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

Medicare

Age 65
Disability
ESRD
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

- **Three Month Waiting Period 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

MEDICARE HEALTH INSURANCE

1-800-MEDICARE (1-800-633-4227)

NAME OF BENEFICIARY
JANE DOE

MEDICARE CLAIM NUMBER
000-00-0000

IS ENTITLED TO
HOSPITAL (PART A) 07-01-1986
MEDICAL (PART B) 07-01-1986

Sample
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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