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Medicare Essentials: A Primer For Attorneys

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**Apprise Program – PA Dep't of
Aging**

APPRISE

**is Pennsylvania's
State Health Insurance Assistance
Program (SHIP)**



Apprise Program

APPRISE

**provides free counseling to
help individuals
understand their health
care options.**



Apprise Program

Two ways for consumers to access **APPRISE services:**

- State-wide Hot Line **800-783-7067**
- Local Program's direct line
(Allegheny County) **412-661-1438**



Today We Will Discuss Medicare

- Overview of Public Benefits
- Medicare's Components
- Cost sharing
- Enhancing Basic Medicare coverage and enrollment options
- Pennsylvania's Dual Eligibles



Overview of Public Benefits

- Supplemental Security Income (SSI)
- Medicaid
- Social Security Disability Insurance (SSDI)
- Medicare



SSI



- Administered by SSA (Federal Government).
- Who Qualifies: Individuals who are aged (at least 65 years of age), blind, or disabled and are financially eligible.
- Limited Resources =
 - \$2,000 – individual & \$3,000 – couple
- Maximum Benefit (per month)
 - \$772.10 – individual (2018, includes PA Supplement)
- Allowable income is very limited.
- A “needs based” government benefit (which means you must qualify medically and financially).



Medicaid



- Administered by State Medicaid Agency.
- Automatically enrolled upon receiving SSI in “1634” states, such as PA.
- Who Qualifies: Individuals who are aged (at least 65 years old), blind or disabled and who are financially eligible.
- Income & Resource Limits – same as SSI.
- A “needs based” government benefit.
- Medicaid is medical insurance.



SSDI



- Administered by SSA.
- Who Qualifies: workers and certain family members, who are “insured,” having accumulated a sufficient number of work credits and who cannot engage in Substantial Gainful Activity.
- Resource Limit – NONE!
- Benefit – varies based on work history and amount paid in.
 - Five month waiting period
 - Average - \$1,234.00; Maximum - \$2,861.00 (2019)



Medicare



- Program of the federal government that guarantees access to health insurance for eligible individuals.
- Part of U.S. Department of Health and Human Services (HHS).
- Administered by the Centers for Medicare and Medicaid Services (CMS).
- Social Security Administration (SSA) is responsible for determining Medicare eligibility and processing premium payments.
- NOT a needs-based government benefit.



Medicare – Who is eligible

- Medicare is available to individuals that are U.S. citizens or have been legal residents for 5 continuous years, and are
 - 65 years or older.
 - Under age 65 and entitled to Social Security Disability or Railroad Retirement Benefits for 24 months.
 - Individuals who have End Stage Renal Disease or ALS (Lou Gehrig's disease) are immediately eligible for Medicare benefits.



Medicare Components

- Medicare Part A – hospital insurance.
- Medicare Part B – medical insurance that covers a number of medically necessary services and supplies.
- Medicare Part A and Part B are called “traditional Medicare.”
- Provides basic medical coverage modeled after the BC/BS health insurance in existence in 1965.



Medicare Part A

Medicare Part A Covered Services	
Inpatient Hospital Stays	Semi-private room, meals, general nursing, other hospital services and supplies. Includes care in critical access hospitals and inpatient rehabilitation facilities. Inpatient mental health care in psychiatric hospital (lifetime 190-day limit). Generally covers all drugs provided during an inpatient stay received as part of treatment.
Skilled Nursing Facility Care	Semi-private room, meals, skilled nursing and rehabilitation services, and other services and supplies.
Home Health Care Services	Can include part-time or intermittent skilled care, physical therapy, speech-language pathology, a continuing need for occupational therapy, some home health aide services, medical social services, and medical supplies
Hospice Care	For terminally ill, includes drugs, medical care, and support services from a Medicare approved hospice.
Blood	Up to 3 pints of blood as an inpatient.



Medicare Part B

Medicare Part B Covered Services

Doctor's Services

Services that are medically necessary (includes outpatient and some doctor services received as a hospital inpatient) or covered preventive services.

Outpatient Medical and Surgical Services and Supplies

Medically necessary services and supplies, such as clinical laboratory services, diabetes supplies, kidney dialysis services, mental health care, certain outpatient drugs, diagnostic X-rays, MRIs, CT scans, and EKGs.

Durable Medical Equipment

Items such as oxygen equipment, wheelchairs, walkers, and hospital beds for use in the home. Some items must be rented.



Medicare Part B

Part B Covered Preventive Services

- “Welcome to Medicare” exam
- Yearly “Wellness” exam
- Abdominal aortic aneurysm screening*
- Bone mass measurement
- Cardiovascular disease screenings
- Colorectal cancer screenings
- Diabetes screenings
- Flu shots
- Glaucoma tests
- Hepatitis B shots
- HIV screening
- Mammograms (screening)
- Pap test/pelvic exam/clinical breast exam
- Prostate cancer screening
- Pneumococcal pneumonia shots
- Smoking cessation

*When referred during Welcome to Medicare physical exam

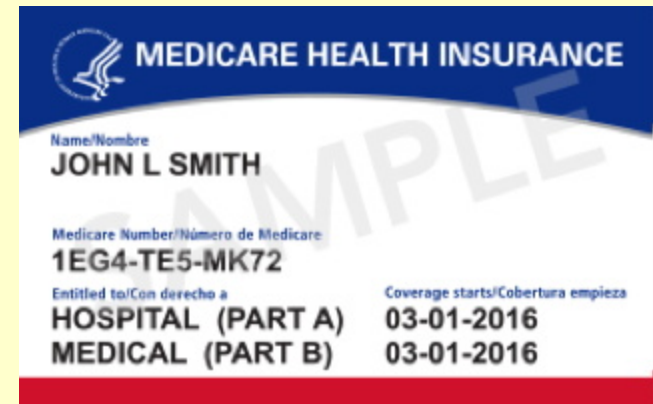


What is not covered by Medicare Part B

- Routine Eye Care and Corrective Lenses
- Routine Dental Care
- Dentures
- Cosmetic Surgery
- Acupuncture
- Routine Podiatry Care
- Hearing Aids and Exams for Fitting
- Long Term Care



Enrolling in Medicare



- Automatic Enrollment
 - People who are already receiving Social Security benefits (disability or early retirement)
 - People who are receiving Railroad Retirement benefits





Enrolling in Medicare



- Enrollment by application
 - Apply
 1. Three months before 65th birth month
 2. Birth month
 3. Three months following birth month
 - Always better to apply 3 months prior to 65th birth month



Enrolling in Medicare

- Enrollment by application (continued)
 - If person (or spouse) is actively employed and is covered under group health insurance policy that person may postpone enrollment into Medicare System – Delayed Enrollment – **TIP #1 – Beware Delayed Enrollment.**
 - Once group health insurance ends individual has eight months to enroll in Medicare – Special Enrollment Period
 - Failure to enroll in Medicare when first eligible will result in payment of a premium penalty
 - Part B penalty is 10% for each full 12 month period person eligible but did not sign up
 - Permanent penalty



Enrolling in Medicare

- General Enrollment
 - General Enrollment Period: January 1 through March 31 of each year
 - Medicare coverage will not begin until the following July 1



Cost Sharing



Part A Premiums 2018	
40 or more quarters	No Premium
30 to 39 quarters	\$ 232 (monthly)
less than 30 quarters	\$ 422(monthly)



Cost Sharing

Medicare Part A Costs: Paying for Inpatient Hospital Stays	
For each benefit period in 2016	Beneficiary Pays
Days 1- 60	\$ 1340 deductible
Days 61-90	\$335 per day
Days 91-150	\$670 per day (60 lifetime days)
All days after 150	Entire Costs



Cost Sharing

Medicare Part A Costs: Paying for Skilled Nursing Facility	
For each benefit period in 2016	Beneficiary Pays
Days 1- 20	\$0
Days 21-100	\$167.50 per day
All days after 100	Entire cost



Cost Sharing

- Eligibility requirements for Medicare coverage of skilled nursing facility care
 - Individual must require skilled care
 - Individual must be a hospital in-patient for at least three consecutive days prior to admission to a SNF
 - Must be admitted to SNF typically within 30 days of discharge from hospital
 - SNF care must be for same (or related) hospital treated condition
 - Must be prescribed by physician
 - SNF must participate in Medicare
 - Must be daily skilled nursing care



Cost Sharing

- Hospital Inpatient vs. Outpatient Status
 - Observation status
 - Medicare will not cover cost of skilled nursing facility
 - **TIP #2 – Outpatient status is costly.**
 - **TIP #3 – Outpatient status effects SNF payments.**



Cost Sharing

Medicare Part B Premium For Single Individual

<u>Income</u>	<u>Premium</u>
\$85,000 or less	\$134.00
\$85,001 - \$107,000	\$187.50
\$107,001 - \$160,000	\$267.90
\$160,001 - \$214,000	\$348.30
Above \$214,000	\$428.60



Cost Sharing

Medicare Part B Premium For Married Individuals

filing federal taxes jointly with spouse:

<u>Income</u>	<u>Premium</u>
\$170,000 or less	\$134.00
\$170,001 - \$214,000	\$187.50
\$214,001 - \$320,000	\$267.90
\$320,001 - \$428,000	\$348.30
Above \$428,000	\$428.60

Private Insurance Parts of the Medicare System

Medigap:

Supplemental Insurance
for Medicare Parts A and B

Part C:

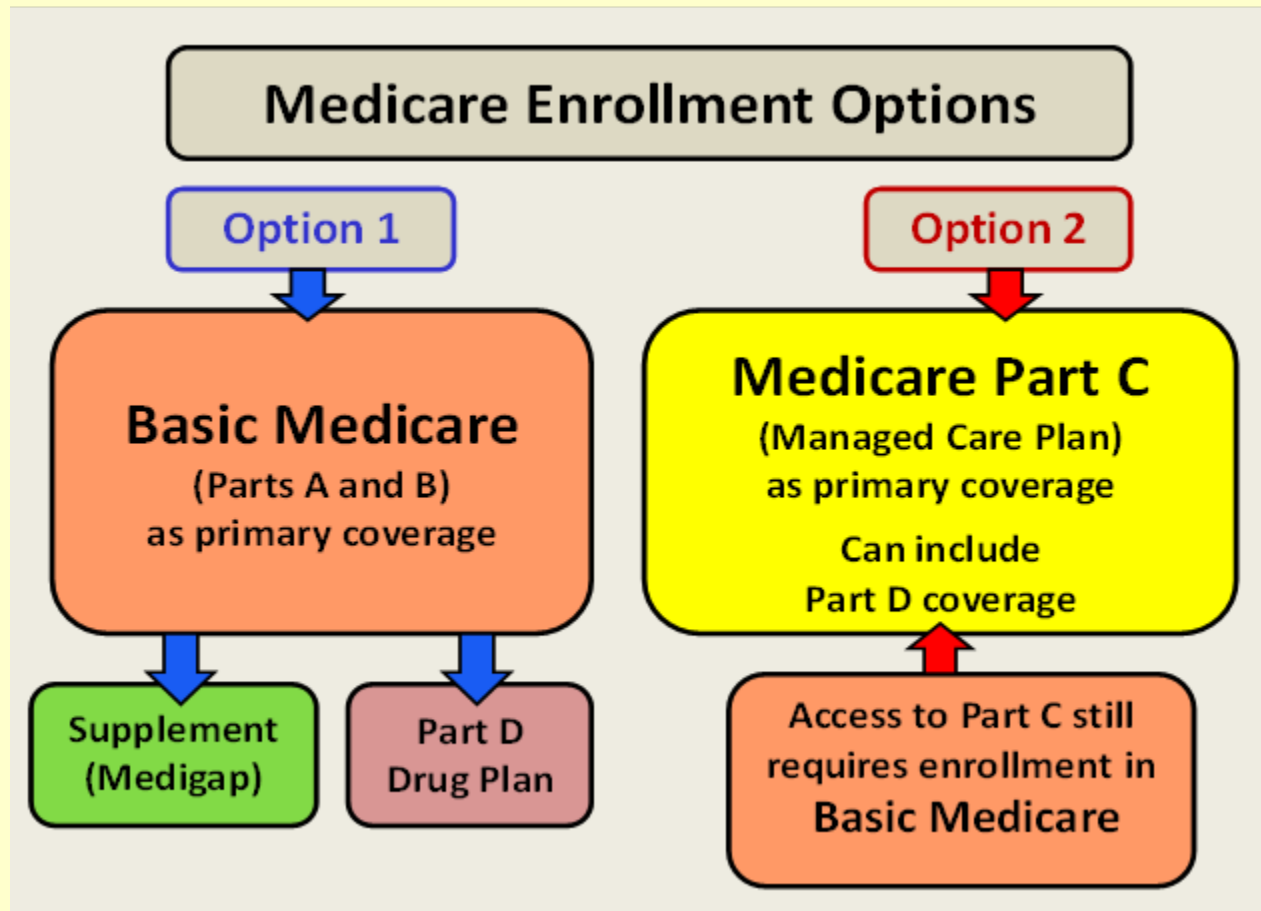
Alternative Private Insurance Coverage

Part D:

Prescription Drug Coverage



Medicare Enrollment Options





Medicare Enrollment Options

BENEFIT	A	B	C	D	F	G	K	L	M	N
Part A coinsurance plus 365 additional days	X	X	X	X	X	X	X	X	X	X
Part B coinsurance	X	X	X	X	X	X	50%	75%	X	X
Blood (1 st 3 pints)	X	X	X	X	X	X	50%	75%		
Part A Hospice coinsurance	X	X	X	X	X	X	50%	75%	X	X
Skilled Nursing coinsurance			X	X	X	X	50%	75%	X	X
Part A deductible		X	X	X	X	X	50%	75%	50%	X
Part B deductible			X		X					
Medicare excess charges					X	X				
Foreign Travel Emergency (up to plan limits)			X	X	X	X			X	X
Out of Pocket Limit							\$4940	\$2470		



Medicare Enrollment Options

Medicare Advantage Plans (Medicare Part C) – five types

1. HMO (Health Maintenance Organization) – enrollees must use network providers
2. PPO (Preferred Provider Organization) – plans provide best coverage rates if enrollees use in-network providers. Higher cost for using out of network providers
3. SNP (Special Needs Plan) - plans available only to beneficiaries with qualifying circumstances



Medicare Enrollment Options

Medicare Advantage Plans (continued)

4. PFFS (Private Fee for Service Plan) – similar to “basic” Medicare but they are administered by a private insurance company
5. MSA (Medical Savings Accounts – comprised of two parts: a high deductible Medicare Advantage plan and a tax deferred savings account

Medicare Advantage Plans typically offer coverage beyond the standard Medicare benefits (such as dental, vision and hearing coverage and health club memberships)

TIP #4 – Advantage Plans limit NFC choices.



Medicare Enrollment Options

When You Can Join or Switch Advantage Plans	
Initial Enrollment Period	<ul style="list-style-type: none">• 7 month period beginning 3 months before the month you turn 65
Annual Enrollment Period	<ul style="list-style-type: none">• October 15 – December 7• Coverage begins January 1
Special Enrollment Period	<ul style="list-style-type: none">• Move from plan's service area and cannot remain in the plan• Plan leaves Medicare program• Special situations



Medicare Enrollment Options

When You Can Drop an Advantage Plan

Medicare Advantage Disenrollment Period

Between January 1- February 14:

- You can leave an Advantage plan
- Return to Medicare Part A and Part B as primary coverage -
Coverage begins the first day of the month after you leave Advantage plan
- If you make this change, you also can join a Part D prescription drug plan -
Coverage begins the first day of the month after the plan receives the enrollment form
- Cannot join another Advantage plan during this period



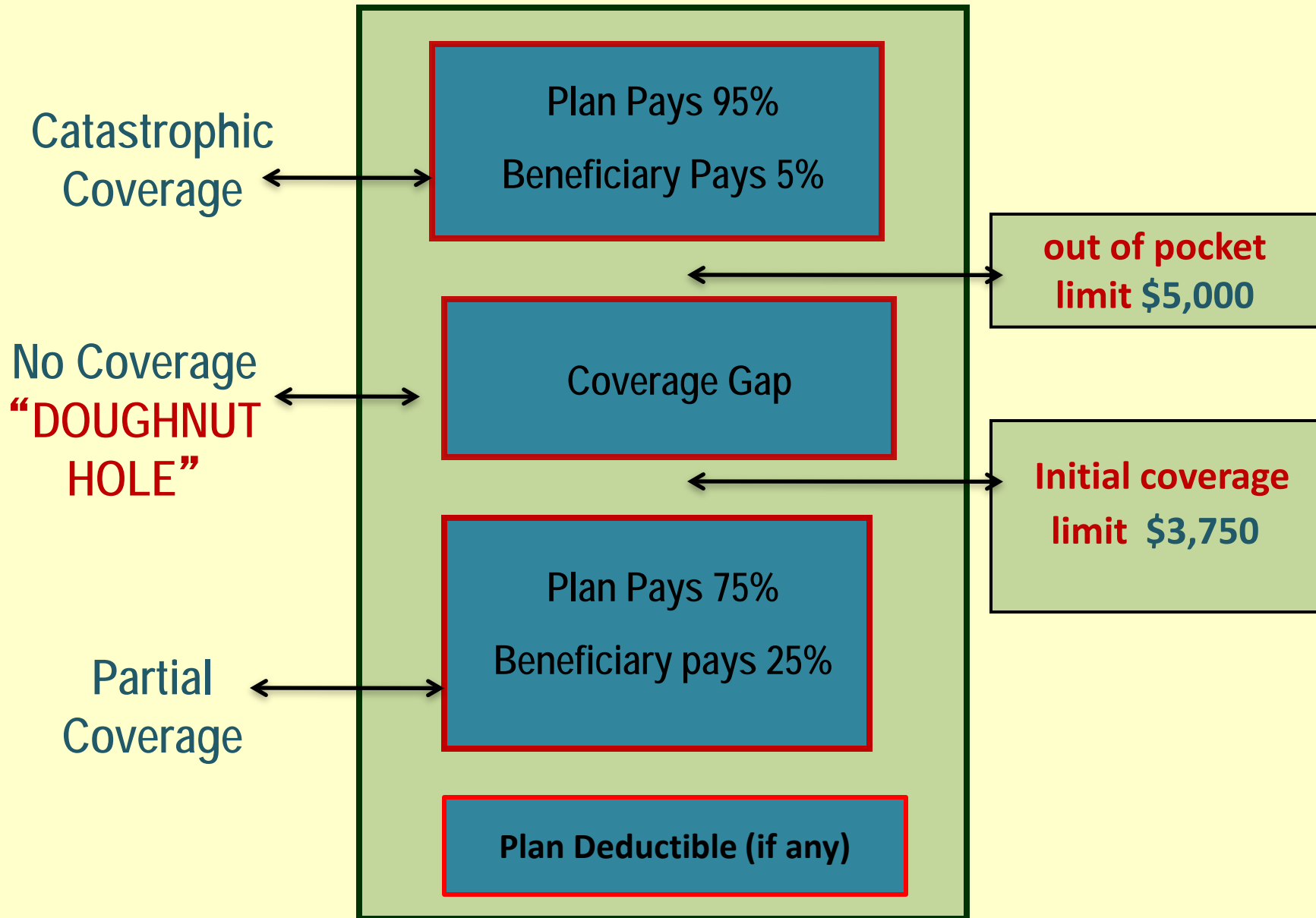
Medicare Enrollment Options

Medicare Part D

- Voluntary benefit that provides assistance with the costs of prescription drugs
- Available for Medicare beneficiaries enrolled in Medicare Part A or Part B
- Two types of plans: stand-alone prescription drug plans and Medicare Advantage plans with prescription benefits
- Penalties are assessed for each month a beneficiary could have been enrolled and was not
 - 1% of the current year's median premium – charged every month
 - Lifetime penalties

TIP #5 – The “Donut Hole” is shrinking but not gone.

Medicare Prescription Drug Plan



(2018) Coverage Through the “Donut Hole”

- 65% discount on brand-name plan covered drugs (less small pharmacy dispensing fee).
 - Paid by manufacture (50%) and by plan (15%)
 - Amount paid by manufacturer counts toward TrOOP
- 51% discount on plan covered generic drugs
 - Does **NOT** count toward TrOOP
- Discounts will increase each year until 2019



Medicare Enrollment Options

When You can Join or Switch Medicare Prescription Drug Plans	
Initial Enrollment Period (IEP)	7 month period - Starts 3 months before month of eligibility
Annual Enrollment Period (AEP)	October 15 - December 7 each year
Annual Medicare Advantage Disenrollment Period	Between January 1 and February 14, you can leave an Advantage plan and return to Medicare Part A and Part B as your primary coverage. If you make this change, you can also join a Part D plan. Coverage begins the first day of the month after the plan receives the enrollment form.



Medicare Enrollment Options

Joining or Switching Part D Plans

Special Enrollment Periods (SEP)

Examples of when you get an SEP include:

You permanently move out of your plan's service area

You were not adequately informed that your other coverage was not creditable; or coverage was reduced and is no longer creditable

You enter, live in, or leave a long-term care facility

You have a continuous SEP if you qualify for Extra Help



Pennsylvania's Dual Eligibles

- “Dual Eligibles” are individuals in the Medicare System who also have Medicaid.
- They may have health care service or long-term care benefits.
- According to CMS, dual-eligibles are typically high-need health care consumers, suffering from one or more chronic illnesses.
- There are 250,000 dual eligible individuals in Pennsylvania.



Pennsylvania's Dual Eligibles

- Medicare is the primary coverage.
- However, Medicare has:
 - significant forms of cost sharing in the form of co-payments, premiums, and deductibles.
 - limited preventive and Mental health services.
 - does not cover hearing, dental, vision, or long term care.



Pennsylvania's Dual Eligibles

- Medicaid is the secondary coverage.
- Medicaid provides:
 - The cost of care and services not paid by Medicare A or B. Buy-in for certain individuals.
 - Extensive behavioral health services.
 - Some vision, dental, and hearing services as well as prescriptions.
 - Long-term care services.

TIP #6 – Community Health Choices.

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Questions?