LeadingAge Illinois

MOMENTUM

2023 ANNUAL MEETING & EXPO

Renaissance Schaumburg
Convention Center - Schaumburg, IL

Understanding the Medicare Benefit

..and other coverage nuances

Objectives

- Provide an overview of Medicare
- Explain coverage criteria in various provider settings
- Discuss the differences between Original Medicare and Medicare Advantage
- Briefly Review Medicare Prescription Drug coverage

Medicare Part A

- Medicare Part A is the basic hospital insurance benefit
  - Inpatient hospital care
  - Skilled Nursing Facility (SNF) Care
  - Home health care
  - Hospice care
- Premium-free benefit available to persons age 65 and over and eligible for any type of monthly Social Security benefit.
- Medicare Part A requires enrollment, and will begin the first of the month, in which the individual turns 65.

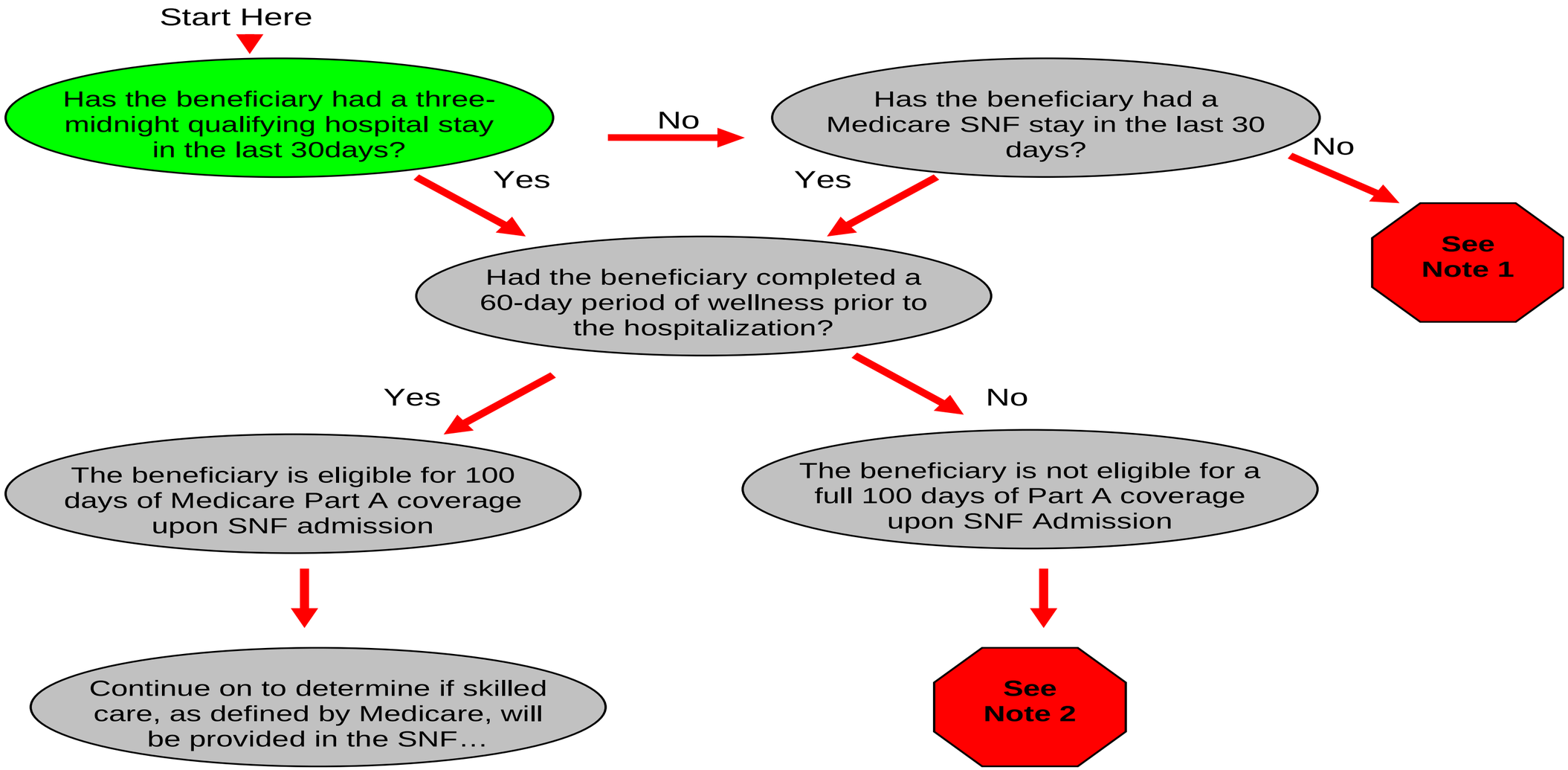
Skilled Nursing

- Part A covers semi-private rooms, meals, skilled nursing and rehab services, as well as other supplies and services.
- Must have a three-day qualifying hospital stay (under normal circumstances).
- Must meet the criteria for Medicare skilled care.
- May use up to 100 days, per benefit period.

100 Day Benefit Period

- Everyone gets 100 days right??

Figure 2.1 – Benefit Period Decision Maker



100 Day Benefit Period

- Note 1: A resident must have a qualifying hospital stay or Medicare SNF stay within the last 30 days to utilize the Medicare Part A SNF benefit. If the resident does not meet one of these two criteria and was not using the Medical Appropriateness exception (see Chapter 3) for the delay in admission, the resident will not qualify.

100 Day Benefit Period

- Note 2: If the resident did not meet the requirement for a 60-day period of wellness, he or she will only be able to use the days remaining in the current benefit period.
  - For example, if prior to the hospitalization or SNF discharge, the resident used 60 Medicare Part A SNF days, there will only be 40 days available for the current admission.
  - If 75 Medicare Part A SNF days were used, there will be only 25 available for the current admission.

100 Day Benefit Period

- Earning a new 100-day benefit period has nothing to do with a new diagnosis or diagnosis at all; it is strictly tied to that requirement for a 60-day period of wellness before a new 100-day period can be earned.

Home Health

- Covers reasonable and necessary, part-time, or intermittent skilled nursing care, certified by a physician.
- PT, OT and SLP, as ordered by a physician.
- May include social services, home health aide services and medical supplies if qualifications are met.
  - Homebound? What does that mean?

Hospice

- For beneficiaries with a terminal illness who are expected to live 6 months or less if the disease runs a normal course, as certified by a physician.
- Coverage includes drugs, medical and support services related to the terminal illness.
- Also includes grief counseling for the beneficiary and their support system.
  - Does not include room and board in a skilled nursing facility setting.
  - Who pays for this?

What about other coverage?

- In most cases, employer group health plans-EGHP (self or spouse) are primary to Medicare.
- Delaying enrollment in Medicare due to coverage in a EGHP does not result in a penalty, but there are notification requirements.
  - https://www.medicare.gov/supplements-other-insurance/how-medicare-works-with-other-insurance
- What is your current process to screen for primary payers PRIOR to admission?

Part A Premium and Coinsurance

- Most beneficiaries will have no monthly premium for Part A
- If a beneficiary did not work 40 quarters in the U.S., Medicare Part A can be purchased for a monthly premium
- First 20 days of a benefit period are paid in full by the Medicare program
- Last 80 days have a daily coinsurance due
  - Medicare Part A coinsurance rates in 2023 are $200.00
- Note: there is no Part A deductible for SNF services
  - We will review Medigap/ Supplemental coverage in this presentation

Medicare Part B

- Medicare Part B is the medical insurance benefit and includes a wide range of services not limited to
  - Outpatient hospital services
  - Radiology and laboratory tests
  - Ambulance transportation
  - Therapy services
  - Medical supplies
  - Durable medical equipment
  - Physician services
  - Rehab services

Medicare Part B Covered Preventative Services

- Part B covers many preventative measures; some are not subject to the Part B deductible or coinsurance
  - Bone mass measurement
  - Cardiovascular screenings
  - Colorectal cancer screenings
  - Diabetes screenings
  - Eye exams
  - Influenza, Hepatitis B, and Pneumococcal Vaccines
  - Glaucoma tests
  - Screening mammograms
  - Pap tests and pelvic exams
  - Prostate cancer screening

Additional Part B Supplies

- Diabetes supplies: including glucose testing monitors, blood glucose test strips, lancet devices and lancets, glucose control solutions, and, in some cases, therapeutic shoes
- Durable Medical Equipment (DME) such as oxygen, wheelchairs, walkers, and hospital beds for use in the home
- Kidney dialysis services and supplies
- Prosthetic and orthotic items

Medicare Part B Costs

- In addition to the monthly premium for having coverage under Part B, there are also co-payment amounts for certain services
  - This co-payment is typically 20% of the approved Medicare amount for each service
  - There is also a $226 annual deductible
  - There are too many services and approved amounts to list in this presentation

Enrollment Periods

- What if a beneficiary does not sign up for Medicare Part B when they are initially eligible?
- There are 2 types of additional enrollment opportunities under the Medicare Part B program
  - General enrollment period - annually
  - Special enrollment period – when situation changes, or beneficiary moves into long-term care

What is Not Covered?

- Extended long-term care, custodial care
- Hearing aids
- Most vision care (glasses and contacts)
- Most dental care (dentures)
- Cosmetic surgery
- Medical marijuana
- Medical expenses outside of the US (Medigap may cover)

Medigap Plans

- Also known as Medicare Supplement Plans
- These are private health insurance plans sold by insurance companies to provide coverage for expenses not covered by Medicare
    - Deductibles
    - Coinsurance/Co-pays
- Medigap plans are optional, but would cover costs that would otherwise be incurred out of pocket

Medigap Plans

- Medigap Plans are labeled with letters. Currently, the available plans are A, B, C, D, F, G, K, L, M, & N
- Each plan will cost a different amount depending on the benefits offered and the insurance company who covers the plan
- Medigap plans are differentiated in the way that they cover items and services

Medigap Plans

Compare the benefits of each lettered plan to help you find one that meets your needs now and in the future. You might not be able to switch Medigap policies later.

✔ = Plan covers 100% ✖ = Plan doesn't cover % = Amount the plan covers

Medigap plans

Benefits	A	B	C	D	F	G	K	L	M	N
Part A coinsurance & hospital costs	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Part B copays/coinsurance	✔	✔	✔	✔	✔	✔	50%	75%	✔	✔
Blood (first 3 pints)	✔	✔	✔	✔	✔	✔	50%	75%	✔	✔
Part A hospice	✔	✔	✔	✔	✔	✔	50%	75%	✔	✔
Skilled nursing facility	✖	✖	✔	✔	✔	✔	50%	75%	✔	✔
Part A deductible	✖	✔	✔	✔	✔	✔	50%	75%	50%	✔
Part B deductible	✖	✖	✔	✖	✔	✖	✖	✖	✖	✖
Part B excess charges	✖	✖	✖	✖	✔	✔	✖	✖	✖	✖
Foreign travel emergency	✖	✖	80%	80%	80%	80%	✖	✖	80%	80%
							$5,880	$2,940		

Medicare Advantage

- Beneficiaries can enroll in a "Medicare Advantage" plan and **give up** their original Medicare benefits
- Medicare Advantage plans are private insurance companies
  - Ex. Blue Cross, AARP, and Aetna
- The MA plans must provide similar coverage to original Medicare (Part A and B)
- Medicare sets guidelines that each MA plan must follow
  - MA plans may have a different co-pay and deductible schedule and different enrollment and disenrollment rules

Medicare Advantage

- Enrollment and disenrollment rules for MA plans
  - Cost plans offer unlimited enrollment and disenrollment options throughout the year
  - MA plans other than cost plans offer an annual election period between November 15 and December 31 each year. During that period, Medicare beneficiaries can enroll in any MA plan, switch between different MA plans, or disenroll from any MA plan
- Providers are required to have either 1) a contract, or 2) individual letter of agreement specific to that resident.
  - Once the initial authorization is received, who is responsible for the continuing authorizations?

Medicare Part D

- Medicare Part D offers Prescription Drug Plans, which are abbreviated PDPs; and Medicare Advantage Prescription Drug Plans (MA-PDs) under Part C Medicare
- Medicare Part D covers prescription drugs that are not covered by Medicare Part A or Medicare Part B

Standard Prescription Drug Benefit

- Part D premiums are income-based, similar to Medicare Part B
- Deductibles vary between Medicare drug plans. There is also a max cap on deductibles, and some Medicare drug plans don't have a deductible.
- Each PDP has a formulary of approved drugs
- All Part D plans (PDPs and MA-PDs) are required to cover almost all drugs in the 6 main drug classes

Finding a Plan

- There are many, many prescription drug plans from which to choose and the process is overwhelming for most beneficiaries
- Medicare Plan Finder:
  - https://www.medicare.gov/plan-compare/#/?year=2022&lang=en
- Local SHIP offices can also advise beneficiaries on the best plan and if they may qualify to apply for “extra help” through a federal or state program
  - https://www.medicare.gov/talk-to-someone#resources/ships

Other Items to Review

- What is long-term care insurance?
  - LTC covers routine, custodial care in most cases.
  - Medicare covers skilled services.
  - Most LTC policies kick in after Medicare ends for either continued skilled services after 100 days of Medicare, or once the beneficiary no longer requires skilled care.
  - Most LTC have either daily or dollar caps and require specific billing and information to pay for services.

The story continues…

- Next Up!
  - Streamlining Your Admissions Process 2:45 – Innovation
- Tomorrow!
  - Prevent Denials of Medicare Through Affective Clinical Documentation 1:30 Utopia D
  - Third Party Billing Pitfalls (..and how to avoid them!) 2:45 Schaumburg A

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MARCH 7-8, 2023

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