Understanding Medicare

Presented by Debra Smith

Overview

- Introduction to Medicare
- Original Medicare
- Medicare Supplement Insurance (Medigap)
- Medicare Prescription Drug Coverage
- Coordination of Benefits
- Medicare Advantage and other plans
- Medicare Beneficiary Rights and Protections

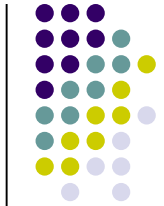
What Is Medicare?

- A national health insurance program for
  - People 65 years of age and older
  - People under age 65 with certain disabilities
  - People with End-Stage Renal Disease (ESRD)
- Administered by Centers for Medicare & Medicaid Services (CMS)
- Enrollment by Social Security Administration (SSA) or Railroad Retirement Board (RRB)

What is Medicaid?

- A state health insurance program based on **Financial Need**
- Funded by both the State and Federal Governments
- Administered by the State
- Eligibility determined by the State
- Payer of Last Resort

Dual Eligible



- A person who has **both** Medicare & **Medicaid** is a dual eligible.
- A person who has Medicare & a **Medicare Savings Program (MSP)** is also dually eligible.
- This person may be eligible for extra help with Medicare out-of pocket expenses.
- Such as Part B deductible, Part B premium.

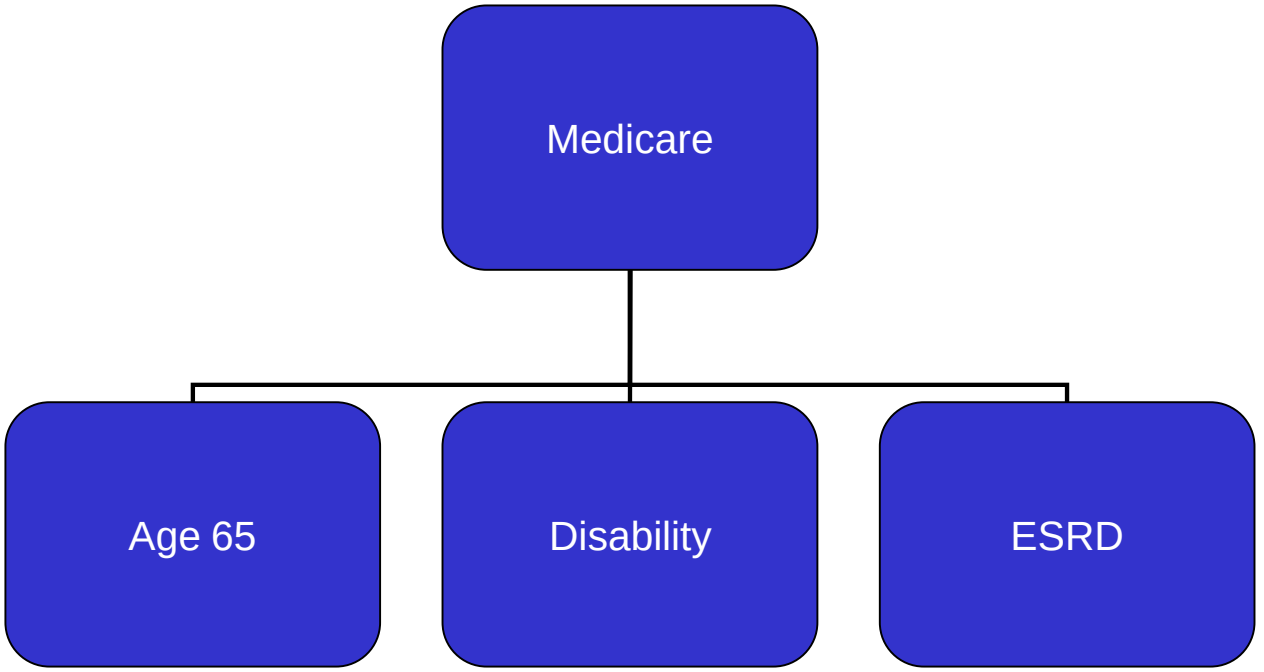
THE DOORS to Medicare

- Enter the Medicare program BECAUSE:
  - OF Age
  - OF Disability
  - OF End-Stage Renal Disease (ESRD)

ONCE IN THE PROGRAM-

YOU GET THE SAME BENEFITS

Doors to Medicare



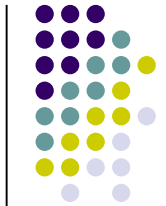
Door to Medicare – AGE 65

- Apply 3 months before age 65
  - Don’t have to be retired
  - Contact the Social Security Administration
- Enrollment automatic if receiving Social Security or Railroad Retirement benefits

Door to Medicare – Disability

- Automatic enrollment based on receipt of disability checks
- Medicare begins 24 months after start of disability checks
- Exception- People suffering from ALS

Door to Medicare – ESRD



- **Medicare Begins-**

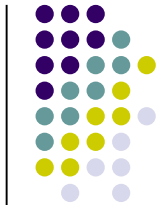
3 Months after the Month Physician Certifies Diagnosis

- **<u>Three Month Waiting Period</u> Waived if-**
  - Enter hospital for kidney transplant
  - Begin home training before 4th month of dialysis

FORMS to Complete- Medical Evidence

(2728 Form) & Application-(HCFA-43)

Medicare Model



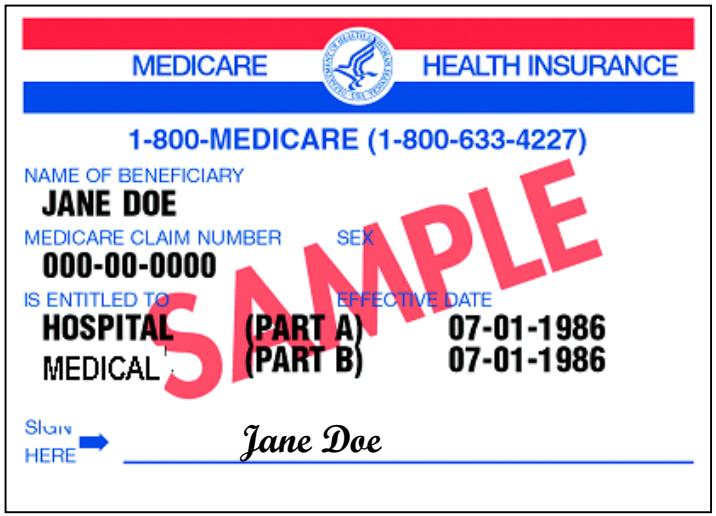
- Based on SSA of 1965
  Original Medicare aka Fee for Service
  - 3 parts
    - A – Hospital Coverage
    - B – Medical Coverage
    - D – Prescription Drug Coverage (effective 2006)

    ← 1972 SSA Amendments- Add Disability & ESRD Populations

    BBA of 1997 created combo known
    Part C – Medicare Plus Choice

    MMA 2003 re-named Part C
    - Medicare Advantage Plans and
    - Other Medicare Plans

The Card USED With Original Medicare



Original Medicare – "Fee for Service"

- Go to any provider that accepts Medicare
- Contractors process Medicare Fee for Service claims

  MACs, DMACs, Specialty MACs

Part A Hospital Coverage

- Helps cover
  - Inpatient care in hospitals
  - Inpatient care in skilled nursing facilities
  - Hospice care services
  - Home health services

Cost of Part A - Age 65

- Most people receive Part A premium free (Pay FICA taxes while working)
- People with less than 10 years of Medicare-covered employment
  - Can still get Part A
    - Will pay a premium
    - 30-39 quarters - $244.00/month
    - Under 30/quarters - $443.00/month

Cost of Part A - Disability & ESRD

- People will receive Part A premium free.

For information about Part A entitlement

- Call SSA-1-800-772-1213
  - TTY users call 1-800-325-0778

Cost of Services under Part A

- Each Benefit Period Starts with Hospital Stay
  - $1,068 (2009) deductible
  - 1-60- no additional payment
  - Additional costs after 60 days in hospital
  - Go to Skilled Nursing Facility (SNF) (within 30 days from a covered hospital stay)
  - 1-20 days- no additional payment
  - 21-100 days- additional costs in SNF
  - To initiate New Benefit Period- Must be out of inpatient setting for 60 days or more

Part B – Medical Coverage

- Helps cover medically necessary services:
  - Doctors- includes office & hospital services
  - Outpatient care- includes therapies, emergency room, dialysis
  - Preventive services –includes vaccines
  - Part B drugs- immunosuppressive therapy, cancer

Cost of Medicare Part B

- In 2009
  - $135 annual deductible
  - 20% coinsurance for most Part B services
- Pay monthly Part B premium
  - $96.40 in 2009- based on taxable income
  - Above $85,000 in 2009 pay more
  - Take out of benefit check, or
  - Receive quarterly billing notices, or
  - Medicare Easy Pay

Part B Enrollment Periods

- Initial Enrollment Period (IEP)
  - 7 months starting 3 months before month of eligibility
  - When enroll, effects Part B effective date-
- General Enrollment Period (GEP)
  - January 1 through March 31 each year
  - Coverage effective July 1
  - Premium penalty
    - 10% for each 12-month period eligible but not enrolled
    - Paid for as long as the person has Part B
    - Limited exceptions

Enrolling in Medicare Part B

- Some people can delay enrolling in Part B with no penalty
  - If covered under employer or union group health plan
    - Based on current employment
      - Person or spouse
    - Will get a Special Enrollment Period (SEP)
      - Sign up within 8 months after coverage ends
      - -Not applicable if eligibility based on renal condition

Cost of Services under Part B

- Vary according to the type of service

  No cost-

  - cardiovascular screening

  Pay coinsurance (20% of Medicare-approved amount)-

  Abdominal aortic aneurysm screening

  Pay coinsurance and Part B deductible applies-

  occupational therapy, surgical dressings, outpatient dialysis treatments

Medigap- TO HELP WITH OUT- OF- POCKET EXPENSES

- Health insurance policy
  - Sold by private insurance companies
  - Must say “Medicare Supplement Insurance”
  - Covers “gaps” in **Original Medicare**
    - Deductibles, coinsurance, copayments
    - Does not work with Medicare Advantage Plans
  - Up to 12 standardized plans A – L
  - NY & NJ require companies to offer Medigap to people with Medicare under 65.

How Medigap Works

- When can beneficiaries buy a Medigap policy?
  - Within 6 months of enrolling in Part B
  - If they lose certain kinds of health coverage
    - Through no fault of their own
  - If they leave MA Plan under certain circumstances
  - Whenever the company will sell them one
- Monthly premium
- Generally go to any doctor or specialist

Prescription Drug Coverage Part D

- Coverage began January 1, 2006
- Prior to 2006, limited Part B coverage
- Available to all people with Medicare
- Provided through
  - Medicare Prescription Drug Plans (PDPs)
  - Medicare Advantage and other Medicare plans- (MA-PDs)
  - Some employers and unions

Prescription Drug Plans

- At a minimum, must offer standard benefit
  - In 2009 members may pay
    - Monthly premiums
    - Annual deductible, no more than $295
    - Copayments or coinsurance
    - Very little after $4,350 out-of-pocket
- May offer supplemental benefits
- Plan information and costs available
  - www.medicare.gov
  - 1-800-MEDICARE (1-800-633-4227)

Drug Plan Coverage

- Plans …….
  - May **not** cover all Medicare covered drugs
  - Must ensure enrollees can get drugs they need for their conditions
  - Must include more than one drug in each classification
  - Must pay for brand-name as well as generic drugs
    - Choosing generics can save money
  - May have rules for managing access- such as Formularies, Tiers, Quantity Limits, Step Therapy
    - Formularies- Plans' lists of covered drugs
    - Tiers- Different cost levels

Drugs Not Covered by Part D

- Drugs excluded by law
- Non-prescription drugs
- Drugs that are covered for a person under Medicare Part A or Part B

Enrollment Periods

- Initial Enrollment Period (IEP)
  - 7 months
    - Starts 3 months before month of eligibility
- Annual Coordinated Election Period (AEP)
  - November 15 through December 31 each year
  - Can join, drop, or switch coverage
    - Effective January 1 of following year
- Special Enrollment Period (SEP)

Late Enrollment

- People who wait to enroll may pay penalty
  - Additional 1% of national base premium for every month eligible but not enrolled
  - Must pay the penalty as long as enrolled in a Medicare drug plan
- Unless they have other coverage at least as good as Medicare drug coverage
  - “Creditable coverage”
  - Eligible for Low Income Subsidy (LIS)

Extra Help With Drug Costs

- People with lowest income and resources
  - Pay no premiums or deductibles
  - Have small or no copayments
- Those with slightly higher income and resources
  - Pay no or a reduced premium
  - Have a reduced deductible
  - Pay a little more out of pocket
- State Pharmaceutical Programs-
  - EPIC, PAAD, Senior Gold
  - **Wrap- Around Part D**

Eligibility for LIS
Low Income Subsidy

- Some people may automatically qualify (**deemed**)
  - People with Medicare who
    - Get full Medicaid benefits
    - Get Supplemental Security Income (SSI)
    - Get help from Medicaid paying Medicare premiums - (Medicare Savings Programs)
- Others must apply and qualify- **Through SSA**

Coordination of Benefits – COB

- Determining who pays primary
- Medicare or EGHP
- Original Medicare or Medicare Advantage
- Tracking true out-of-pocket drug costs- (TrOOP)
- COB Contractors
- Group Health Incorporated (GHI)- centralizes COB for MSP- 1-800-999-1118
- RelayHealth (Per-Se) Tracks TrOOP - Part D

What is MSP?

- Medicare Secondary Payer (MSP) Legislation passed in 1980
- Prior to 1980, Medicare usually paid primary
- Certain insurance pays health bills (including drugs) **before** Medicare
- Medicare primary if no other insurance

When Medicare is Primary-Overview

- Medicare is the **only** insurance
- Other source of coverage is
  - Medigap policy
  - Medicaid
  - **Retiree benefits**
  - Indian Health Service
  - **Veterans benefits and TRICARE for Life**
  - **COBRA continuation coverage**
    - Except 30-month coordination period for people with End-Stage Renal Disease (ESRD)

When Medicare is Secondary-Overview

- To employer group health plans (EGHP)
  - Working aged: EGHP with 20 or more employees
  - Disability: EGHP with 100 or more employees
  - ESRD: EGHP of any size
    - 30-month coordination period
- To non-EGHP involving (may make conditional payments)
  - Workers' Compensation (WC)
  - Black Lung Program
  - No-fault/liability insurance

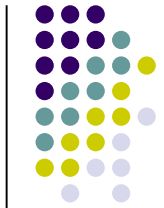
Choice of Delivery

- How you receive your Medicare Benefits
  (Parts A, B and D)
- Original Fee-for Service
- PART C
  -Medicare Advantage Plans
  -Other Medicare Plans

Alternatives to Original Medicare Part C

- Medicare Advantage (MA) Plans-
- Health Maintenance Organization (HMO)
- Preferred Provider Organization (PPO)
- Private Fee-for- Service (PFFS)
- Special Needs Plan (SNP)
- Medicare Savings Accounts (MSA)
- Medicare Costs Plans
- Demonstrations/Pilots
- Programs of All Inclusive Care for the Elderly (PACE)

Eligibility for MA Plans



- Live in plan's service area
- Entitled to Medicare Part A
- Enrolled in Medicare Part B
  - Continue to pay Part B premium
  - May also pay monthly premium to plan
- Don't have ESRD at enrollment
  - Some exceptions such as SNP
  - Already in plan

How MA Plans Work

- Usually get all Part A and B services through plan
  - May have to use providers in plan's network
  - Generally must still pay Part B premium
- May get extra benefits
  - Vision, hearing, dental services
  - Prescription drug coverage
- Still in Medicare program
  - Get all Part A and Part B services
  - **Have Medicare rights and protections**
  - CMS pays per month per patient for Medicare benefits

Medicare Patients' Rights & Protections

- The **patient** has guaranteed rights in:
  - Original Medicare
  - Medicare Advantage
  - Medicare Prescription Drug
- These Rights:
  - Protect the patient when he/she gets health care
  - Make sure he/she gets the health care services the law says he/she can get
  - Protects he/she against unethical practices
  - Protects his/her privacy

Patient Has the Right to:

- Be treated with dignity and respect
- Be protected from discrimination
- Get information he/she can understand
- Get answers to Medicare questions
- Get culturally competent services
- Get emergency care-
  - When patient needs it
  - Where the patient needs it

Patient Rights Cont'd

- Learn about treatment choices-In clear understandable language
- Have personal information kept private
- Know your privacy rights
- **File a complaint (appeals and grievances)**

Appeals

- Person can file an appeal if he/she believes:
  - Medicare should have paid, but didn't
  - Medicare didn't pay enough
  - He/she was denied a needed service/drug
    - In a Medicare Advantage Plan/Prescription Drug Plan
- Required Notices
  - After every -
    - adverse coverage or payment determination
    - Adverse appeal determination
  - Include information on next appeal level
  - Include specific instructions

Appeal Levels

- Redetermination (Review by contractor or plan which made initial determination)
- Reconsideration- Independent review entity (QIC or IRE)
- Administrative Law Judge
- Medicare Appeals Council- (MAC)
- U.S. District Court Review

Grievances

- Complaints of **dissatisfaction** with:
  - Provider's operations
  - Health or drug plan's operations
  - EXAMPLES-
  - Problems with waiting time for appointments
  - Cleanliness or condition of provider site
  - Quality of care issue
- To resolve:
  - File complaint with Quality Improvement Organization
  - File complaint with Plan

For More Information

- 1-800-MEDICARE (1-800-633-4227)
  - TTY users call 1-877-486-2048
- www.medicare.gov
- www.cms.hhs.gov
- *Medicare & You* handbook- annual update
- State Health Insurance Assistance Program (SHIP)- (current # at the back of Handbook)
- Other CMS Publications- such as
  - *Medicare and Other Health Benefits: Your Guide to Who Pays First*
  - *Your Medicare Rights and Protections*

Thank you!

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