

Cost Plan Policy Issue

03-011

Question

The following question was asked in the context of a health plan with a commercial line of business as well as a Medicare cost plan. The question is whether a commercial member turning 65 is eligible to enroll in the Medicare cost plan in the following scenarios:

*The member lives outside of the plan's commercial service area and was eligible for group membership due to the work/or reside rule. Is this person eligible to enroll in the cost plan as an age-in?

*The member is enrolled in a self-funded plan that is administered by the health plan that also has a cost plan. Is this person eligible as an age-in if he/she resides outside of the Medicare cost plan's service area, but inside the commercial plan's service Area?

*The member has COBRA coverage through a group plan. Is s/he eligible as an age-in if s/he resides outside of the Medicare cost plan's service area but is in the commercial plan's service area? What if the member is outside of the commercial plan's service area, but still works in the service area and is just no longer with the company in which they have the COBRA coverage?

Answer

Yes, the cost plan has the option to allow these individuals who are newly entitled to Medicare Parts and/or B to elect the cost plan upon conversion even if they live outside of the service area. The cost plan must apply its choice of this option consistently for all individuals. These members will be known as "out- of-area" members. This option applies to both individual members and employer group members of the cost plan.

The individuals in all three scenarios described above may apply for enrollment in the cost plan upon conversion if the cost plan offers this option. The cost plan should ensure that these enrollees understand the plan's coverage rules.

[Note: CMS reads the 1st question above to mean the individual was *enrolled* in the group plan at the time of conversion]