranteed Acceptance (GA) 2?

The Medicare Supplement OEP for members enrolled in all Medicare Supplement plans will extend from 30 days to 60 days. This will apply to members with birthdays beginning in July 2020. Each member's OEP will commence from the 1st day of their birthday month and will end 60

days after their birthday. Current Blue Shield Medicare Supplement members requesting to transfer to a plan with equal or lesser benefits during their OEP can complete and submit a Medicare Supplement Plan Transfer Application. Subscribers transferring from other carriers' plans must complete the full Application for Blue Shield of California Medicare Supplement plans.

6. When must Blue Shield receive the application for the OEP?

Applications must be received by Blue Shield 60 days prior to or starting on the first day of the member's birthday month and ending 60 days after the member's birthday. If applications are received more than 60 days prior to the 1st of the member's birthday month or more than 60 days after the birthday the applications will be subject to medical or underwriting review.

7. How is the effective date for the OEP applied?

The effective date can be as early as the 1st day of the birthday month or, if requested, as late as the 1st day of any subsequent month that falls within 90 days of the signature date on the applications.

8. How is the Special Enrollment Period (SEP) affected by SB 407?

The SEP extends the OEP and allows members to transfer to an equal to or lesser plan any time during the year without going through underwriting. Blue Shield will longer offer the Medicare Supplement SEP as of July 1, 2020 (the effective date of SB 407).

9. How can Medicare Supplement members make changes to their plan after July 1, 2020 and after the SEP ended?

All Medicare Supplement members will be able to transfer to an equal to or lesser plan without going through underwriting during their 60-day OEP or with underwriting outside of the OEP. Members may choose to transfer to a richer plan any time during the year or to a lesser plan outside of their OEP by going through underwriting.

10. When can Medicare Supplement household members make changes to their plan after July 1, 2020?

Blue Shield will provide both household members, both the subscriber and the other household member, an OEP beginning with each member's date of birth. Both members will be able to transfer to an equal to or lesser plan without going through underwriting during both 60-day OEPs or with underwriting outside of both OEPs. They may apply to transfer to a richer plan any time during the year by going through underwriting.

11. If a member who was new to Medicare as of July 1, 2020 or after wishes to bundle to the Household Savings Program, can their other household member make a plan change during the new-to-Medicare member's OEP?

While the other household member will not be entitled to the provisions of the new-to-Medicare OEP (GA1), they can request to transfer from their current Medicare Supplement plan to a plan of equal or lesser value during either member's birthday OEP (GA 2), which commences on the first day of the birthday month and ends 60 days after the birthday.

Sample sections of the billing statement with the new changes

The Summary section of the billing statement is located on the top-right corner of the first page and shows the **Total Amount Due**.

Summary

Bill Date:	06/12/20
Billing Period:	07/01/20-07/31/20
Due Date:	07/01/20
Previous Amount Due:	\$ 115.00
Payments – thank you:	-115.00
Past Due Amount	0.00
Current Charges:	\$ 115.00
Net Credits/Debits	0.00
Total Amount Due:	\$ 115.00

Billing Detail

Products	Period	Coverage	Amount
Medicare Supplement Plan F Extra- Blue Shield of California	07/01/2020	Health	\$97.00
Extra benefits*	07/01/2020	Health	\$18.00

Miscellaneous Credits and Debits

Blue Shield will charge a \$25 fee for all returned checks.
None Applied

If you have signed up and qualify for household savings the amount due includes the 7% savings off your plan rate.

*Please note, the Extra benefits are embedded in your medical benefits under your Medicare Supplement plan. This separate rate is part of your Total Amount Due.

Are you aware there is an easier way to make payments than submitting a check? To have your payment deducted automatically from your checking or savings account, please call the number above and ask us about our automatic payment options.