

An Overview of Medicare for People Living With ALS

June 23, 2022

Presented By:

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For the Les Turner ALS Foundation

The Center for Medicare Advocacy is a non-profit, non-partisan law organization founded in 1986 that works to advance health equity, access to comprehensive Medicare, and quality health care. Based in CT and Washington, DC, with additional attorneys in CA, MA, NJ.

- Attorneys, advocates, communication and technical experts
- Education, legal analysis, writing, assistance, and advocacy
- Systemic change – Policy and Litigation
 - Based on our experience with the problems of real people
- Medicare coverage and appeals expertise
- Medicare/Medicaid Third Party Liability Projects

Agenda

Part 1: Medicare Overview

Part 2: Medicare Premiums and Costs

Part 3: Assistance to Pay For Medicare Costs

Part 4: Transitioning to Medicare – Eligibility and Enrollment, and Coordinating With Other Insurance

Part 5: Choosing between Traditional Medicare or a Medicare Advantage Plan

Part 1

Medicare Overview

Medicare In Summary

- Medicare is national health insurance begun in 1965
- People usually qualify based on paying into Social Security, not based on their (low) income
 - Unlike Medicaid/ Title 19, which is based on income
- Covers people ≥ 65 , certain people with disabilities, and ESRD
- Covers hospital, nursing home, home health, doctors, durable medical equipment, prosthetics, orthotics, hospice, prescription medicine, some preventive services and vaccines
- People can get Medicare through private “Medicare Advantage” (MA) plans
- MA should cover at least as much as “traditional” Medicare and follow same coverage rules

Medicare: An Insurance Model

Covers *Some* of the Cost of *Some* Health Care

- When it is Reasonable and Necessary
- For an Illness or Injury
- Diagnosis, Treatment, Rehabilitation
- Limited Preventive Coverage
- Co-Pays (flat \$ amount), Co-Insurance (% of charge), Deductibles (up-front payment), and Premiums

Overview Of Medicare

Four “Parts” of Medicare:

- **Part A** – Hospital Insurance ¶
Traditional or Original Medicare (Administered by the Centers for Medicare and Medicaid Services (CMS))
- **Part B** – Medical Insurance ¶
[Supplemental Policies (Medigap, MSP, Retirement)]
- **Part C** – Medicare Advantage program – Private Insurance Companies
 - MA – Medicare Advantage Plan without Part D drug coverage
 - MA-PDs – Medicare Advantage with Part D drug coverage
- **Part D** – Prescription Drug Program – Private Insurance Companies
 - PDP – Stand-Alone Prescription Drug Plans

Part 2

Medicare Premiums and Costs

Medicare Premiums

- Medicare Part A
 - Premium Free
 - Voluntary Enrollees
- Medicare Part B
 - Standard
 - Income Related Monthly Adjustment Amount
- Medicare Part C
- Medicare Part D
- Medigaps (Plans to “Supplement” Parts A and B)

Medicare Part A Premiums

- Premiums (and enrollment) are Social Security’s responsibility.
- Most Beneficiaries do not have to pay premiums for Part A if they have a 10-year (40 quarter) work history. (Spousal work history qualifies.)

OR

- A Beneficiary can be a “Voluntary Enrollee”

Medicare Part A Premiums Voluntary Enrollees

- Voluntary Enrollees have less than 40 work quarters
- May pay Medicare Part A premiums if U.S. citizen, or a permanent legal resident
 - If permanent legal resident, must have lived in the U.S. for at least 5 years in a row **immediately** before qualifying by being aged 65 or older

Medicare Part A Premiums Spousal/Parental Work History

- Premium free Part A based on spousal work history
 - Currently married for at least 1 year
 - Divorced and married at least 10 years, single
 - Widowed, married at least 9 months, single
 - SSA recognizes same sex marriage
- Child disabled prior to age 22 when parent retired or deceased (eligible under parent record)

Medicare Part A Premiums Voluntary Enrollees

Voluntary Enrollee Part A Premiums

- 30-39 quarters: \$274/month (2022)
- 29 or less quarters: \$499/month (2022)

Medicare Part B Premiums Standard (For Most Beneficiaries)

- Standard monthly premium (income < \$91,000)
 - \$170.10 / Month – Standard Monthly Premium (2022)
- “Hold Harmless” – Statutory provision which limits certain beneficiaries’ increase in their Part B premium to be no greater than increase in their social security benefits.
 - Estimated 2 million (3.5%) beneficiaries

<https://www.medicare.gov/Pubs/pdf/11579-medicare-costs.pdf>

Income Related Monthly Adjustment Amount (IRMAA)

- People with higher incomes will pay higher Part B and Part D premiums. This premium increase is called “IRMAA”
- Modified Adjusted Gross Income (MAGI) from IRS tax return of two years ago is used to determine amount.
- IRMAA is payable directly to CMS, and is deducted from Social Security, if the person is receiving Social Security.
- Failure to pay IRMAA will result in termination of Medicare.

Medicare Part B IRMAA Appeal

- If the beneficiary believes information used by SSA was incorrect, he/she may appeal.
- If the beneficiary experienced a “major life-changing event” that reduced his or her income. File Form SSA-44 with Social Security.

<https://www.ssa.gov/forms/ssa-44.pdf>

Medicare Advantage (MA) Premiums

Monthly MA Plan Premiums

- Premiums for 2022 MA-PD plans range from “give back” plans to several hundred dollars/month.

Plus, Part B Premiums

- **Must** be enrolled in Part B. **Must** continue to pay the Part B premium. Some plans may subsidize the premium (a “give back” plan).

Medicare Premiums for: MA Plans, Medicare Part D, and Medigap Supplement Plans

- Use the Medicare Plan Finder Tool to find and compare premiums and further information about:
 - MA plans
 - Medicare Part D (Rx) plans
 - Medigap plans to supplement costs of Medicare Parts A and B

<https://www.medicare.gov/plan-compare/#/?year=2022&lang=en>

Other Costs in Medicare: Deductibles, Coinsurance, Copayments in 2022

- Hospital
 - Deductible: **\$1,556**
 - Co-payment:
 - **\$389** for days 61-90
 - **\$778** for days 91-150
- Skilled Nursing Facility
 - **\$194.50** Co-payment for days 21-100
- Part B Deductible - **\$233**
- Part B Co-Insurance is **20%**
- MA plan “cost-sharing” may vary by plan (note that such plans have an out-of-pocket cap for Part A and B services)

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Part 3

Assistance For Individuals to Pay For Medicare

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Medicare Savings Programs (MSPs)

- MSPs help lower-income people pay all or some of Medicare costs
- Eligibility is based on income and, in 40 states, assets/resources
- MSP income and asset criteria varies by state/DC
- MSPs are administered by state Medicaid agencies (e.g., Medi-Cal in California)

Examples Of Medicare Costs That MSPs May Cover

In Traditional Medicare:

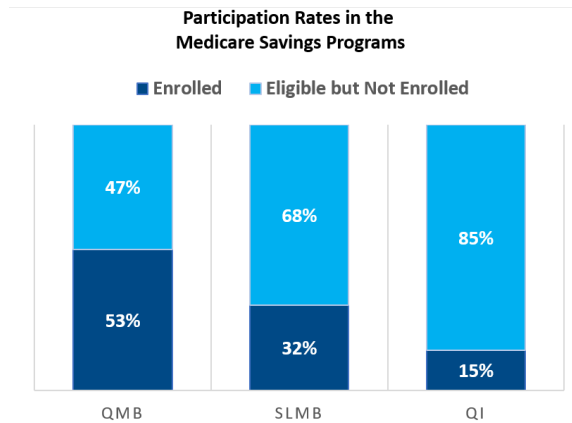
2022 Medicare Part A costs

- Part A hospital deductible: **\$1,556**/per benefit period
- Part A hospital copays: **\$389** daily (61-90), **\$778** daily (91-150)
- Part A skilled nursing facility copays: **\$194.50** daily (21-100)

2022 Medicare Part B costs

- Part B monthly premium: **\$170.10**
- Part B annual deductible: **\$233**
- Part B coinsurance: **20%**

MEDICARE SAVINGS PROGRAMS (MSPS) ARE UNDERUTILIZED



Medicare coverage can be expensive, and for millions of people it's made affordable by the MSPs, yet millions more are eligible but not enrolled

[macpac.gov/wp-content/uploads/2017/08/MSP-Enrollees-and-Eligible-Non-Enrollees.pdf](https://www.macpac.gov/wp-content/uploads/2017/08/MSP-Enrollees-and-Eligible-Non-Enrollees.pdf)

September 2021

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MSP National Snapshot Financial Eligibility

- **Income**
 - 42 states use federal guidelines (100% to 135% of Federal Poverty Level (FPL))
 - (100% of FPL is \$1,133/mo [single]; \$1,526/mo [couple])
 - 8 states (AK, CT, HI, IL, IN, ME, MA, MS) and DC have higher income guidelines
- **Asset/resource limits**
 - 37 states use federal guidelines (\$8,400 [single]; \$12,600 [couple])
 - 3 states have a higher asset test (ME, MA, MN)
 - 10 states (AL, AZ, CT, DE, LA, MS, NM, NY, OR, VT) and DC have no asset limit (CA is changing to no asset limit).

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MSP National Snapshot Financial Eligibility

Examples of assets/resources that may be excluded from the allowable assets amount calculation:

- One home
- Household goods
- Personal belongings
- One car
- Pre-paid burial plan (may have higher amount allowed if irrevocable) **Example:** in CA, \$1,500 limit if revocable, unlimited if irrevocable
- Burial plot

MSP Application Screening

- In the 42 states using Federal Guidelines, Medicare beneficiaries, with monthly incomes less than \$1,529 (single)/ \$2,060 (couple) should be screened.
- For all other states and DC, see NCOA Chart (more on next page) at: <https://www.ncoa.org/article/medicare-savings-programs-eligibility-coverage>

AND for a free MSP screening

Contact your state SHIP (Find it at “Ship Locator”) at <https://www.shiphelp.org/> to review qualifications for an MSP program to help pay Medicare premiums and/or other Medicare costs.



Key MSP Resource, By State

2022 Medicare Savings Programs (MSPs): Eligibility and Coverage, Updated February 2022

Authored by the National Council on Aging (NCOA)

See Chart at: <https://www.ncoa.org/article/medicare-savings-programs-eligibility-coverage>

Payment Assistance - Other Resources

- Part D Low Income Subsidy (LIS)
- MSP Medicare Part A & B “Buy Ins”
 - Vary by State
 - Some include retroactive coverage
- Contact your State Health Insurance Program (SHIP) to find out if you qualify for any other payment assistance or for help with Medicare at:
<https://www.shiptacenter.org/>

Part 4

Transitioning onto Medicare and Co-ordination of Medicare With Other Insurance

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Contact Social Security About Eligibility and Enrollment

[Who do I contact - Social Security or
Medicare? \(ssa.gov\)](#)

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Parts A & B Medicare Eligibility

Three different ways to be eligible (qualify) for Medicare

1. **Age 65** or older, **OR**
 2. **Disability** - Under age 65 but over 18; after a **5-month** waiting period to begin Social Security benefits; and then after receiving Social Security disability (SSDI) or RR Retirement disability for **24-months (waiting periods are waived for people with ALS)**, **OR**
 3. **ESRD** – kidney transplant or 3 months regular dialysis
 - Any age, 30-month coordination period
- Must be a US Citizen *or* permanent resident and have lived in the US continuously for five consecutive years immediately prior to application

Initial Enrollment Into Medicare When Age 65

Initial Enrollment Period (IEP) - 7 months, beginning 3 months before the month of the 65th birthday. This chart applies in 2022.

Sign up	Coverage Begins
Prior to 65 th birthday month	First day of birthday month
The month you turn 65	1 month after you sign up
1 month after you turn 65	2 months after you sign up
2 months after you turn 65	3 months after you sign up
3 months after you turn 65	3 months after you sign up

As of 2023, if you sign up after your 65th birthday month during the IEP, coverage begins the next month.

Employer High Deductible Plans With Health Savings Accounts

- Some employers offer Health Savings Accounts (HSA's)
- Employer/employee can make tax free contributions to a HSA to pay for High Deductible Employer Group Health Plan expenses
- If you enroll in Medicare A or B you can no longer contribute pre-tax dollars to your HSA – IRS Rule
- Stop contributing to HSA 6 months in advance of Medicare enrollment if older than 65, as retroactive Medicare A is mandatory if > age 65
- Can continue to withdraw and use funds into the future
- Must delay collection of Social Security, as SS triggers Medicare
- <https://www.medicareinteractive.org/get-answers/coordinating-medicare-with-other-types-of-insurance/job-based-insurance-and-medicare/health-savings-accounts-hsas-and-medicare>

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Affordable Care Act (ACA)

- Can individuals with Medicare purchase insurance on the Marketplace exchange?
 - No. Prohibition on the sale and issuance of duplicate coverage to Medicare beneficiaries
- Can individuals who are eligible for Medicare, but not signed up, purchase insurance on the Marketplace exchange?
 - Yes...BUT WAIT!!! There could be Medicare penalties.

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Affordable Care Act (ACA)

If you have coverage from an individual marketplace plan and then during the year enroll in Medicare, can you keep the marketplace plan?

Yes, but would you want to?

- Once Medicare Part A coverage begins, you will lose any premium tax credits and reduced cost sharing, AND
- Medicare is **required** to pay first.

Affordable Care Act (ACA)

Will individuals who are enrolled in individual Marketplace insurance be subject to the Part B or voluntary Part A late enrollment penalty if they delay enrollment in Medicare?

Yes, if they miss their initial enrollment period.

Affordable Care Act (ACA)

While an individual who enrolled in Medicare Part A (but did not enroll in Part B during initial or special enrollment periods), is now waiting for the general enrollment period, can he/she enroll in individual insurance through the Marketplace exchange?

No - since he/she has Part A this would be considered duplicative insurance

Ensuring The Proper Payment Order (Who Pays First)

1. The beneficiary should provide all types of coverage information on the Initial Enrollment Questionnaire (IEQ)
2. If health coverage changes thereafter, the beneficiary should tell Medicare, doctors, and all providers
3. Confirm this information with the Benefits Coordination and Recovery Center (BCRC) at:
1-855-798-2627 (TTY 1-855-797-2627)

NOTE: Medicare may make a conditional payment, even when it is not supposed to pay first (e.g. personal injury or worker's comp.)

Who Pays First? General Rules

Beneficiary	First Payer	Second Payer
Dually Eligible For Medicare And Medicaid?	Medicare	Medicaid
Age 65 plus, Covered by a GHP, for Group with <u>20 or More</u> Employees?	GHP (Group Health Plan)	Medicare
Age 65 Plus, Covered By a GHP, For Group With <u>Less Than 20</u> Employees	Medicare	GHP
Under Age 65, Covered By a GHP, For Group With <u>100 Or More</u> Employees	GHP	Medicare
Under Age 65, Covered By a GHP, For Group With <u>Less Than 100</u> Employees	Medicare	GHP

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Who Pays First? Group Health Coverage

When the “Who Pays First” chart applies:

- Age 65 and over: GHP coverage as an employee or a spouse;
- Under age 65: GHP coverage as an employee or family member (including domestic partners).

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Who Pays First? COBRA, VA, and TRICARE

- Disabled, Medicare eligible, and covered by COBRA?
 - Medicare pays first, COBRA pays second
- A Veteran with Veteran's benefits?
 - VA "authorized coverage" (care by a VA provider) or Medicare coverage (care by a non-VA provider), neither pays twice
- TRICARE/TRICARE For Life?
 - Military hospital & federal providers, TRICARE pays first, Medicare second

Part 5

Choosing Between Traditional Medicare and a Medicare Advantage Plan

Medicare Advantage (MA)

- MA plans are another way to get Medicare benefits
- MA plans contract with CMS to administer Medicare
- MA plans combine Part A and Part B and often Part D (prescription drug) coverage
- MA plans have essentially the same coverage rules as traditional Medicare
- MA plans are not “supplemental insurance” (not in addition, to or “on top of”, regular Medicare)
- No Medigap policies are allowed with MA plans
 - Deductibles, copayments or coinsurance are generally paid out of pocket

MEDICARE ADVANTAGE V. TRADITIONAL MEDICARE

- There are pros and cons re: enrollment in MA plans that should be carefully weighed before making a decision about whether to remain in traditional (aka Original Medicare) or enrolling in an MA plan
- Some people don't have a choice (e.g., some retiree plans only offer MA enrollment, accounting for approx. 1 in 5 MA enrollees) – See CMA [report](#) (Oct. 2021)
- Choices are unequal when considering access to/enrollment in plans – compare MA, Part D and Medigaps ... See CMA [report](#) (Oct. 2021)

Figure 45

Medicare Advantages Tradeoffs for Beneficiaries

Potential Advantages

- One stop shopping – no need for Medigap or separate Part D plan
- Lower premiums than Medigap; most pay no premium other than Part B
- Plans typically offer additional benefits (like dental)
- Plans have an out-of-pocket limit for benefits covered under Parts A and B
- Potential for better coordinated care

Potential Disadvantages

- Limited provider network
- Potential for higher out-of-pocket costs for certain services
- More utilization review than traditional Medicare
- No choice of separate drug plan to reduce drug costs
- Limited ability to switch back to traditional Medicare with Medigap

KFF

Figure 46

Many Factors to Consider When Choosing Among the Many Medicare Part D and Advantage Plans

How Part D Plans Vary:

- Premiums
- Deductibles
- Covered drugs
- Number of tiers
- Cost-sharing or coinsurance
- Tier placement (e.g., preferred or not)
- Preferred pharmacies
- Savings/cost of mail order
- Quality ratings

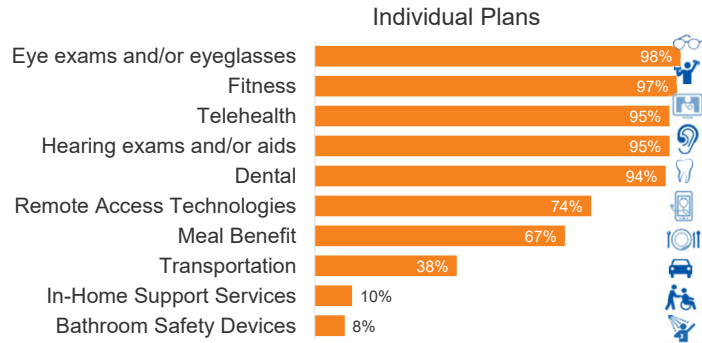
How Medicare Advantage Plans vary:

- Premiums, in addition to Part B premiums
- Cost-sharing for inpatient care and other Medicare-covered benefits
- Provider networks
- Extra benefits – scope of coverage
- Quality ratings
- Prior Authorization and other cost management restrictions
- All the same ways Part D plans vary

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Figure 47

Most Medicare Advantage Plans Offer Benefits Not Covered Under Traditional Medicare in 2022



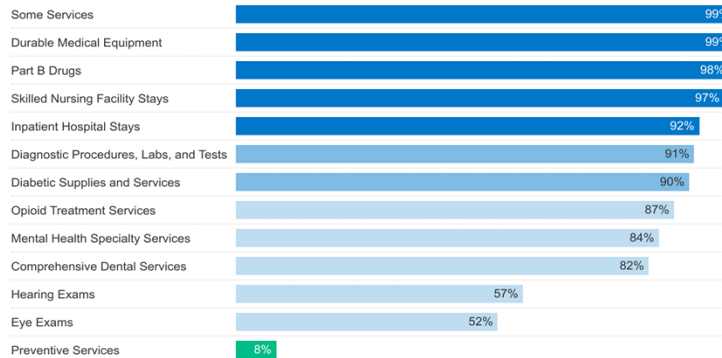
SOURCE: KFF, "Medicare Advantage 2022 Spotlight: First Look," November 2021.



Figure 48

Nearly All Medicare Advantage Enrollees Are in Plans That Require Prior Authorization for Some Services

Most enrollees are required to receive prior authorization for the **highest cost services** and fewer enrollees need to receive it for **preventive services**



SOURCE: KFF, "Medicare Advantage in 2021: Premiums, Cost Sharing, Out-of-Pocket Limits and Supplemental Benefits," June 2021.



Traditional Medicare vs. MA Plans A Roadmap – Narrowing The Options

1. Do you qualify for payment assistance or have access to other coverage?
 - Medicare Savings Program
 - Part D Low Income Subsidy
 - Employer/Military/Other Insurance
 - Medigap availability

Traditional Medicare vs. MA Plans A Roadmap – Narrowing The Options

2. Which providers/facilities do you go to?
 - How important is it to you to continue seeing them?
 - Do they accept Medicare?
 - Which Medicare Advantage Plan networks do they participate in?
3. Which medications do you take?
 - What Plan's formularies are your medications on?
 - Can you take generics?

Traditional Medicare vs. MA Plans A Roadmap – Narrowing The Options

4. Do you want your care choices directed?
 - By going through a primary care physician?
 - By obtaining referrals to see specialists?
 - By having to get prior authorization for some services?
5. Do you travel outside your general home area?
 - How often?
 - How do you feel about having care access limited to emergency coverage and urgent care if you are outside your general home area?

Traditional Medicare vs. MA Plans A Roadmap – Narrowing The Options

6. How important are annual maximum out-of-pocket (MOOP) costs?
7. What value do other possible services (dental, hearing, vision care, health clubs) hold for you?
8. How do you weigh the convenience of one-stop shopping up-front versus continual annual checking to make sure providers and coverage requirements are not changing?

Traditional Medicare vs. MA Plans A Roadmap – Narrowing The Options

9. How do you feel about a Medical Director of a health plan potentially having the ability to challenge your doctor's determination that your care is reasonable and necessary?

10. Will you be more likely to seek out care for yourself if it is:

- Convenient (larger number of providers/suppliers)?
- Lower Cost?
- Access to care is easier?

Traditional Medicare vs. MA Plans Other Considerations - Traditional

- Flexibility in Trad. Medicare
 - Provider and Supplier networks are vast.
 - Coverage is not limited within the U.S. and territories.
- Medigap Plan questions to ask
 - Are there additional guaranteed issue (GI) rights in your state?
 - No federal Medigap rights for those under 65
 - Will you be able to pick up a Medigap if you drop an MA plan after a year (trial-period)?
 - See [CMA Alert](#) re: barriers to Medigap coverage for those under 65

Traditional Medicare vs. MA Plans

Other Considerations – MA Plans

- Medigap questions (cont'd)
 - Do you have other options for cost-sharing?
 - Are you willing to go without a supplement?
 - What are the pre-existing condition requirements?
 - Are the premiums prohibitively high?
- Medigaps are not typically allowed with MA Plans
- Coordination with other types of coverage can be complicated
 - May have to pay some/all cost-sharing out of pocket

Traditional Medicare vs. MA Plans

Other Considerations – MA Plans

- Plan networks may not always have adequate specialists or other providers to serve patient needs.
 - Online provider/hospital/supplier/network directories are not always updated.
- Network providers may choose to join or leave a network at any time; plan can also terminate providers at any time, whereas most enrollees locked in for year
 - Limited SEP for network terminations.
- There is an SEP for those dually eligible, MSP, and LIS (once per calendar quarter during first 9 months of year)

Traditional Medicare vs. MA Plans

Other Considerations – MA Plans

- HMOs usually have no out-of-network coverage (other than emergency, urgent services)
- PPOs usually have out-of-network coverage at a higher cost to the beneficiary.
- MA Plans have discretion to charge cost-sharing above traditional Medicare (except chemotherapy, renal dialysis, SNF services).
- MOOPs only apply to Part A and B services, not Part D and not “extra” services.

Traditional Medicare vs. MA Plans

Other Considerations – MA Plans

- MA Plans must offer benefits that are at least equal to traditional Medicare and cover everything traditional Medicare covers.
- MA Plans can waive certain restrictions on coverage (e.g. 95% of MA Plans don't require 3-day prior hospital stay for SNF coverage)

Traditional Medicare vs. MA Plans Other Considerations – MA Plans

- Plan benefits and cost sharing can change every year – annual reviews are necessary.
- MA plans usually do not provide hospice services (hospice elections are made through traditional Medicare) – but see VBID plans
- MA plans do not provide for services related to those accepted into clinical trials.

Traditional Medicare vs. MA Plans Summary

- Choosing to access Medicare, whether through traditional Medicare or an MA plan is a personal choice and requires that one consider the following:
 - Overall life circumstances
 - Health care needs
 - Desire for flexibility
 - Budget
 - Tolerance for financial risk



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Questions, Comments And Discussion

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