



# Broker Buzz

February 8, 2011

## Broker Services

1-888-819-2132  
8:30am - 5:00pm  
Monday - Friday  
[E-Mail Broker Services](#)

Rochester,  
NY Area:  
[Email Rochester & Buffalo Broker](#)

## Updated Licenses Needed for Commissions Payment

Please forward copies of your updated/renewed license by February 18, 2011, if you have not done so already. If we do not have an updated current license on file as of that date, commissions payments will be suspended until one is received.

Please send an image of your current license, via e-mail, to [BrokerRelations@mvphealthcare.com](mailto:BrokerRelations@mvphealthcare.com).

Also, please send a current copy of your E&O insurance certificate for our files.

## 1099 Tax Form Required for Massachusetts Residents to Show Coverage

MVP Health Care has clients who have membership residing in Massachusetts. We are notifying employer groups that have employees residing in the state who had coverage during 2010 that they should visit the Massachusetts Web site ([www.mass.gov](http://www.mass.gov)) to obtain a copy of the 2010 form, and instruct their employees to complete it.

A sample of the letter to employers is shown below. If you have any questions, please contact your Account Representative.

**SAMPLE Letter to Employers**

**Date**

<<Employer contact First Name>> <<Employer contact Last Name>>  
<<Name of employer Group>>  
<<Street Address>>  
<<City>>, <<State>> <<ZIP>>

***Re: Proof of Coverage for Employees Living in Massachusetts***

**Dear Valued Customer:**

**In Massachusetts, residents are required to show proof of health insurance coverage when filing their annual state income tax return. They must complete and submit the Massachusetts 1099-HC form when filing their state income taxes.**

**According to our records, some of your employees are Massachusetts residents who are enrolled in your MVP plan. MVP Health Care is not a licensed health plan in Massachusetts, but we wanted you to be aware of this mandate. We are also enclosing a report to help you provide these employees with the required information for their 1099-HC form.**

**Please use the information we have provided to help your employees who live in Massachusetts show the required proof of health coverage. The earlier this can be done during tax preparation season, the better. We have presented the information in the same format as the HC-1099 form in the hope that this will be easier for you to distribute to your employees.**

**If you have any questions about the Massachusetts mandate for health coverage, need a copy of the Schedule HC-1099 form, or need instructions for completing it, please refer to the Massachusetts Web site ([www.mass.gov](http://www.mass.gov)), and search for "Schedule HC."**

**Thank you for the opportunity to help you, your employees and their families take on life and live well! If you have questions, please contact your MVP Account Representative.**

Sincerely,

Tracy Tadar-Ott  
Vice President of Account Management

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## **Differences in Medicare Premium, Costs for Retiree vs. Group**

There are a few situations where premium or other costs for a retiree may be different than the premium you quoted the group.

### **Full Benefit Dual Eligibles (FBD)**

CMS notifies MVP of the dual eligibility status of retirees and requires the plan to enroll the retiree in their current Preferred Gold HMO/Gold Anywhere PPO Part D plan. This could be retroactive based on the full dual eligibility effective date. If the employer does not have a prescription Part D plan, the retiree will be enrolled into the Preferred Gold/Gold Anywhere direct bill plan, with Part D.

Dual eligible individuals have Medicaid coverage with prescription drug benefits that are covered under Part D. Individuals residing in nursing homes do not have a copay for Part D drugs. Individuals not residing in an institution, but who are Full Benefit Dual Eligible, may have a small copay for Part D drugs.

### **Premium**

Employers may see a different premium amount on their monthly billing statement for those retirees in a Full Dual Benefit category based on the subsidy amount for Part D. Due to the fact that CMS notification may take a month or two, employer groups will most likely see a retroactive adjustment. Retirees with dual eligible subsidies will appear on the employer's bill with a reduced premium and will be moved to a separate division on the billing statement.

### **Low Income Subsidy Eligibles (LIS)**

Retirees may qualify for a subsidy for Medicare Part D based on their income/assets. The subsidy provides assistance with the premium, deductible and copayments of the Part D Program. Retirees may apply for the Low Income Subsidy with the Social Security Administration or with the NYS Medicaid agency. CMS will notify MVP if any of your clients have retirees who are eligible for a Low Income Subsidy. Upon notification, MVP is mandated by CMS to enroll these retirees into the appropriate Low Income Subsidy level, which will appear as a separate division on your billing

statement. Employer groups must credit the person's bill with the LIS subsidy amount. Please note that these amounts are generally one month behind.

**Late Enrollment Penalty (LEP)**

Medicare beneficiaries who do not join a Medicare drug plan when they are first eligible for Medicare Part A and/or Part B, and who go without creditable prescription drug coverage for 63 days or more, may have to pay a late enrollment penalty to join a Part D plan later. LEP penalty amounts will always be a month behind. Employers may include this amount in the member's monthly premium payment. The penalty amount changes every year. The beneficiary will have to pay it each month as long as he or she has Medicare prescription drug coverage.

This information is available as part of the Medicare Employer Group Handbook. If you need a copy, please contact your MVP Account Representative.

**MVP Pharmacy Coverage**

To view the current MVP Formulary, please click [here](#).  
To see medical policy and pharmacy updates, please click [here](#).  
To view the Medicare formulary, click [here](#).

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