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# Medical Savings Accounts (MSA) Medicare Advantage Open Enrollment Period Special Needs Plans



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**THE LINK BETWEEN YOU AND MEDICARE**

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# Learning Objectives

- After completing this training you should be able to:
  - Understand the features/requirements of Medical Savings Accounts
  - Understand how and when the Medicare Advantage open enrollment period can be used
  - Be familiar with other opportunities to change plans in 2021
  - Describe Special Needs Plans and understand when they are appropriate

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# Medical Savings Accounts

## What Are They?

- A type of advantage plan
- Similarities with a Health Savings Account
- High Deductible Health Plan
- Two MSA plans are available in 2021
- Included in planfinder with advantage plans on Medicare.gov

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# MSA Plans for 2021

## ○ Lasso Healthcare Growth (MSA)

- No monthly premium
- Plan annual contribution \$2000
- Plan deductible \$5000

## ○ Lasso Healthcare Growth Plus (MSA)

- No monthly premium
- Plan annual contribution \$3000
- Plan deductible \$8000

○ Annual contribution and deductible subject to yearly change

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# Enrollment in MSA Plans

- Limited enrollment times
  - Initial enrollment period
  - Annual open enrollment period
  - Employer plan ending
- Can not enroll or disenroll during the MA OEP
- Can not enroll or disenroll during most SEPs
- Not eligible for beneficiaries with Medicaid or in Medicare hospice
- Not have other coverage that would cover the MSA plan deductible (including active VA benefits)

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# MSA Operating Features

- Annual plan contribution deposited in Optum Bank custodial account on first day of plan
  - No other contributions allowed
  - Bank account in name of member with normal bank reporting
  - Account is interest bearing
  - Balances over \$2000 can be invested
  - Balance can be transferred to another bank's custodial account
- Member uses debit card to pay for qualified medical expenses of the member (except health plan premiums)
- Qualified medical expenses are generally any tax-deductible medical expense

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# MSA Operating Features

- Unused funds at the end of a calendar year are carried over indefinitely
- Member will receive a 1099 from the bank and must file an IRS form 8853 with their annual tax return
- Distributions for non-qualified expenses are taxable income and carry an additional 50% tax penalty

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# MSA Plan Coverage Features

- Providers file claims directly with plan and receive Medicare accepted rates
- No provider networks and plan doesn't contract with providers
  - Member should use providers that accept Medicare rates and agree to file claims with plan
- Only Part A and Part B Medicare-covered health care expenses at Medicare accepted rates count towards the plan deductible
- After the deductible is met, plan pays 100% of Parts A and B expenses for participating providers and 95% for non-participating providers



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# MSA Plan Coverage Features

- MSA plans have **NO DRUG COVERAGE** – must enroll in a stand-alone prescription drug plan
- Member is responsible for cost of preventive services at Medicare approved rates
  - Gift cards totaling \$250 are awarded to members for getting certain preventive services
- No additional benefits such as dental, vision, hearing and OTC health products

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# Who Would MSAs Likely Appeal To?

- Beneficiaries with good health and who don't anticipate high medical needs in the foreseeable future
- Beneficiaries with experience using HSAs
- Beneficiaries with high Medigap premiums

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# Medical Savings Accounts Resource References

- CLAIM website - [2021-MSA-Summary-for-Volunteers.pdf](#)  
([missouricclaim.org](#))
- CLAIM website – Provider guide brochure [2021-MSA-Lasso-Brochure.pdf](#) ([missouricclaim.org](#))
- Member FAQ - [Lasso.Healthcare.Member.FAQs.V2.pdf](#)

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# MA Open Enrollment Period (MA OEP)

- January 1<sup>st</sup> to March 31<sup>st</sup>
- Applies to Beneficiaries enrolled in a Medicare advantage plan (except for MSAs) as of January 1<sup>st</sup>
- Two scenarios to make one change in plans during the MA OEP
  - Change from one MA to another MA (except for MSAs)
  - Change from a MA to original Medicare with a pdp
- Enrollment is effective at the beginning of the following month

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# Other Opportunities to Change Plans During the Year

- Beneficiaries with Extra Help may change once a quarter for the first three quarters of the year
- Beneficiaries qualifying for a Special Needs Plan may enroll at any time of the year
- Beneficiaries may qualify for other Special Enrollment Periods
  - [SEP-Chart.pdf \(medicareinteractive.org\)](#) – link in CLAIM website under forms and guides

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# Special Needs Plans (SNP)

- Three types of SNPs
  - Dual eligible D-SNPs
  - Chronic conditions C-SNPs
  - Institutional I-SNPs
- Must meet eligibility requirements and contact plan to enroll
- Qualify for Special Enrollment Period if eligible
- Planfinder has option to include each type of SNP

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# Dual Eligible D-SNPs

- 12 D-SNPs available in 2021 in Missouri
- Eligibility requirements can be complex
- Requires beneficiary with Medicaid, QMB or SLMB with a spenddown
- Spenddown must be paid monthly and will require proof if asked by the plan
- Limited copayments
- Additional benefits higher than normal advantage plans
  - Examples
    - Dental \$4500
    - Hearing aids \$2500/ear
    - OTC \$360/quarter

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# Chronic Conditions C-SNPs

- Two C-SNPs with United Healthcare are available statewide in 2021
- Beneficiaries are eligible with one of the following chronic conditions
  - Diabetes
  - Chronic heart failure
  - Cardiovascular disorder



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# Institutional I-SNP

- Six I-SNPs available in 2021 in Missouri
- Must live in an institution (like a nursing home)
- Plans have network provider facilities and beneficiary must reside in a network facility

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# Thank You!

# Questions?