



Medicare and Kaiser Permanente Senior Advantage (KPSA)

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INTRODUCTION MEDICARE OVERVIEW

What is Medicare? Medicare is a federally funded national health insurance program. It pays for medical care for:

- The nation's elderly (those 65 and older).
- Certain disabled persons.
- Current Kaiser Permanente members with end-stage renal disease (ESRD).

Medicare Parts A and B are part of the original Medicare plan (also called the "fee-for-service" plan) managed by the federal government. It has been in effect since 1965 and is available nationwide. Medicare Parts A and B provide a broad spectrum of basic benefits. The coverage includes:

- Part A—Hospital insurance (inpatient)
- Part B—Supplemental medical insurance (outpatient)

Medicare Part A

- Designed to provide basic protection against the cost of inpatient hospital care and other institution-provided inpatient or home health care.
- No cost to eligible beneficiaries.
- Financed largely through hospital insurance taxes imposed by the Internal Revenue Code and normally assessed and collected as part of the Social Security tax, collected under the Federal Insurance Contributions Act (FICA).

Medicare Part B

- A voluntary supplementary program covering the cost of physicians' services and a number of other outpatient services not covered under Part A program.
- Requires a monthly charge for eligible participants.
- Financed largely through these monthly premiums and contributions from the federal government.

Medicare Part D

On January 1, 2006, the Medicare Modernization Act (MMA) expanded Medicare to cover outpatient prescription drug costs, called Medicare Part D. Part D affects individual plans and options for customers differently, but all plans offering Part D must conform to certain minimums and standards called the Standard Medicare Part D plan in order to be compensated by the federal government for providing outpatient prescription drug coverage.

MEDICARE ELIGIBILITY

Most individuals become entitled to hospital insurance benefits (Medicare Part A) when they reach age 65, have worked long enough in covered employment (or are the spouse of a worker), and file an application with the Social Security Administration (SSA). Part A eligibility is also available to individuals under 65 if they are entitled to either Social Security disability benefits, railroad retirement disability benefits, or ESRD benefits.

Individuals 65 or older who are not entitled to Part A may enroll in Part A through their Social Security Administration office by paying a monthly premium. Medicare Part B is a voluntary program for eligible individuals. Enrollment in Part B is open only to those persons who are:

- Entitled to Part A benefits, or
- Age 65 or older, residents of the United States, and:
 - o Citizens of the United States, or
 - o Aliens lawfully admitted to the United States for permanent residence who have resided in the United States continuously during the five years immediately preceding the month in which application for enrollment is made.

Medicare Part D is open only to those persons who are:

- Entitled to Part A and enrolled in Part B
- Entitled to Part A and/or Part B

HOW TO ENROLL IN MEDICARE

Medicare Part A

Most people not already receiving Social Security benefits become eligible for Medicare by reaching age 65. They must file an application with the SSA, unless they're already receiving Social Security benefits, to become entitled to Medicare. Individuals not currently receiving Social Security checks should apply for Social Security/Medicare three months before their 65th birthday.

Medicare Part B

Through the local SSA offices, Medicare offers eligible beneficiaries (those entitled to Part A) three opportunities to enroll in Medicare Part B, the supplementary insurance portion of Medicare.

1. Initial enrollment period—For those individuals entitled to Part A upon reaching age 65. Initial enrollment is based on the date the individual first meets the eligibility requirements for enrollment. This period begins on the first day of the third month before the month in which the individual first meets eligibility requirements, and it ends seven months later.

HOW TO ENROLL (continued)

2. General enrollment period—For those individuals who fail to enroll during the initial enrollment period or who terminated their Part B enrollments but want to re-enroll. This period is from January through March of each year, with coverage effective July 1 of the same year.

3. Special enrollment period—If, after turning 65, employees have employer group health plan coverage, they will have a special enrollment period. They may enroll in Part B or Part A at any time they are covered under the group health plan or may wait and enroll during the eight-month period beginning with the month they or their spouse stops working or when they are no longer covered under the employer plan, whichever comes first.

If individuals don't enroll during this special enrollment period, they must wait until the next general enrollment period. Premiums for Part B are generally higher if individuals wait to enroll during a general enrollment period.

Medicare administration

- Administered through the federal Centers for Medicare & Medicaid Services (CMS) and local SSA offices.
- CMS contracts with health care providers, such as Kaiser Permanente, to manage health care services for Medicare-eligible members.
- SSA offices accept applications for Medicare and assist beneficiaries with entitlement, enrollment, claims, and premium problems.

KAISER PERMANENTE'S MEDICARE PROGRAMS

Kaiser Permanente has two Medicare plans:

- Senior Advantage
- Medicare Cost (no longer open to new enrollees)

Kaiser Permanente Senior Advantage

- For current and prospective Kaiser Permanente members who are entitled to Medicare Part A and enrolled in Medicare Part B, or enrolled in Part B only.
- Coverage provided for urgent care when the Medicare beneficiary is outside our Health Plan service area. (This is in addition to other CMS-mandated benefits.)

Unlike Medicare, Kaiser Permanente also provides coverage to its enrolled Medicare beneficiaries for emergency care anywhere in the world. Unless otherwise referred or authorized by Kaiser Permanente, members must receive all of their non-emergency health care services from Kaiser Permanente. Neither Kaiser Permanente nor Medicare will pay for routine out-of-plan services not authorized by us.

KAISER PERMANENTE'S MEDICARE PROGRAMS

Kaiser Permanente Senior Advantage with Part D

Employers or trust funds can enroll Medicare-eligible retirees in a Kaiser Permanente Part D plan and then supplement the standard Medicare Part D benefit design, in order to produce a more comprehensive benefits package. With this option, Kaiser Permanente, not the customer, is reimbursed by the federal government for providing outpatient prescription drug benefits.

Kaiser Permanente Senior Advantage with the Retiree Drug Subsidy

Employers can elect to receive the Retiree Drug Subsidy (a 28 percent tax-free subsidy) from the government if they provide prescription drug coverage that meets or exceeds the standard Part D plan.

Value to the member/employee

The integration of Medicare and Kaiser Permanente Health Plan benefits broadens your employees' health care coverage. Kaiser Permanente Senior Advantage's integrated benefits help your eligible Medicare beneficiaries meet their health care needs. Kaiser Permanente Senior Advantage benefits include:

- No worrying about finding physicians who accept Medicare assignment
- No Medicare-disallowed charges for covered services

Kaiser Permanente Senior Advantage includes the following health benefits that aren't covered by Medicare:

- Routine physical examinations
- Routine immunizations
- Hearing examinations, eye examinations, lenses, and frames
- Health education
- Emergency coverage outside the United States
- Dental care, if employer subscribes

To assist you in answering questions about administering Kaiser Permanente health benefits, you can now access the *Administrative Handbook for Mid-to-Large Accounts* online at kp.org/administrativehandbook.

ELIGIBILITY

Who is eligible?

Individuals must be entitled to Medicare Part A and enrolled in Medicare Part B, or enrolled in Part B only, to be eligible to enroll in Kaiser Permanente Senior Advantage.

- Current Kaiser Permanente members or prospective members who live in a Kaiser Permanente Senior Advantage service area.
- Current Kaiser Permanente members who are eligible for Medicare as a result of ESRD, but who were members of the Health Plan at the time of certification of ESRD.

Who is not eligible?

- New Kaiser Foundation Health Plan members who are eligible for Medicare as a result of ESRD.
- Current Kaiser Foundation Health Plan members who are eligible for Medicare as a result of ESRD who weren't members at the time of certification.
- Current Kaiser Foundation Health Plan members who live outside the Kaiser Permanente Senior Advantage service area.
- Individuals with ESRD who have had a lapse in Health Plan coverage or a previous disenrollment from Kaiser Permanente Senior Advantage.

ENROLLMENT HOW TO JOIN SENIOR ADVANTAGE

Current members can join Kaiser Permanente Senior Advantage when they are entitled to both Medicare Part A and Part B or Part B only. Members must enroll in Kaiser Permanente Senior Advantage in order for the employer to receive the lower monthly premium for those retired members over 65 and for Medicare-primary individuals who are disabled or have ESRD.

Standard solicitation process (age-in process)

At Kaiser Permanente, we've established an automated system that identifies and solicits members approaching age 65 to enroll in Kaiser Permanente Senior Advantage. It's a six-step process:

Step 1: Member age = 64 years, 0 months

During the month of the member's 64th birthday, we send a birthday card letting the member know that we'll be in touch to help with the health care decisions that lie ahead.

ENROLLMENT

Step 2: Member age = 64 years, 4 months

During the month a member turns 64 years, 4 months, we send a letter and a fact sheet answering questions about Medicare, what it covers, and when the member should apply for Medicare.

Step 3: Member age = 64 years, 7 months

During the month a member turns 64 years, 7 months, we send a self-mailer fact sheet that advises when to apply for Medicare and when to sign up for Kaiser Permanente Senior Advantage, as well as a refrigerator magnet with our conversion specialist's phone number.

Step 4: Member age = 64 years, 9 months

During the month a member turns 64 years, 9 months, we send a kit that contains a letter, a Kaiser Permanente Senior Advantage marketing flyer, a benefits chart, a disclosure form, an election form, and a business-reply envelope.

Step 5: Member age = 64 years, 10 months

During the month a member turns 64 years, 10 months, we send a self-mailer flyer reminding the member to review the kit received the previous month and send in the enrollment form.

Step 6: Member age = 65 years, 0 months

During the month a member turns 65, if we haven't received the Kaiser Permanente Senior Advantage Election Form, we send a letter to remind the member of his or her non-Medicare status and that there may be an increase to his or her monthly premium.

The process just described begins at age 64 years for all Kaiser Permanente members, regardless of whether they are actively working or retired.

ENROLLMENT (continued)

In the following instances, upon notification from the employer, Kaiser Permanente sends Kaiser Permanente Senior Advantage enrollment materials to these members:

- **Members retiring after 65**—When members continue to work after 65, they may not be required to enroll in a Medicare plan until they retire. (See Medicare Secondary Payer, under Special enrollment situations below.)
- **Disabled members under 65**—Members who become entitled to Medicare due to disability.
- **New enrollees**—Newly enrolled Kaiser Permanente members over 65, upon receipt of Health Plan enrollment information.

Notification to employer of prospective Kaiser Permanente Senior Advantage members

Members must enroll in our Kaiser Permanente Senior Advantage program for you to receive the lower monthly premium. Those members who enroll and those who don't enroll (but are eligible) are reported to you on the Monthly Medicare Activity Report. If you're not receiving this report, you may request it through your Kaiser Permanente Account Manager.

Special enrollment situations

The following situations are handled differently from the standard Kaiser Permanente Senior Advantage enrollment process:

Medicare Secondary Payer (MSP)—These are members and their covered spouses who:

- Are enrolled through an employer affected by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) regulations.
- Continue to work after becoming eligible for Medicare.

Enrollment in Kaiser Permanente Senior Advantage is optional for these members. If they decide to join Kaiser Permanente Senior Advantage, they must enroll in Medicare Part B with Social Security and pay Part B premiums. Currently, the employer pays the under-age-65 rate for these members. Employers can inform but cannot encourage these members to join Kaiser Permanente Senior Advantage because the decision must be made solely by the members.

Retroactive enrollments—CMS allows us to enroll employer group health plan members retroactively, up to 90 days. This enables the employer to start receiving the Kaiser Permanente Senior Advantage premium credit in spite of processing

ENROLLMENT (continued)

delays. The signature on the Kaiser Permanente Senior Advantage election form and entitlement to Medicare are the guides to the effective date of coverage. For example, if an employer's anniversary date is January 1, we may receive the form as late as March 1—as long as the date of the signature is before January 1 and Medicare benefits are effective January 1—in order to assign a January 1 effective date for Kaiser Permanente Senior Advantage.

Out-of-area enrollment—Individuals who reside outside the Kaiser Permanente service area may not enroll in Kaiser Permanente Senior Advantage.

Open enrollment for retirees

If you have an annual retiree open enrollment period for all of your health care plans, request Kaiser Permanente Senior Advantage enrollment packets and election forms for your Medicare-eligible employees from your Kaiser Permanente account manager. (Note: Request Kaiser Permanente Senior Advantage materials one to two months before open enrollment to allow sufficient time for delivery.)

Changing health plans

Enrollment in a Medicare fee-for-service plan—Employers should notify us if a Kaiser Permanente Senior Advantage member chooses a Medicare fee-for-service plan. With that information and appropriate documentation, we can release the member's Medicare benefits in a timely manner to ensure no loss of coverage. (See Disenrollment from Kaiser Permanente Senior Advantage on page 11.)

Disenrollment from Kaiser Permanente Senior Advantage—Enrollment in another Medicare Advantage plan automatically terminates the member's enrollment in Kaiser Permanente Senior Advantage. If the member wishes to disenroll from Kaiser Permanente Senior Advantage but is not enrolling in another Medicare Advantage plan, the member must sign and complete a disenrollment form or request disenrollment in writing. Disenrollment from Kaiser Permanente Senior Advantage could result in a higher rate for the employer unless you terminate those members' Health Plan coverage in a timely manner.

INVOLUNTARY DISENROLLMENT FROM KAISER PERMANENTE SENIOR ADVANTAGE

The following circumstances could result in a member's termination from Kaiser Permanente Senior Advantage or Health Plan enrollment, or could result in an increase in the employer's premium. In each circumstance, the employer decides. Refer to Policy Decisions the Employer Must Make on page 16.

Member loses Medicare (Part A or Part B) entitlement

Employers pay the lowest monthly premium for members who are enrolled in Kaiser Permanente Senior Advantage and who have both Medicare Part A and Part B. Upon notification by CMS of a change in Medicare status (that is, loss of Medicare Part A or Part B), we notify the member. Employers are notified via the Monthly Medicare Activity Report (MMAR).

Loss of Medicare Part A

If a member loses Part A after joining Kaiser Permanente Senior Advantage, he or she will be required to enroll in Part B only with Kaiser Permanente Senior Advantage, and the employer's payment obligation may be higher.

Loss of Medicare Part B

Kaiser Permanente Senior Advantage members must continue their enrollment in Medicare Part B to maintain their Kaiser Permanente Senior Advantage eligibility or they will be disenrolled.

Loss of Medicare Part D

If the member disenrolled from Kaiser Permanente Senior Advantage, and your group offered Part D, then the member will lose the Part D coverage.

Disenrollment from Kaiser Permanente Senior Advantage

Kaiser Permanente initiates disenrollment for Kaiser Permanente Senior Advantage members who move out of a Kaiser Permanente service area. If the employer knows that a member is moving out of our service area and is making arrangements for other insurance options (not a Medicare Advantage or Medicare Cost plan), the employer should obtain a written disenrollment request from the member.

CMS will notify us if a member joins another Medicare Advantage or Medicare Cost plan or reports an out-of-service-area address to the SSA. All other disenrollments must be requested in writing by the Kaiser Permanente Senior Advantage member or with a disenrollment form signed by the Kaiser Permanente Senior Advantage member.

INVOLUNTARY DISENROLLMENT *(continued)*

Disenrollment requests become effective the first of the month following the date the request is received by Kaiser Permanente. Kaiser Permanente Senior Advantage members must continue to seek medical services from Kaiser Permanente until their disenrollment is effective. If they receive services from a provider other than Kaiser Permanente, they are liable for all costs except costs for emergency and out-of-area urgent care services.

Kaiser Permanente Senior Advantage enrollment rejection

CMS may reject, or not permit, enrollment in Senior Advantage for the following reasons:

- Member is not entitled to Medicare Part A and is not enrolled in Part B.
- Member has ESRD.

Process followed with enrollment rejections

- Members are notified of the rejection.
- A copy of their Medicare card is requested so we can verify entitlements with CMS.
- Upon receipt of the correct information, we resubmit the names to CMS for Kaiser Permanente Senior Advantage enrollment at the end of the next enrollment cutoff.
- We allow a three-month "correction" period before action on membership is taken.
- If the member is eligible for Kaiser Permanente Senior Advantage and is still not enrolled after two attempts to enroll, Kaiser Permanente works directly with the CMS regional office to enroll the member.

SSA/CMS errors

Occasionally, the SSA or CMS erroneously reports that a beneficiary is deceased or has lost entitlement to either Medicare Part A or Part B. When these situations arise, Kaiser Permanente informs members directly. Members must correct the errors directly with the SSA, and they must do so within 45 days of notification by Kaiser Permanente.

REPORTING

Important facts regarding terminated members

- Employers must notify Kaiser Permanente of the reason for a Medicare member's termination.
- When an employee leaves Kaiser Permanente to go to another health plan, with appropriate documentation we'll immediately disenroll them from Kaiser Permanente Senior Advantage to allow them to enroll with the other health plan. (See Disenrollment from Kaiser Permanente Senior Advantage on page 10.)
- If we don't receive a written disenrollment request from the member, we can't release the Medicare enrollment. In this case, members will be automatically transferred to our Kaiser Permanente Senior Advantage conversion plan for individuals.
- These members must continue to pay their Part B (and Parts A and D, if applicable) premiums.
- Members should be aware that their individual plan Kaiser Permanente Senior Advantage benefits may be different from their employer group Kaiser Permanente Senior Advantage benefits.

Monthly Medicare Activity Report

Changes to your employees' Medicare status are reported on the Monthly Medicare Activity Report (MMAR). This report is not cumulative, meaning that each status change is reported to you only once. All status changes are reported, regardless of whether the change results in a rate change.

The MMAR is produced on the designated date an employer requests. If there are no changes to the report in any given month, you'll receive only the summary. The report lists all changes for Medicare members that have been verified by CMS, as well as new member information reported by the member.

Rate development—If you have any questions about how your Health Plan rates are developed and computed, please discuss them with your account management team.

Audit frequency of your purchaser unit—We recommend that you conduct a periodic audit of all members enrolled through your purchaser unit. An audit can identify enrollment or payment problems early, and usually allows for easier resolution of those problems. An audit also ensures that an employer is providing coverage and paying only for legitimate and eligible members. Please call your CSC AAR to establish a schedule for audits of your purchaser unit.

ROLES AND RESPONSIBILITIES

The administration of a comprehensive health care coverage plan that integrates Kaiser Permanente Health Plan benefits and Medicare benefits requires coordination among a number of different parties:

- Kaiser Permanente
- Employer
- Member/employee
- Federal agencies (CMS and the SSA)

Kaiser Permanente

- Provides basic Medicare and Kaiser Permanente Senior Advantage program information to members who are reaching age 65 and/or who are becoming newly eligible for Medicare benefits.
- Processes Kaiser Permanente Senior Advantage enrollment requests and disenrollment forms.
- Submits documentation to CMS for processing.
- Monitors Medicare and Kaiser Permanente Senior Advantage enrollment status.
- Notifies members and employers of any changes in enrollment status.
- Answers questions from employers and members about Kaiser Permanente Senior Advantage benefits, rates, and enrollment status.
- Acts as a liaison to CMS.
- Assists employers in periodic audits of members age 65 and older and other Medicare-eligible employees and dependents.
- Determines rate impact of members' Medicare status, as reported by CMS, and reports to employers.
- Administers policies mutually agreed upon between employers and Kaiser Permanente.

Employer

- Reports the following promptly to Health Plan:
 - o New and terminated subscribers and dependents.
 - o Employment status changes for subscribers age 65 and older (for example, working-aged to retired status).
- Enforces TEFRA/DEFRA/OBRA/COBRA guidelines as applicable.
- Pays monthly dues as requested by Health Plan.
- Monitors eligibility of subscribers and dependents for Health Plan benefits (for example, changes due to deceased members, divorces, returns to work).

ROLES AND RESPONSIBILITIES (continued)

- With Health Plan, performs periodic audits of members age 65 and older and other Medicare-eligible employees and dependents.
- Administers policies related to Medicare eligibility and Kaiser Permanente Senior Advantage enrollment, which have been agreed upon between employer and Health Plan.

Member/employee

- Enrolls in Kaiser Permanente Senior Advantage when eligible.
- Provides Health Plan with all information necessary to enroll in Kaiser Permanente Senior Advantage.
- Continues to pay Medicare Part B (and Part A if applicable) premiums in order to maintain enrollment in Senior Advantage.
- Reports to employer or to Health Plan: change of address, including moves outside of the service area, or a dependent's Medicare entitlement changes.
- Complies with employer's enrollment guidelines.

Federal agencies

- Centers for Medicare & Medicaid Services (CMS):
 - Approves and confirms Kaiser Permanente Senior Advantage enrollment.
 - Notifies Health Plan of changes in Medicare entitlement and Kaiser Permanente Senior Advantage enrollment involving Health Plan members.
 - Monitors, audits, approves administrative processes and written communications to members involving Kaiser Permanente Senior Advantage.
- Social Security Administration (SSA):
 - Acts as customer service liaison to CMS for matters involving Medicare entitlement.
 - Provides written information to Medicare beneficiaries concerning Medicare benefits and entitlement.

POLICY DECISIONS THE EMPLOYER MUST MAKE

For each of the following situations, the employer must make decisions that will affect the member's Kaiser Permanente Senior Advantage enrollment and/or the rate the employer is charged for the member. These decisions are generally made when your Health Plan contract is signed.

Nonenrollment in Kaiser Permanente Senior Advantage or loss of Part A or Part B entitlement

If a member does any of the following:

- Fails or declines to enroll in Kaiser Permanente Senior Advantage.
- Loses Medicare Part A or Part B entitlement once he or she is enrolled in Kaiser Permanente Senior Advantage.
- Enrolls in another Medicare Advantage plan while a member of Kaiser Permanente Senior Advantage.

Employer decision

- Employer will pay increased premium or pass the cost to employee.
- Employer will not pay increased premium and will report those employees who don't have Part A or Part B as Kaiser Permanente coverage terminations.
- Employer will not pay increased premium, which allows Kaiser Permanente to terminate coverage for employees automatically. (Not an option for electronically reporting employers.)

Out-of-area option

Individuals who reside outside our Kaiser Permanente Senior Advantage service area may not enroll in Kaiser Permanente Senior Advantage. However, we offer an out-of-area option that provides catastrophic and emergency coverage while members are outside our service area. For all other care, the member must come to a Kaiser Permanente medical facility. This allows members to use their Medicare in the community in which they reside on a fee-for-service basis. Members must have both Medicare Part A and Part B to enroll in the out-of-area option.

Employer decision

- Employer will permit employees to join the out-of-area option and will pay the required rate for those members.
- Employer will not permit out-of-area enrollment and will terminate Kaiser Permanente coverage for members who live or move outside the Kaiser Permanente service area.

POLICY DECISIONS (continued)

Requiring current Medicare Cost members to enroll in Kaiser Permanente Senior Advantage

Some employers allow their employees who were enrolled in Medicare Cost (a former offering of ours) prior to the introduction of Kaiser Permanente Senior Advantage to retain that coverage. The employer has the option of requiring that all existing Medicare Cost members convert to Kaiser Permanente Senior Advantage at any time. This might be done for administrative purposes, cost purposes, or both.

Employer decision

- Employer will allow Medicare Cost members to remain in that plan and will pay the higher Medicare Cost rate.
- Employer will not allow Medicare Cost members to stay in that plan and will report those employees who don't join Kaiser Permanente Senior Advantage as coverage terminations. Kaiser Permanente must, however, let these members remain as direct-pay Medicare Cost members if they choose.
- Employer will not allow Medicare Cost members to stay in that plan, and Kaiser Permanente (CSC) will terminate Kaiser Permanente coverage for any members who don't join Kaiser Permanente Senior Advantage (not an option for electronically reporting employers).

GLOSSARY

Medicare Part B

Medicare Part B is paid for in part by the premiums from persons who enroll in the program. Part B enrollment is automatic when entitlement to premium-free Part A becomes effective, unless specified that Part B of Medicare is not wanted. The premiums for Part B are generally deducted from the monthly Social Security check.

Medicare Part D

The Medicare Modernization Act expanded Medicare to include outpatient prescription drug coverage, called Part D, effective January 1, 2006. Part D affects individual plans and options for employers differently, but all plans offering Part D must conform to certain minimums and standards, called the Standard Medicare Part D plan, in order to be compensated by the federal government for providing outpatient prescription drug coverage.

Medicare Primary/Medicare Secondary

In a group of 20 or more employees, a working-aged person (a person or the spouse of a person who is over 65 and still working at a paying job) is considered "Medicare Secondary." All Medicare Secondary members who are actively working may not have the Kaiser Permanente Senior Advantage rates until employment terminates. Members with end-stage renal disease (ESRD) who are outside their coordination period and enrolled in Kaiser Permanente Senior Advantage are considered "Medicare Primary" in any size group. This is an exception in groups over 20. All other working-aged persons who enroll in Kaiser Permanente Senior Advantage will be charged the active rate and receive the working-aged Medicare Advantage benefits.

MedImpact

A pharmacy benefits management company. As of January 1, 2003, MedImpact has provided Kaiser Permanente–contracted pharmacies access to their online claims system to adjudicate claims for our POS, PPO, and Out-of-Area expansion members.

Member

Individual who is eligible to receive medical services and benefits, is enrolled under *Evidence of Coverage*, and for whom we have received applicable dues.

GLOSSARY (continued)

Membership

The enrollment of a subscriber and/or dependents within an employer enrollment unit. Membership is a contractual agreement between an employer, a subscriber, and Health Plan.

Membership charges

The amount of dues that a contracting customer or subscriber pays for health plan coverage and benefits for subscribers and dependents.

Noncovered subscriber

A subscriber who does not receive the benefits associated with a contract option but whose dependents do receive these benefits. Example: John Sailor is a merchant seaman. Since he is at sea, he does not receive benefits under his contract. However, his family is covered under his contract if his contract permits noncovered subscribers.