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)
What is Medicaid?

- 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
Dual Eligible

- Someone who has **both** Medicare and Medicaid is a **dual eligible beneficiary**.

- Someone who has Medicare and a Medicare Savings Program is **also called dually eligible**.
  - 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
The Doors to Medicare

• 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 all 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 4\textsuperscript{th} month of dialysis with an expectation of completing training
  - Entitled to a new period of entitlement after a failed kidney transplant
“Original” Medicare Model

- 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

![Sample Medicare Card]

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

Signature
Jane Doe

[Signature Here]
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
Part A Hospital Coverage

• 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
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

- 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
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 all claims for all people with Medicare

• www.medicare.gov (or 1-800-MEDICARE) to find participating providers
Non-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 not 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 **Original Medicare**
    - 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