

What is Medicare? Parts A&B

Presented by Debra Smith

Overview



- Introduction to Medicare
- Original Medicare- Parts A and B
- Provider Agreements Assignment, Non-Assignment and Opt Out Providers
- Medicare Supplement Insurance (Medigap)

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/Eligibility Determined by Social Security Administration (SSA) or Railroad Retirement Board (RRB)





- A state health insurance program based on Financial Need
- Funded by both the State and Federal Governments
- Administered by each State
- Eligibility determined by each State





- Someone who has both Medicare and Medicaid is a <u>dual eligible beneficiary</u>.
- Someone who has Medicare and a Medicare Savings Program is <u>also called dually eligible</u>.
 - QMB, SLMB, QI, QDWI programs
 - Eligible for Part D Extra Help
 - Eligible for extra help with other Medicare out-of pocket expenses also.
 - QMB-Part A & Part B deductible, the Part B premium.
 - SLMB/QI- Part B premium
 - QDWI- Part A premium





- A person can be enrolled in Medicare if:
 - Age (65 & older) , or
 - Eligible to Disability Benefits, or
 - Has End-Stage Renal Disease (ESRD)
 - Stage 5 of Chronic Kidney Disease

Once someone is enrolled in Medicare, they are entitled to <u>all</u> the benefits in Medicare

Entering the Door to Medicare-Because of Age 65



- Apply 3 months before age 65
 - Don't have to be retired (based on quarters of coverage- 4 quarters a year)
 - Contact the Social Security Administration
- Enrollment automatic if already receiving Social Security or Railroad Retirement benefits

Entering the Door to Medicare- Because of Disability



- Automatic enrollment based on receipt of disability checks (disability determined by Social Security or Railroad Retirement)
- Medicare begins 24 months after start of disability cash checks
- Exception- People suffering from ALS

Entering the Door to Medicare- Because of ESRD



- Administrative Waiting Period-Medicare begins 3 Months after the Month Physician Certifies Diagnosis - (Use of Form- CMS-2728)
- Waiting Period Waived if-
- Enter hospital for kidney transplant
- Enter hospital for work-up for kidney transplant & transplant occurs within the next two months
- Begin home training before 4th month of dialysis with an expectation of completing training
- Entitled to a new period of entitlement after a failed kidney transplant

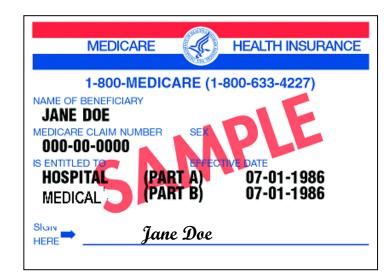




- Social Security Act of 1965-
 - 65 & older population
 - "Fee for Service" Program
- 1972 SSA Amendments
 - Disability and ESRD Populations added
- Medicare has 3 basic parts
 - A- Hospital Coverage
 - B- Medical Coverage
 - D- Prescription Drug Coverage (2006 legislation)

The Card USED With Original Medicare









- Go to any provider that accepts Medicare
- Special Contractors process Medicare "Fee for Service" claims
 - MAC (Part A & B claims)- National Government Services (NGS) in New York
 - DMAC (durable medical equipment claims) –
 National Heritage Insurance Company (NHIC) in New York





- Helps cover:
 - Inpatient care in hospitals
 - Inpatient care in skilled nursing facilities
 - Hospice care services (at-home & in-facility)
 - Home Health care services

What do you pay to get Part A Age 65 and older group?



- 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 \$254.00/month
 - Under 30/quarters \$461.00/month

What do you pay for Part A if you are eligible because Receiving Disability Benefits or Suffer from ESRD?



 If eligible to Medicare under Disability or ESRD Provisions- Part A is premium free.

For more information about Part A entitlement under these provisions-

- Contact SSA (1-800-772-1213)
 - TTY users call 1-800-325-0778
- Railroad Retirement Board

Cost of Services under Part A



- Each benefit period starts with a 3 day (day of discharge not counted) hospital stay
 - \$1,100 deductible (2010)
 - 1-60 days no additional cost
 - 61-90 days- \$275 per day/ Lifetime Reserve Days
 - Go to Skilled Nursing Facility (SNF) within 30 days from a covered hospital stay
 - 1-20- no additional costs
 - 21-100 days- \$137.50 per day (2010)

Benefit Period ends if not an inpatient for 60 days

Part B Medical Coverage

- Helps cover medically necessary services by
 - Physicians and other medical personnel
- Outpatient care- such as therapies, emergency care, dialysis treatments
- Preventive services- such as vaccines (Flu, Pneumococcal), colonoscopy, pap smear
- Part B drugs- immunosuppressive drug therapy, cancer drugs
- Durable Medical Equipment

Cost of Part B for All Medicare Groups



- Pay monthly Part B premium
 - \$110.50 in 2010- based on taxable income
 - Hold Harmless Provision (73% affected)
 - Above \$85,000 in 2010 pay more
 - Take out of benefit check, or
 - Receive quarterly billing notices, or
 - Medicare Easy Pay





- 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



- Usually annual deductible (\$155) and 20% coinsurance such as
 - occupational therapy, Hepatitis B vaccine, dialysis
 - Outpatient mental health (45% coinsurance)
- Some services have no cost such as
 - Cardiovascular screening, flu and pneumococcal
- Some services just coinsurance such as
 - Abdominal aortic aneurysm screening

Medicare Limits on Therapy Services (Pub. #10988)



- Outpatient services (excludes hospital outpatient and emergency rooms)
 - physical therapy, speech language pathology and occupational therapy

Limits for 2010-

\$1,860 for physical and speech language pathology

\$1,860 for occupational therapy

Exception requests must be documented to reflect continuing need

22

Durable Medical Equipment & Other Devices Coverage (#11045)



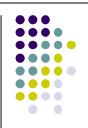
- Durable Medical Equipment (reusable medical equipment) such as:
 - Walkers, wheelchairs, hospital beds
 - Patient lifts, suction pumps, crutches
- Prosthetic and Orthotic items (replace or support body part) such as:
 - Artificial limbs, artificial eyes, therapeutic shoes
- Corrective Lenses such as:
 Cataract glasses, Intraocular lenses

Coverage for Mental Health Services (#10184)



- Health professionals such as-
 - psychiatrist, clinical psychologist, clinical social worker, nurse practitioner, physician's assistant
- Services for Diagnosis of Condition- 20% coinsurance
- Services for Outpatient Treatment- 45% coinsurance
 - 2010-2014- 45% to 20% coinsurance
- Coverage of Partial Hospitalization

Participating Providers



- Assignment
 - Agreement to accept Medicare allowance as full payment on claim
 - Beneficiary responsible for deductible and coinsurance
- Participating Providers
 - Accept Medicare assignment on <u>all</u> claims for <u>all</u> people with Medicare
- www.medicare.gov (or 1-800-MEDICARE) to find participating providers



- Assignment option for each claim
- Limiting charge for non-assigned claims
- Federal/national limit/cap (115%)
 - NYS limit/cap (105%)-
 - 5% over Medicare approved amount
 - Exceptions (home and office doctor visits)- 115%
- www.medicare.gov (or 1-800-MEDICARE) to find non-participating providers

Mandatory Assignment



- Most Non-Physician Practitioners such as
 - Clinical Psychologist, Certified Social Worker
 - Registered Dietitian, Physician Assistant, Nurse Practitioner
- Certain Services
 - Lab Tests
 - Drugs Administered in Physician Office
- Dual-eligible and QMB
 - No "balance billing" of beneficiary allowed

Opt-Out Providers



- Provider "opts out" of Medicare program
 - Cannot bill Medicare for two years
- Private Contract signed by provider and beneficiary
- Beneficiary pays full provider charge
- Medicare does not pay for the services at all
- Does not apply to emergency care
- Some providers <u>not</u> allowed to opt out of Medicare such as:
 - Chiropractors, Physical and Occupational Therapists

What is Medigap?



- Health insurance policy
 - Sold by private insurance companies
 - Must say "Medicare Supplement Insurance"
 - Covers "gaps" in <u>Original Medicare</u>
 - Such as- Deductibles, coinsurance, copayments
 - Does not work with Medicare Advantage Plans
 - Up to 12 standardized plans A L
 - NY & NJ Medigap available to people under 65.
 - 2010 Changes- effective 6/1/2010 Pub. #02110

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
 - In NYS there is an on-going open period
- Monthly premium
- Generally go to any doctor or specialist

For More Information



- 1-800-MEDICARE (1-800-633-4227)
 - TTY users call 1-877-486-2048
- www.medicare.gov
- www.cms.hhs.gov
- State Health Insurance Assistance Program (SHIP) – For counseling- 1-800-701-0501 (NY)
- Medicare & You handbook (updated annually)
- Other Publications- www.medicare.gov
 - Who Pays First, Medigap Plans, Diabetes Coverage and Supplies, Skilled Nursing Care, Hospice Care, Mental Health Benefits