

## Slide 1

### CALIFORNIA HEALTH ADVOCATES

#### Overview of Medicare for People with Disabilities

*Presented by* Elaine Wong Eakin  
Executive Director

**This educational effort is supported by funds from The California Wellness Foundation and the California HealthCare Foundation.**

## Slide 2

### Our Focus

*California Health Advocates provides quality Medicare and related health care coverage information, education and policy advocacy.*

[www.cahealthadvocates.org](http://www.cahealthadvocates.org)

- **Policy** – Public policy research and recommendations for improved rights and protections, partner with national Medicare organizations based in Washington D.C.
- **Training** – Professionals and volunteers, vibrant web resources, newsletter and regional forums
- **Advocacy** – Bring the experience of Medicare beneficiaries to the public through media and educational campaigns with legislators and their staff at federal and state levels.

## Slide 3

### Our Projects

- **Senior Medicare Patrol**
  - *Empowering Seniors to Prevent Fraud*
- **Counseling Tools**
  - *Fact sheets*
  - *Comparison charts*
- **California Medicare Coalition**

- *Provides a forum for all who serve Medicare beneficiaries to get updates on Medicare and to improve education and outreach*

#### **Slide 4**

##### **Outline of today's topics:**

- The ABCD's of Medicare
- What Choices Do People Have to Make?
- Low income assistance programs for Medicare beneficiaries

#### **Slide 5**

##### **The ABCD's of Medicare**

- What is Medicare?
- Who is eligible for Medicare?
- What are the different parts of Medicare?

#### **Slide 6**

##### **What is Medicare?**

- Federal health care insurance program for
  - People 65 years and older
  - People younger than 65 years old with disabilities
  - People younger than 65 years old with end stage renal disease (ESRD)
- No income requirements to be eligible.

#### **Slide 7**

##### **What is Medicare?**

- Administered by the Centers for Medicare and Medicaid Services (CMS).

- Enrollment in Part A and Part B handled by the Social Security Administration (SSA).

## Slide 8

### Medicare card

Picture of Medicare Card

## Slide 9

### What is Medi-CAL?

- Medi-Cal is California's Medicaid
- State and federally funded health care program.
- To qualify, must meet resource requirements. Medi-Cal also considers applicant's income to determine which Medi-Cal program.
- Unlike Medicare, no age requirements. Medi-Cal programs for people with disabilities have disability requirements.
- Administered by the state Dept. of Health Care Services:  
<http://www.dhcs.ca.gov/services/medi-cal/Pages/default.aspx>

## Slide 10

### Who is eligible for Medicare?

- Person 65 years or older or
- **Person younger than 65 years old**
  - **has a disability and has been collecting Social Security disability insurance (SSDI) for at least 24 months,**
    - **Exception: ALS (amyotrophic lateral sclerosis), a.k.a. Lou Gehrig's disease, no waiting period; OR**
  - has kidney failure (end stage renal disease)

## Slide 11

### Waiting period

- Beneficiaries with Medicare due to disability
  - Nationwide 17%
  - California 14%, approx. 630,000
- Area of advocacy
  - Eliminate 24-month waiting period
- Education opportunity
  - Automatic enrollment sometimes does not happen – contact Social Security
  - Remind people to expect Medicare card

## Slide 12

### Dual entitlement

- Beneficiary who has Medicare due to disability turns 65 years old
- Beneficiary who aged into Medicare becomes disabled
- Disability + ESRD

## Slide 13

### What does Medicare cover and cost?

- Part A – Hospital Insurance
- Part B – Outpatient Medical Insurance
- Part C – Medicare Advantage plans
- Part D – Prescription Drug plans

**Slide 14**

**Thumbnail sketch of Medicare**

ORIGINAL MEDICARE

Part A-Hospital Insurance

Deductable \$1,100

PART B-Outpatient Medical Services

Premium \$110.50

Deductable \$155

Coinsurance 20 percent

Part C-Medicare Advantage Plans

Must have Parts A and B

MA-PD

MA-Only

HMO

PPO

PFFS

MSA

SNP

Part D- RX Drug Plans-Must have Part A OR B

Premium Deductable less than or equal to \$310 Cost Sharing

Initial coverage

Coverage gap

Catastrophic coverage

## Slide 15

### Medicare Part A Covers

Care must be medically reasonable and necessary-

- Inpatient Hospital Care
- Psychiatric Hospital Care
- Skilled Nursing Facility
- Home Health Care
  - intermittent skilled care prescribed by doctor
- Hospice
  - pain management program for terminally ill
- Blood (after the first 3 pints, received during hospital or SNF stay)

## Slide 16

### Medicare Part A Costs (2010)

- Monthly **PREMIUM** = \$0 initially
  - Person younger than 65 years old entitled to SSDI for 24 months
- **DEDUCTIBLE** = \$1,100 for first day of hospital stay
- **COST SHARING** (copayment or coinsurance)

## Slide 17

### Returning to Work and Part A Premium

“Will I lose Medicare coverage if I return to work?”

- Trial Work Period (9 months, need not be consecutive)

- Extended Period of Medicare Coverage (93 months)
- Purchase Part A (pay premium)

## **Slide 18**

### **Trial Work Period (TWP)**

- A trial work month is any month a SSDI recipient works and earns more than a certain amount (\$720 per month in 2010).
- TWP is any 9 months within a 60-month window.
  - The 9 months do not have to be consecutive.
- Recipient must continue to be disabled and receive SSDI
- Medicare coverage continues; no Part A premium; may buy Part B and/or Part D

## **Slide 19**

### **Extended Period of Medicare Coverage**

- After TWP, if individual loses SSDI due to work activity
- Individual continues to have disability
- Medicare coverage continues for another 93 months, depending on earnings
- No Part A premium; may buy Part B and/or Part D

## **Slide 20**

### **Purchase Part A**

- After Extended Period of Medicare Coverage (or exhausted premium-free Part A)
- Working individual continues to be disabled
- May purchase Part A (pay premium = \$461 per month in 2010)

May buy Part B and/or Part D

## Slide 21

### Medicare Part B Covers Outpatient Medical Services

Care must be medically reasonable and necessary.

*Examples of Part B services:*

- Physician visits
- Diagnostic tests
- Rehabilitation services
- Durable Medical Equipment
- Ambulance
- Mental health visits (limitation)
- Outpatient physical, occupational, speech therapy (limitation)

## Slide 22

### What Medicare Part B Does Not Cover

- Routine dental care
- Routine eye exams
- Routine hearing care
- Routine foot care (some foot care for people with diabetes)
- Acupuncture
- Cosmetic surgery
- Long term care, such as custodial care



## Slide 23

### Medicare Part B Premium CHA fact sheets A-003, A-005

- Medicare Part B is voluntary. If beneficiary wants Part B, must pay premium.
- Standard premium\* \$110.50
- “Hold harmless” provision applies to 73%\* of Medicare beneficiaries \$96.40
- Income-related premium if income greater than \$85,000 \$154.70 plus
- \* 27% are newly eligible Medicare beneficiaries, those who do not have Part B premium deducted from SS check, and those also eligible for Medicaid (state pays the Part B premium)

## Slide 24

### Late Enrollment Penalty

- Imposed when
  - Person is eligible
  - Does not have large group health coverage (LGHP)
  - Does not enroll in Medicare Part B
- Penalty is 10% for every 12-month period
- Resets when Medicare beneficiary with disability turns 65 years old

## Slide 25

### Medicare Part B Costs

- Annual **DEDUCTIBLE** = \$155 (2010)
- **COST SHARING** (copayment or coinsurance)
  - *Example:* For most Part B services, Medicare pays 80% of the Medicare-approved amount, and beneficiary pays 20% if beneficiary sees providers who accept assignment.

## Slide 26

### Thumbnail sketch of Medicare

#### Original Medicare

##### Part A

- Hospital Insurance
  - Deductible=\$1,100

##### Part B

- Outpatient Medical Services
  - Premium=\$110.50
  - Deductible=\$155
  - Coinsurance=20%

##### Part C

#### Medicare Advantage Plans Must have Parts A+B

- MA-PD
- MA-only
- HMO
- PPO
- PFFS
- MSA
- SNP

##### Part D

#### Rx Drug Plans Must have Part A or B

- Premium
- Deductible≤\$310
- Cost-sharing
- Initial coverage
- Coverage gap
- Catastrophic coverage

## Slide 27

### True or False?

Since Jan 1, 2006, Medicare has covered prescription drugs.

## Slide 28

### Medicare prescription drug coverage

- Medicare Modernization Act of 2003 created the prescription drug benefit for Medicare beneficiaries
- Effective January 1, 2006
- Insurance to cover
  - Most prescription drugs, both brand name and generic.
  - Biological products
  - Vaccines e.g. shingles
  - Insulin (Note: particular plans may not cover certain brands.)

## Slide 29

### Medicare prescription drug coverage

- Criteria for coverage:
  - Approved by the FDA
  - Sold/bought and used in the US
  - Used for a medically accepted indication
- Formulary = list of drugs covered by a plan.

## Slide 30

### Medicare prescription drug coverage

- Plans must cover at least 2 drugs in each category or class.
- Exception: In the following 6 categories, plans must cover “all or substantially all” drugs:
  - Antidepressant medications
  - Antipsychotic drug medications
  - Anticonvulsant medications
  - Anticancer
  - Immunosuppressant
  - Antiretroviral

## Slide 31

### Drugs NOT covered under Part D

- Agents used for weight loss or weight gain
- Agents used for cosmetic purposes or hair growth
- Drugs for symptomatic relief of cough and colds (exception to treat cough in asthma)
- Non-prescription, over-the-counter drugs, e.g. aspirin, colace
- Prescription vitamin and mineral products (exceptions)
- Barbiturates, but MIPPA 2013; PPACA 2014
- Benzodiazepines, but MIPPA 2013; PPACA 2014
- Agents used to promote fertility
- Agents used to treat sexual or erectile dysfunction

## Slide 32

### Medicare prescription drug coverage (cont.)

- Part D plans may choose to cover excluded drugs as supplemental benefits.
- To receive the benefit, Medicare beneficiaries must enroll in a stand alone prescription drug plan or a Medicare Advantage (Part C) plan with prescription drug coverage (MA-PD).

## Slide 33

### Myth or Fact?

By joining a Medicare Part D plan, I don't have to pay for prescription drugs.

## Slide 34

### Medicare Part D Costs 2010

#### (standard plan) CHA fact sheet D-001

- Total out-of-pocket (TrOOP) = \$4,550 (\$310 + \$630 + \$3,610) before reaching catastrophic coverage; minus \$250 rebate = \$4,300

### Drug Costs

#### Before meeting deductible

- Drug costs 0-\$310
- Benefit pays (TrOOP) 100 percent = \$310
- Plan pays 0 percent

#### Initial Coverage

- Drug costs \$310-\$2,830
- Benefit pays (TrOOP) 25 percent = \$630
- Plan pays 75 percent

#### Coverage Gap (donut hole)

- Drug costs \$2,830-\$6,440
- Benefit pays (TrOOP) 100 percent = \$3,610 minus \$250 rebate = \$3,360
- Plan pays 95 percent

#### Slide 35

#### Thumbnail sketch of Medicare

#### ORIGINAL MEDICARE

#### Part A-Hospital Insurance

Deductable \$1,100

#### PART B-Outpatient Medical Services

Premium \$110.50

Deductable \$155

Coinsurance 20 percent

#### Part C-Medicare Advantage Plans

Must have Parts A and B

MA-PD

**MA-Only**

**HMO**

**PPO**

**PFFS**

**MSA**

**SNP**

**Part D- RX Drug Plans-Must have Part A OR B**

**Premium Deductible less than or equal to \$310 Cost Sharing**

**Initial coverage**

**Coverage gap**

**Catastrophic coverage**

**Slide 36**

**What are Medicare Advantage Plans?**

- **Medicare Advantage plans are Medicare Part C.**
- **Medicare contracts with private companies to offer plans to Medicare beneficiaries.**
- **All MA plans include hospital (Part A) and medical (Part B) benefits.**
- **MA plans may cover prescription drugs**
  - **With Rx drug benefits = MA-PD plans.**
  - **Without Rx drug benefits = MA-only plans.**

**Slide 37**

**What are Medicare Advantage Plans?**

- **Joining a Medicare Advantage plan is OPTIONAL. When a beneficiary joins a Medicare Advantage plan, it becomes his/her Medicare or replaces Original Medicare.**
- **Beneficiary who joins a MA plan continues to pay the Part B premium AND the MA plan premium.**
- **Many MA plans offer additional benefits not covered in Original Medicare, such as dental and vision.**

## **Slide 38**

### **Types of Medicare Advantage Plans**

**HMO-Health Maintenance Organization**

**PPO- Preferred Provider Organization**

**PFFSA-Private Fee-For-Service**

**MSA- Medicaid Savings Account**

**SNP- Special Needs Plan**

- Dual SNP – For those dually eligible for Medicare and Medi-CAL
- Chronic SNP– For those who have severe or disabling chronic conditions
- Institutional SNP– For those residing in specified institutions.

## **Slide 39**

### **Dual Special Needs Plans**

- To join a D-SNP, must have Medicare and full Medi-Cal
- All SNPs must provide prescription drug coverage
- Enrollees must go to providers in the network

## **Slide 40**

### **Costs of joining a Medicare Advantage plan**

- Monthly Premiums range from \$0 to \$203. Enrollee pays this in addition to the Part B premium.
- Cost-sharing for most services.
- Deductible for regional PPO plan. Some MA-PD plans have annual deductible for drug benefit.
- Some plans have an annual out-of-pocket maximum

## **Slide 41**

### **What Choices Do People Have to Make?**

- Why would someone delay enrollment in Part B?
- “Must I join a Part D plan if I don’t take medications?”
- Join a Medicare Advantage plan or buy a Medigap policy?
- “If I’m dually eligible, must I join a SNP?”

## Slide 42

### Medicare Part B Choices

- To B or not to B for those with employer group health plan (GHP) based on active, current employment.
- Options:
- Delay enrollment in Part B
- Enroll in Part B and also employer GHP (Medicare is secondary)
- Enroll in Part B and decline employer GHP
- Employer GHP not the same as retiree health benefits or VA health care benefits.

## Slide 43

### Large Group Health Plan

- Employee or family member eligible for Medicare due to disability
- Employers with 100 or more employees
  - Must offer the same health coverage to Medicare-eligible employee or family member as to all other employees

## Slide 44

### Enrollment Periods for Parts A and B

- Initial Enrollment Period – 7 months surrounding month of eligibility
- General Enrollment Period – January 1 to March 31
- Special Enrollment Period for Part B – those who delay enrolling Part B b/c they have employer GHP

## Slide 45

### Part B Special Enrollment Period

- Enroll anytime before employer coverage ends or
- During Special Enrollment Period (SEP)
  - 8-month period begins the 1st day of 1st month after employment or group health plan coverage ends, whichever comes first.
- No late enrollment penalty in this situation if you enroll before employer coverage ends or during SEP.



## Slide 46

### Medicare Part D choices

- “Must I join a Part D plan if I don’t take medications?”
  - Optional, but late enrollment penalty (LEP)
- “What if I have other coverage?”
  - Is it “creditable” (as good as or better than the standard Part D plan)?
    - Considered creditable: VA Rx drug benefit, TriCare Rx drug benefit

## Slide 47

### Medicare Part D choices

- “What if I have other coverage?” (cont.)
  - If creditable, can delay enrollment in a Part D plan
    - LEP waived if enroll within 63 days of end of creditable coverage
  - If not creditable, join a Part D plan or pay LEP when join later.

## Slide 48

### Medicare Part D choices (cont.)

- “Which is the best Part D plan?”
- The higher the premium, the better the coverage.
- Go with an established company or known name.
- “My best friend, who also has Medicare, told me her plan is the best plan.”
- Any benchmark plan with no premium.

## Slide 49

### Things to consider in choosing a Part D plan

- Coverage
  - Formulary: Does this plan cover all or most of beneficiary’s medications?
  - Prior authorization
  - Quantity limit
  - Step therapy
- Costs
  - Premium
  - Deductible
  - Cost-sharing

- Convenience
  - Network pharmacies accessible?
  - Mail order pharmacy service available?

## **Slide 50**

### **Medicare Part D**

#### **Eligibility and Enrollment**

- Eligibility – Beneficiary must have Part A or Part B.
- Enrollment Periods
  1. Initial Election Period – 7 months for newly eligible beneficiaries.
  2. Annual Election Period – November 15 to December 31
  3. Special Enrollment Periods

## **Slide 51**

### **Medicare Part C choices**

- What's the advantage of Medicare Advantage (MA)?
- Which type of MA plan to choose: HMO, PPO, PFFS, or SNP?
- "If I'm dually eligible, must I join a SNP?"
- "If I join a SNP, must I also join a Part D plan?"

## **Slide 52**

### **Medicare Part C**

#### **Eligibility and Enrollment**

- Eligibility – Beneficiary must have both Parts A and B.
- Enrollment Periods
  1. Initial Coverage Election Period
  2. Annual Election Period – November 15 to December 31
  3. Annual Disenrollment Period – January 1 to February 14
  4. Special Enrollment Periods

## **Slide 53**

### **Ways to Supplement Medicare**

#### **Employment based**

- Large group health plan, active employee
- COBRA
- Retiree plans

### State or Federal based

- Tri-Care for Life
- VA Health Care Benefits
- Medi-CAL (Medical in California) and MSP's

### Individual

- Other individual health insurance
- **Medigap policies** (medicare supplement insurance)

### Slide 54

#### COBRA

- **The Consolidated Omnibus Budget Reconciliation Act of 1985**
- **Continuation of group health benefits**
  - **Employer has  $\geq 20$  employees**
  - **Qualifying event**
  - **Qualified beneficiary**
- **Fed COBRA allows coverage to continue 18 to 36 months depending on event**
  - **Individual pays 100% of premium plus 2% administration fee**

### Slide 55

#### COBRA (continue)

- **Qualifying event includes**
  - Work hours reduced
  - Lose, leave, or retire from job
  - Employee spouse dies or becomes eligible for Medicare
  - Separation or divorce
- **Qualified beneficiary includes**
  - Employee
  - Employee's spouse
  - Dependent child

## Slide 56

### CalCOBRA

- CalCOBRA applies to employers with 2 to 19 employees
  - Federal COBRA applies to larger employers
- CalCOBRA extends coverage to a total of 36 months
  - If individual gets only 18 months under federal COBRA, another 18 months under CalCOBRA

## Slide 57

### COBRA and Medicare

- If eligible for Medicare before becoming eligible for COBRA
  - Can have both Medicare and COBRA, but not Cal COBRA
  - Medicare pays first, COBRA pays second.
- If eligible for Medicare after becoming eligible for COBRA, COBRA usually ends.

## Slide 57

### Medigap

#### a.k.a Medicare supplement insurance

- Standardized in 1992
- Medigap = one of 10 standardized plans
- Plans currently sold (since June 1, 2010)
  - A, B, C, D, F, G, K, L, M and N

## Slide 58

### Medigap Basic Benefits

(since June 1, 2010)

- Medigap plans A-D, F and G have these basic benefits
- Hospital copayment
  - Days 61 to 90 = \$275/day
- Hospital copayment for lifetime reserve days
  - Days 91 to 150 = \$550/day

- 100% of costs for hospital care beyond 150 Medicare-covered days, up to 365 lifetime hospital days
- First 3 pints of blood
- Part B 20% coinsurance
- Cost sharing for hospice benefit New!
  - Drugs to manage pain and respite care
- Plan A has all and only these benefits.
- Every company selling Medigap policies must offer Plan A.

## Slide 60

### Medigap Plans A through G (since June 1, 2010)

- A-Basic Benefits
- B-Basic plus Part A deductible
- C-Basic, SNF Coinsurance, Part A deductible, Part B deductible, Foreign Travel Emergency
- D- Basic, SNF Coinsurance, Part A deductible, Foreign Travel Emergency
- F\*- Basic, SNF Coinsurance, Part A deductible, Part B deductible, Part B excess Charge 100 percent, Foreign Travel Emergency
- G- Basic, SNF Coinsurance, Part A deductible, Part B excess Charge 100 percent, Foreign Travel Emergency

## Slide 61

### Medigap Plans K and L

#### BENEFIT-

- **Annual out-of-pocket limit**
  - Plan K \$4,620
  - Plan L \$2,310
- **Part A copayments and hospital benefits**
  - Plan K- All copayments for Days 61-90 and reserve days, plus costs for 365 additional days.
  - All copayments for Days 61-90 and reserve days, plus costs for 365 additional days.
- **Part A deductible**
  - Plan L 50 percent
  - Plan L 75 percent

- **Part B coinsurance**
  - Plan L 50 percent
  - Plan L 75 percent
- **First 3 pints of blood**
  - Plan L 50 percent
  - Plan L 75 percent
- Hospice cost sharing
  - Plan L 50 percent
  - Plan K 75 percent
- Part B coinsurance for *preventative services*
  - Plan L 100 percent
  - Plan K 100 percent
- SNF coinsurance
  - Plan L 50 percent
  - Plan K 75 percent

## Slide 62

### New Medigap Plans M and N

June 1, 2010 and beyond

#### Benefit

- **Part A copayments and hospital benefits**
  - Plan M- All copayments for Days 61-90 and reserve days, plus costs for 365 additional days.
  - Plan N- All copayments for Days 61-90 and reserve days, plus costs for 365 additional days.
- **Part A deductible**
  - Plan M 50 percent
  - Plan N 100 percent
- **Part B coinsurance**
  - Plan M 100 percent
  - Plan N 100% but insured has  $\leq$ \$20 copayment for office visit and  $\leq$ \$50 copayment for ER
- **First 3 pints of blood?**
  - Plan M 50 percent
  - Plan N 75 percent
- **Hospice cost sharing**
  - Plan M 100 percent
  - Plan N 100 percent

- **SNF Coinsurance**
  - Plan M 100 percent
  - Plan N 100 percent
- **Foreign Travel Emergency**
  - Plan M 80% after \$250 deductible; \$50,000 max
  - Plan N 80% after \$250 deductible; \$50,000 max

### Slide 63

#### When can you buy a Medigap policy?

- Medicare beneficiary can apply for a Medigap policy at any time, and insurance companies can require health screening and/or deny coverage.
  - There are certain periods during which insurance companies cannot refuse to sell a Medigap policy:
    - Open Enrollment Period
    - Guarantee Issue Periods
- Reference: CHA fact sheet B-005

### Slide 64

#### Open Enrollment (cont.)

- Younger than 65, eligible for Medicare due to disability (but not if beneficiary has ESRD)
  - 6 months starting with effective date of Part B
  - No medical underwriting
  - Credit for prior coverage if company imposes waiting period for pre-existing conditions
  - Choices limited to certain plans
    - A, B, C, and F
    - Premium may be higher than for beneficiaries 65+ y/o
- If notified retroactively of Medicare eligibility
  - Open enrollment begins on date of notice

### Slide 65

#### Open Enrollment (cont.)

##### Already have a Medigap and turning 65

- New (2nd) open enrollment period to buy a Medigap for 6 months starting with 65th birth month
- Same choices and rights as other Medicare beneficiaries 65 years and older
- Ask for a lower premium

## Slide 66

### Guaranteed Issue

- The right to buy certain Medigap policies following certain events
- Loss of employer benefits, e.g. retirement, COBRA expires
  - Employer plan no longer covers Part B 20% coinsurance
- Retiree benefits are substantially reduced
- Medicare Advantage plans
  - Benefits reduced or terminated
  - Cost sharing increased
  - Moving out of plan's service area
  - Disenroll within 12-month trial period in Medicare Advantage plan
- Military base closes or no longer offers health care services
- Beneficiary moves from military base or lose access to health care services at base.
- Switching to another Medigap plan during a birthday month
  - Same or fewer benefits

## Slide 67

### Guaranteed Issue

#### CHA fact sheet B-005

- With guaranteed issue right, beneficiary can buy certain Medigap policies
  - No medical underwriting
  - No waiting period for pre-existing conditions
  - Both federal and state rights apply
  - Plan choices may be limited to A, B, C, F, K or L
  - Specified time periods to buy Medigap—usually within 63 days following the event, 30 days for birthday rule.
  - People with ESRD usually do not have this right.

## Slide 68

### Steps to buying a Medigap policy

1. Decide which standardized plan (A-D, F, G, K, L, M and N) meets beneficiary's needs.
2. Find out which insurance companies sell the Medigap plan at [www.insurance.ca.gov](http://www.insurance.ca.gov)
3. Call 3-5 insurance companies to compare policies.
4. Decide on the company and buy the policy.

See 2010 Choosing a Medigap Policy, CMS Pub. No. 02110.



## Slide 69

### Medigap vs. Medicare Advantage

- **Medigap NOT PART OF MEDICARE**
  - Generally higher premiums and no copayment. Plans F has high deductible option with lower premiums.
  - **Can use any provider, except for Medicare SELECT**
- **Medicare Advantage PART C OF MEDICARE**
  - Generally lower premiums.
  - PPO has deductibles.
  - Annual out-of-pocket limit
  - Enrollee pays copayments when he/she uses service
  - **HMO – network only**
  - **PPO – pay more for outside the network**
  - **PFFS – any provider who accepts plan's payment**
  - **SNP – network only**

## Slide 70

### Medigap vs. Medicare Advantage (continue)

- **Medigap**
  - No prescription drug coverage. Buy separate Part D plan
  - Secondary insurer; pays after Medicare pays.
  - Can keep the policy if you move.
  - Guaranteed renewable
  - May be subject to health screening except during OEP and GIP if available.
  - Can be more expensive for people with a disability than people 65 years and older.
- **Medicare Advantage**
  - Some plans (MA-PD) have prescription drug coverage.
  - Becomes beneficiary's Medicare. Medicare does not pay MA plan copayments.
  - Most plans are local or regional. May have to change plans if you move.
  - Plans can terminate, be terminated or leave the market each year.
  - No health screening. Enroll during ICEP, AEP, or SEP if available.
  - Same premium regardless of disability or age so long as beneficiary has Medicare Parts A and B.

## Slide 71

### Medi-CAL (California's Medicaid)

#### CHA fact sheet E-002

- State health program for individuals with lower incomes and limited resources.
- Must meet income and asset requirements to qualify.
- Different programs depending on income:
  - In CA, people who qualify for SSI are automatically eligible for Medi-CAL.
  - Aged and Disabled Federal Poverty Level Program
  - Medi-CAL with Share of Cost (SOC) Program
  - 250% Working Disabled Program

## Slide 72

### How Medi-CAL coordinates with Medicare

- Full benefit Medi-CAL and Medicare (SSI, A&D)
  - Medi-CAL pays Medicare copayments and deductibles and Part B monthly premium.
  - Medicare is the primary payer and Medi-CAL the secondary or “payer of last resort.”
- Medicare and Medi-CAL with SOC
  - Once individual has met his/her SOC for the month, Medi-CAL pays remaining health care expenses for the rest of the month, including Medicare copayments and deductibles.
  - Medi-CAL pays Medicare Part B monthly premium if beneficiary meets SOC or has SOC <\$500.

## Slide 73

### Medi-CAL 250% Working Disabled Program

- Monthly premium – sliding scale based on individual's monthly income. Premium range:
  - \$20 to \$250 per month for an eligible individual
  - \$30 to \$375 for an eligible couple
- Eligibility requirements:
  - Able to work AND continue to meet the federal definition of disability as defined in federal law for Social Security disability programs
  - Meet all other non-financial Medi-Cal eligibility requirements

## Slide 74

### Medicare Savings Programs

#### Medicare programs administered by Medi-CAL

#### CHA fact sheet E-001

- Qualified Medicare Beneficiary (QMB)
  - Helps those who must pay for Medicare Part A, e.g. have not worked enough quarters.
- Specified Low Income Medicare Beneficiary (SLMB)
- Qualifying Individual (QI)
- Qualified Disabled Working Individual (QDWI)
  - Lost SSDI and free Medicare Part A because they returned to work.
  - Compare Medi-CAL's 250% Working Disabled Individual program.

## Slide 75

### Medicare Savings Programs (cont.)

#### Program QMB

- **Covered Medicare Expense**
  - Premiums for Parts A & B, deductibles and coinsurance
- **Income Limit per Month (add \$20 for eligibility limit)**
  - \$903 (I)
  - \$1,215 (C)
- **Resource Limit**
  - \$6,600 (I)
  - \$9,910 (C)

#### Program SLMB

- **Covered Medicare Expense**
  - Premiums for Parts B
- **Income Limit per Month (add \$20 for eligibility limit)**
  - \$903 (I)
  - \$1,215 (C)
- **Resource Limit**
  - \$1,083 (I)
  - \$1,457 (C)

### **Program QI**

- **Covered Medicare expenses**
  - Premium for Part B
- **Income Limit per Month (add \$20 for eligibility limit)**
  - \$1,219 (I)
  - \$1,640 (C)
- **Resource Limit**
  - \$6,600 (I)
  - \$9,910 (C)

### **Program QDWI**

- **Covered Medicare Expenses**
  - Premium for Part A
- **Income Limit per Month (add \$20 for eligibility limit)**
  - \$1,805 (I)
  - \$2,428 (C)
- **Resource limit**
  - \$4,000 (I)
  - \$6,000 (C)

### **Slide 76**

#### **MIPPA changes MSPs**

- Increase asset level for Medicare Savings Program (MSP) eligibility to asset level for Part D Low-Income Subsidy (LIS) eligibility, effective January 1, 2010

#### **MSP asset level 2009**

- \$4,000 individual
- \$6,000 couple

#### **MSP asset level 2010**

- \$6,600 individual
- \$9,910 couple

#### **LIS asset level 2010**

- \$6,600 individual
- \$9,910 couple

## Slide 77

### Low Income Subsidy (LIS) a.k.a. Extra Help

#### CHA fact sheet E-003

- Helps pay for premium, deductible and cost-sharing for a Medicare Part D plan.
- Administered by Social Security Administration.
- Some people automatically qualify or are deemed eligible: those who have full Medi-CAL benefits, QMB, SLMB or QI.
- People who do not automatically qualify may apply on their own through Social Security (e.g. people who have Medi-CAL with SoC.)
- Eligibility is reviewed every year.

## Slide 78

### How to apply for LIS?

- Complete online application on SSA website: [ssa.gov](http://ssa.gov)
- Call SSA at 1-800-772-1213
- Complete hardcopy application form (English and Spanish only, available at local HICAP and SSA office)

## Slide 79

### Low Income Subsidy (LIS) a.k.a. Extra Help (cont.)

Beneficiaries who qualify for the LIS

- have an ongoing SEP – they can change plans once a month, anytime during the year.
- do not have to pay the late enrollment penalty.
- are exempt from paying 100% cost sharing during the coverage gap (“donut hole”) thus not eligible for the \$250 rebate.

## Slide 80

### Income and asset/resource limits to qualify for the LIS (2010)

#### Individual

- Monthly Income less than \$1,354
- Annual Income less than \$16,245
- Assets and Resources less than \$12,510

## **Couple**

- Monthly Income less than \$1,821
- Annual Income less than \$21,855
- Assets and Resources \$25,010
  - Does NOT include house/residence, car and burial expenses.

**Depending on income and asset levels, people may qualify for full or partial subsidy.**

## **Slide 81**

### **MIPPA changes LIS Effective Jan 1, 2010**

- In-kind support and maintenance (ISM) no longer counted as income for LIS eligibility
- Cash surrender value of life insurance policy no longer counted as a resource for LIS eligibility
- But Medi-Cal continues to count ISM as income and value of life insurance policy as resource for MSP eligibility

## **Slide 82**

### **Full vs. Partial Subsidy (2010)**

- **Full subsidy recipients pay**
  - Premium 0, If beneficiary joins a benchmark plan
  - Deductible 0
  - Cost-Sharing
    - Less than or equal to \$1.10 generic
    - Less than or equal to \$3.30 brand name
    - Less than or equal to \$2.50 generic
    - Less than or equal to \$6.30 brand name
- **Partial Subsidy recipients pay**
  - Premium 0 or discounted If beneficiary joins a benchmark plan
  - Deductible \$63.00
  - Cost-Sharing
    - 15 percent or copayment if lower

## Slide 83

### Benchmark plans

- Benchmark plans are Medicare Part D plans with premiums at or below the state's weighted average premium.
- In 2010, there are 6 benchmark plans below the CA benchmark premium of \$28.99. List of benchmark plans on <http://cahealthadvocates.org/>
- If a full LIS recipient enrolls in a benchmark plan, he/she does not pay the premium or deductible.
- A LIS recipient may choose other Part D plans. If he/she chooses a Medicare Part D plan that is not a benchmark plan, he/she pays the balance of costs after the subsidy has been deducted.

## Slide 84

### Annual review of LIS eligibility

- **Re-deeming**—For those who automatically qualified for the LIS, state Medicaid will review eligibility. If eligible, Medicaid will re-deem beneficiary for another year.
- **Re-determination**—For those who applied on their own, SSA will re-determine if those who were eligible last year will qualify again.

## Slide 85

### Reassignment

- LIS recipients (full subsidy) who were auto-enrolled in a plan will be reassigned to a different plan if:
  - The plan is terminating or not renewing for 2010 or
  - The plan's premium increases above the regional benchmark amount
    - Unless plan waives de *minimis* amount

## Slide 86

### When to call HICAP?

- Whenever you have a Medicare Q, e.g.
  - Applying for LIS or MSP
  - Finding a Part D or Medicare Advantage plan
  - Client is in the coverage gap (or donut hole) and needs help
  - Beneficiary needs a drug not covered by his/her Part D plan
  - Beneficiary discharged from hospital when he/she needs more inpatient care

## Slide 87

### Resources

- 1-800-MEDICARE, [www.medicare.gov](http://www.medicare.gov)
- Plan finder tools to find Part D and MA plans
- Social Security Administration, 1-800-772-1213
- [www.ssa.gov](http://www.ssa.gov)
- For Medicare Parts A and B enrollment questions
- HICAP, 1-800-434-0222 (statewide)
- [www.cahealthadvocates.org](http://www.cahealthadvocates.org)
- California Dept. of Health Care Services (Medi-Cal)
- 1-916-636-1980
- <http://www.dhcs.ca.gov/services/medi-cal/Pages/default.aspx>

## Slide 88

### Resources

- Disability Benefits 101, <http://www.disabilitybenefits101.org>
  - Benefits planning calculators
- Work Incentives Planning and Assistance (WIPA) Projects, <https://secure.ssa.gov/apps10/oesp/providers.nsf/bystate>
  - Provide free benefits planning and can explain how work will affect your SSDI or CDB and Medicare

## Slide 89

### Contact Information

- **California Health Advocates**

**Sacramento HQ – (916) 231-5110**

**5380 Elvas Avenue, Suite 214**

**Sacramento, CA 95819**

**[www.cahealthadvocates.org](http://www.cahealthadvocates.org)**



