

Medicare A, B, & C

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What is Medicare?

- A national health insurance program established in 1965.
- Unlike MassHealth, Medicare looks and acts like private insurance: a Medicare beneficiary may pay premiums, deductibles, copayments, and coinsurance
- Medicare is administered by the Center for Medicare and Medicaid Services (CMS) under the Secretary of Health and Human Services
- In order for Medicare to pay a share of the cost of a medical service or equipment, it must be “reasonable and necessary for the diagnosis of an illness or injury or to improve the functioning of a malformed member.” In recent years, Medicare has begun to offer preventative services.

Who is eligible for Medicare?

- People in the U.S. who are **age 65 or older**, have worked and paid into Medicare for ten years (40 quarters) or are able to buy into Medicare, and who meet the immigration requirements. Legal permanent resident/legally present with 5 years continuous U.S. residence
- People in the U.S. **under 65 with disabilities**:
 - Coverage begins with the 25th month of receiving Social Security Disability (SSDI) benefits
 - **Except**: immediate coverage for people with ALS (amyotrophic lateral sclerosis)
- People who have End Stage Renal Disease (ESRD), advanced kidney disease requiring kidney replacement or dialysis

How many millions of people does Medicare insure?

- Nationally, Medicare insures almost **60 million people, 42.8 million** of whom are age 65 and older
- In Massachusetts, Medicare insures **1,042, 302**.

The Language of Medicare

- “Part A” designates inpatient coverage (hospitalizations, nursing homes stays, hospice care, home health services).
- “Part B” designates coverage for outpatient treatment (physician visits, ambulance transport, screenings, preventive treatment, etc.)
- Parts A and B together comprise “**Original Medicare**” or “**Fee for Service**” meaning providers are paid per service, beneficiary may choose providers, effective through out U.S.

More Medicare Terms

- “Part C” designates **private health plans**, approved by Medicare, which largely offer services through **managed care**. Part C plans are also known as **Medicare Advantage Plans** and often include prescription drug coverage.
- “Part D” is Medicare’s outpatient prescription drug program and how beneficiaries secure most of their medication coverage outside the hospital. Like Part C plans, they have private sponsors approved by Medicare.
- To “talk Medicare”, find out what kind of Medicare a person is on, whether their prescription plan is free standing or part of a Medicare Advantage plan, when coverage is effective, as it effects coverage, appeals, where to go for information.

Enrollment

- One of the differences among the Medicare Parts, is how and when to enroll. Medicare has rigid time frames for enrolling and imposes penalties if you do not abide. For some, enrollment is simple because it's automatic.
- An individual is **automatically** enrolled in Original Medicare A and deemed enrolled in Part B* if:
 - He/she is age 65 **and** receiving Social Security Retirement cash benefits (or Railroad Retirement Benefits)
 - If Medicare eligibility is based on **disability** or **End Stage Renal Disease**

* A person may **decline Part B** but unless otherwise insured through Employer Group Health Plan/spouse, they do so at risk of penalties.

Original Medicare: **when** to enroll?

- Initial Enrollment Period – 7 months
 - Month of your 65th birthday
 - Three months before
 - Three months after
- General Enrollment
 - January through March each year
 - Effective July of same year

Original Medicare Part A

- Premium-**Free** Part A

- At 65

If you or your spouse (current or former) worked for at least 10 years (40 quarters) and paid into Medicare.

If you are eligible for Social Security Retirement Benefits (or Railroad Retirement benefits)

If you or spouse had Medicare-covered government employment

- Under 65: Those who received SSDI for 24 months, have ALS or End Stage Renal Disease

Original Medicare Part A Costs (2019)

- **If not eligible for premium-free Part A, must pay the following premiums for Part A:**

- \$437 monthly if you paid Medicare taxes for less than 30 quarters

- \$240 monthly if you paid Medicare taxes for 30-39 quarters

- **What is Part A cost sharing:** Part A will pay a portion of the Medicare approved cost for up to 150 days in a hospital or skilled nursing facility per **benefit period**. A benefit period begins the day, the individual is admitted to the facility and ends when the person has not received that level of care for 60 days. At that point, a new benefits period begins.

Original Part A Coverage (2019)

- **Hospital care:** pay deductible of \$1,364 per benefit period; days 1-60: \$0; days 61-90, pay \$341 a day; “lifetime reserve days”, 91-150, pay \$682 a day; then pay all costs
- **Skilled Nursing Facility:** if receiving skilled care, days 1-20:\$0; days 21-100, \$170.50 per day; after day 100, patient pays full cost (unless . . .)
- **Hospice:** \$0 for hospice care; small miscellaneous costs
- **Home Health Care:** \$0 for home health services; 20% of Medicare approved amount for durable medical equipment

Original Medicare: Part B Costs in 2019

- Annual Part B deductible: \$185
- Standard Part B premium is \$135.50 (or higher depending on income).
- Your **modified adjusted gross income** reported on your IRS
- from two years ago is below \$85,000
- You enroll in Part B for the first time in 2019.

Plus, if applicable, penalties for late enrollment.

Part B Late Enrollment Penalties

Persons who do not enroll in Medicare Part B by their 65th birthday, are subjected to a premium penalty of 10% (of the national figure: \$135.50 in 2019) for each 12 month the could have enrolled but did not, **unless** they qualify for “special enrollment” (SEP).

For those 65 and up, penalty lasts a “life time”, as long as person is enrolled in Medicare; for those under 65, penalty is cleared at age 65.

If individual must enroll during the General Enrollment Period, benefits do not become effective until July. May incur delayed onset date.

Part B Special Enrollment and Equitable Relief

If individual and/or spouse is insured through an employer’s large group health plan **based on active work** (**COBRA** does not apply), may enroll without penalty up to 8 months after active employment ceases.

EQUITABLE RELIEF: if beneficiary can prove that failure to enroll timely was due to misinformation or lack of information from a federal government employee or agency, penalties and delayed effective date may be corrected.

Original Medicare Part B

- Medicare Part B pays 80% of the **Medicare approved rate** for:
 - Physician services, tests, ambulance transportation, most home health aid
 - Durable Medical Equipment for use in the home: oxygen, wheel chairs, scooters, walkers, hospital beds, prosthetic and orthotic equipment

See pages 35-59 of *Medicare and You 2019* for more.

Original Medicare Part B: Preventive Services

- Bone mass measurement
- Screenings: cardiovascular, colorectal cancer, diabetes, mammography and prostate cancer, pap smears and pelvic exams
- Injections: flu, pneumonia and hepatitis b
- Initial preventive physical exam
- Medical nutrition therapy
- Smoking and tobacco use sensation
- See pages 35-59 of *Medicare and You 2019*

Help with Original Medicare Costs: Medicare Savings Plan

- Known in Massachusetts as MassHealth Buy-In or Senior Buy-In. 130 CMR 450.105(C) and (D); 130 CMR 519.010, 519.011. Also, known as QMB, SLMB, and QI.
- Income and/or asset limits higher than for full MassHealth
- Asset limit up to \$7,560 for an individual and \$11,340 for a married couple who live together;
- Income limit as high as 135% of the Federal Poverty Level for individual and for a married couple. Depending on income MassHealth will pay premiums, co-payments, deductibles, and enrollment penalties. Please see QMB flyer.
- No estate recovery.

More Help with Original Medicare Costs: Supplements

- Medicare is expensive: premiums, co-pays, co-insurance, deductibles and services that are not covered. Some out of pocket costs under Original A and B can be covered by:
 - MassHealth
 - Health Safety Net
 - Medigap insurance
 - Employment based coverage: retiree coverage or coverage through active work

More Help with Medicare Costs: Medigap Plans

- Medigap plans are private insurance plans that supplement Original Part A and B coverage out of pocket costs
- After December 31, 2005, no new Medigap policies could cover prescription drug coverage. However, if enrolled effective January 6, they are grandfathered.
- In Massachusetts, many Medigap plans are offered, but two basic kinds: Core Plan and Supplement 1 Plans. Please see “Medigap in Massachusetts” flyer in materials.

Medicare Part C / Medicare Advantage

- Plans under terms and conditions of **private managed care plan**.
- In addition to Part A or Part B premium, may charge an additional **premium**.
- Out of pocket costs vary by plan, but must be **actuarial equivalent of Medicare fee for service**
- No need for Medigap; illegal to sell duplicative policies.
- **Must** be enrolled in Parts A and B
- Unavailable if Medicare eligibility is based on End Stage Renal Disease.

Choices Among Medicare Part C Plans

- Coordinated Care Plans: Medicare Advantage Plans, including:
- Health Maintenance Organizations (HMOs) with or without a Point of Service
- Special Needs Plans
- Preferred Provider Organizations
- Provider Sponsored Organization
- Private Fee for Service (PFFS)
- Medical Savings Account

Medicare Part C or Medicare Advantage Plans: More

- May require staying in **network**
- May require referrals for **specialists**
- May require prior authorization
- Must provide all **Medicare rights and protections**
- Must cover **at least all regular Part A and Part B services provided in fee for service, but may also provide extra benefits**
- May provide dental benefits

Medicare Part C/Medicare Advantage Plans: Enrollment

- Initial and special enrollment periods: same as Original Medicare
- Annual election periods
 - October 15 – December 7
 - Coverage effective January 1
- Annual disenrollment period
 - January 1- February 14
 - Disenrollment effective 1st of month following receipt of disenrollment request
- Coordinate SEP available to enroll in prescription drug plan

Rights and Protections under Medicare Parts A, B, C, and D

- Parts A, B, C and D have multi-step administrative appeals which may extend to federal court if necessary
- Some similarities among the parts include:
 - **Expedited and Standard timing**
 - Specific time frames apply for filing and response

Appealable Events under Parts A, B, C and D

- Medicare denies a request for a health care service, supply or prescription
- Medicare denies payment for health care received
- Medicare stops covering service that beneficiary is receiving
- Medicare pays a different amount than beneficiary believes it should

Appeal Steps Original Parts A and B

- Initial determination by provider
- Redetermination by Medicare Contractor
Reconsideration by a Qualified Independent Contractor (QIC)
- Proceed to Administrative Law Judge but must meet amount in controversy (AIC) of \$160 in 2019; then to Medicare Appeals Council; then to Federal Court (AIC: \$1,630).

Appeal Steps under Part C

- Plan must provide written notice about how to appeal
- Redetermination by the plan
- Reconsideration by the plan
- If necessary proceed to ALJ (\$160 amount in controversy in 2019), Medicare Appeals Council and Federal Court (\$1,630 amount in controversy in 2019).

Appeal Steps under Part D

- Exception or Coverage Determination by plan sponsor
- Redetermination by plan sponsor
- Reconsideration by Independent Review Entity (IRE)
- [Then on to ALJ, Medicare Appeals Council and Federal Court, with same amounts in controversy]

Medicare issues

- “Observation Status”
- *Jimmo v. Sebelius*
- *Medicare and the Affordable Care Act*
- *Politics and Medicare: Will Medicare be significantly altered under the present Administration.*

Medicare Advocacy Project

- Free legal assistance from advice to full representation for Massachusetts Medicare beneficiaries on Medicare and Medicare related issues
- Offices at Greater Boston Legal Services, Community Legal Aid and South Coastal County Legal Services (please see brochure)
- Coverage issues: Part A: length and cost of hospital stay, length and cost of SNF stay, due process issues (Notice of Non-Coverage, Demand Bills; Part B: coverage of physician services, dural medical equipments, screenings, ambulance transportation, etc.; enrollment penalties; termination for non-payment

Medicare Law

- Social Security Act XVIII §801 et seq.
- 42 USC §1395 et. seq.
- 42 CFR §400 et. seq.
- Local Coverage Determinations
- National Coverage Determination
- Policy Manuals

Resources

- Center for Medicare Advocacy www.medicareadvocacy.org
- Center for Medicare and Medicaid Services www.medicare.gov
- Justice in Law Center (formerly NSCL) www.justiceinaging.org
- Kaiser Family foundation www.kff.org
- Mass. College of Pharmacy and Health Services (Mass. Medline) 866-633-1617
- MassHealth 800-841-2900
- **MEDICARE ADVOCACY PROJECT**
- *Medicare and You 2018, Massachusetts*
- Medicare Rights Center www.medicarerights.org
- Prescription Advantage 800-243-4636 press 1 / **SHINE** 800-243-4636, press 2