Let’s Learn Medicare

Helping Kansans Apply for Medicare-Related Limited-Income Programs and Upcoming Program Changes Through MIPPA
What is the Medicare Rights Center

The Medicare Rights Center is a national, nonprofit consumer service organization that works to ensure access to affordable health care for older adults and people with disabilities through:

- counseling and advocacy
- educational programs
- public policy initiatives
What We Will Cover Today

• Medicare-related costs
• Low-Income programs that pay for Medicare related costs
  • Medicare Savings Program
  • Extra Help
• How to access these benefits
• Upcoming eligibility changes to these benefits
  • MIPPA
• How to help and advocate for your clients
Applying for Low-Income Programs

• Before applying for low-income programs, you should know
  • Eligibility for one does not guarantee eligibility for another.
  • Becoming eligible for one might affect your eligibility for others.
  • Programs may offer different levels of assistance depending on income and assets.
  • The source of income affects eligibility for each program
    • e.g., earned wages from employment vs. unearned income from Social Security
Section 1
Medicare Health Coverage and Costs
Ways to Get Medicare Benefits

• Most people have — Original Medicare
  • Traditional program created in 1965.
  • Accepted by most doctors and hospitals in the country.
  • Includes Parts A and B.
  • Purchasing supplemental insurance can help with out-of-pocket costs.
  • If you want Part D, you must get it through a private drug plan that works with Original Medicare.
  • Eligible at age 65, whether taking Social Security retirement or not
  • The majority of people keep Original Medicare.

• You can choose to get Medicare benefits from a private health plan (Medicare Advantage, Part C).
  • All plans must cover A and B benefits, may offer Part D.
  • Plans may offer extra benefits, but have extra rules, restrictions, and costs.
**Part A Costs (Original Medicare)**

- **Monthly Premium**
  - Premium free for those with 10 years work (40 quarters).
  - $240 if you have worked between 7.5 and 10 years (30-39 quarters).
  - $437 if you have worked fewer than 7.5 years (fewer than 30 quarters).

- **Hospital Deductible**
  - $1,364 in 2019 for each benefit period.

- **Hospital Coinsurance**
  - $341 a day for days 61–90, each benefit period.
  - $682 for days 91–150 (these are 60 non-renewable lifetime reserve days).

- **Skilled Nursing Facility Coinsurance**
  - $170.50 a day for days 21–100, each benefit period.
Your Part B Costs (Original Medicare)

- **Annual Deductible**
  - $185 in 2019.

- **Standard Monthly Premium**
  - $135.50 in enrolling in 2019, continuing coverage $109
  - Higher if you have high income ($85K individ; $170K joint) - (from $189.60 - $446.50) -

- **Coinsurance**
  - Medicare pays 80 percent of Medicare-approved amount for doctors’ services; you pay 20 percent coinsurance.
  - Exception: Outpatient mental health has a 50 percent coinsurance.
Patient Costs in a Medicare Private Health Plan – Medicare Advantage

• You must continue to pay Part B premium, if one is charged.
• Plan may charge additional monthly premium.
• Generally, no deductible for doctors’ visits, but may have one for hospital care and prescriptions.
• Usually charge set copayments (such as $15) for doctors’ visits instead of 20 percent coinsurance.
• Copayments may be higher for specialty care, like hospitalization, chemotherapy, etc.
• You may pay more if you
  • get care outside the plan’s network or service area.
  • do not ask the plan’s permission to get certain types of care or do not follow plan rules.
HELP KLS promote MARCH MEDICARE MADNESS!

Medicare Savings Programs (MSPs): Help with Medicare Part A and B Costs
Medicare Savings Programs (MSPs)

- Medicare Savings Programs help people who have low incomes pay for the out-of-pocket costs of Original Medicare (Parts A & B).
- Joint federal/state programs.
  - Apply through your state Medicaid program (DCF in Kansas)
- Three MSP programs:
  - QMB (Qualified Medicare Beneficiary).
  - SLMB (Specified Low-Income Medicare Beneficiary).
    - In Kansas, commonly known as LMB (Low-income Medicare Beneficiary).
  - QI (Qualifying Individual)
    - In Kansas, commonly known as ELMB (Expanded Low Income Medicare Beneficiary).
- Different programs offer different benefits.
  - DCF offices determine which program you qualify for based on income and assets.
- MSPs are exempt from estate recovery in Kansas
What are the Benefits of MSPs?

• Depending on program, an MSP could help pay some of the following costs (in 2019):
  • Standard Part B premium: $135.50
  • Part B late enrollment penalty
  • Part A premium (if you have worked less than 10 years and you owe a Part A premium)
  • Part B deductible: $185
  • Hospital deductible: $1,364/benefit period
  • Coinsurance for services (doctor, hospital, skilled nursing facility, home health, hospice)

• “Deemed” eligible for Full Extra Help (Part D).
Qualified Medicare Beneficiary (QMB)

- Income limits (2019, changes in March, 2019)
  - $1,041 a month or less for an individual.
  - $1,409 a month or less for a couple.
    - These numbers include a built-in $20 general income “disregard”
- Asset limits (doesn’t change annually, but can be changed)
  - $8,780 or less for an individual.
  - $13,930 or less for a couple.
- Pays for Medicare Part A & B premiums.
- **Pays your Medicare deductibles and coinsurances** if you go to providers who participate in Medicaid and Medicare (including a Medicare private health plan’s network).
- Can have QMB and Medicaid.
Specified Low-Income Medicare Beneficiary (SLMB)

• Known as LMB in Kansas
• Income limits (2019)
  • $1,405 a month or less for an individual.
  • $1,902 for a married couple.
    • These numbers include a built-in $20 general income disregard.
• Asset limits (don’t change annually, but they can change)
  • $8,780 or less for an individual.
  • $13,930 or less for a married couple.
• Pays the Medicare monthly Part B premium.
• Can have SLMB and Medicaid (including Spend-Down).
Qualifying Individual (QI)

- Known as ELMB in Kansas
- QI has the highest income limits
- Pays the monthly Part B premium.
- Must not be eligible for Medicaid benefits
Should I apply if my income is over the limit?

• Yes!
• How your income is counted depends on whether or not you are working and/or receiving Social Security benefits.
  • For example, less than half of your earned income will be counted.
• You may be able to deduct certain expenses from your income.
  • Contact DCF for details
When Does Coverage Start?

• You should be notified of your application decision within 45 days of applying for an MSP.
• It may take several weeks or months from MSP determination to start receiving benefits.
• You continue to pay Medicare costs until approved, then you will be reimbursed.
  • QMB benefits begin the month after the month you are determined eligible.
  • You may be eligible for retroactive benefits for up to three months before you applied for SLMB and QI.
What if I am Denied Enrollment?

• You have the right to appeal.
  • Submit an appeal request to the address shown on the denial notice within 33 days of the denial date.
  • You must continue to pay your monthly Part B premium during this time.

• If you win your appeal:
  • Kansas will pay your Part B premium starting the month indicated on your new acceptance notice.
  • You will receive a lump-sum check as reimbursement for the months before the Part B premium ($96.40 a month in 2009) is added to your Social Security check back to the month of application.
MSPs: How to Apply in Kansas

• Get the four-page paper application form
  • DCF Offices
  • KHPA
  • Area Agency on Aging
  • SHICK Offices
  • Hospitals
  • Community groups

• How to apply
  • Complete application
  • Provide any requested documentation

• Method of Application
  • In-person at DCF Offices
  • Through the mail (DCF)
  • Fax to DCF (follow-up needed)
  • In-person assistance is available at other locations
MSPs and People with SSI

• People who receive Supplemental Security Income (SSI) should not need to apply for an MSP.

• Kansas must pay Part B premiums for all people with SSI, automatically.

• Some people with SSI still inappropriately pay Medicare premiums.
  • Once State is alerted to this fact, these people should be reimbursed for all months of self-paid premium back to date of SSI eligibility.
MSPs and Medicaid

• If you are enrolled in Medicaid, you should make sure you are also enrolled in QMB.
  • This is how Medicaid pays for your Medicare Part B premium.
• MSPs may increase your monthly income by the amount of the Part B premium ($135.50 in 2019).
  • Make sure the increase will not make you ineligible for Medicaid.
• Contact your local DCF office for more information.
Section 3
Medicare Drug Coverage Costs
What is the Medicare Prescription Drug Benefit (Part D)?

- Outpatient drug coverage: Prescription drugs you get at a pharmacy or through mail order
  - **Coverage only through private plans.**
- Anyone entitled to Medicare is eligible - income does not matter.
- This coverage is voluntary for most.
  - Late Enrollment Penalty – 63 days with no creditable coverage and not enrolled in Part D – 1% per month of no coverage – 3 years, pay 33% more for the rest of your life
- Premium is higher for higher income participants.
What Does Medicare Drug Coverage Look Like?

• Drug plans vary widely in their benefits.
• Each plan has
  • different costs.
  • a different list of drugs that it covers (formulary).
  • its own network of pharmacies.
• Cost is determined by the plan chosen.
  • Pharmacists, AAA staff or online options are good for determining best plan, based on drugs needed
• Annual enrollment, so can change plans annually between Oct 15 and early Dec. for the next year.
How does it work?

• To get the Medicare drug benefit, you must choose and enroll in a private drug plan.

• You need to choose a drug plan that works with your Medicare coverage.
  
  • **Original Medicare:** Stand-alone drug plan (PDP) + Original Medicare to cover doctor and hospital services.

  • **Medicare private health plan:** You generally must get all benefits (doctors, hospitals, drugs) from the same plan (MA-PD). Some exceptions.
Medicare Drug Coverage (Part D) Costs

• Monthly Premiums
  • National average monthly premium for all Part D plans (PDP and MA-PD) is $33.19 in 2019. High earners pay more.

• You will have different costs for different prescriptions at different times
  • Deductible: No more than $415 in 2019.
  • Initial Coverage Period: You pay copayments or coinsurances. These can vary by plan and by drug.
  • Coverage gap: At some point (usually after $3,820 in total drug costs in 2019) you may pay 35%(brand name)-44%(generic) of the cost for your covered drugs.
  • Catastrophic coverage: After you spend $5,100 out-of-pocket* in 2019, your copayments go down significantly.
Section 4
Extra Help (Low-Income Subsidy, LIS)
Help with Medicare Prescription Drug Coverage (Part D) Costs
What is Extra Help (For Part D)?

• Extra Help (Low-Income Subsidy, LIS) is a federal subsidy program that helps pay for some or most of the costs of Medicare drug coverage.
  • No or low premium and deductible for prescription drug coverage.
  • Low copayments (as low as $3.35 (generic); no more than 15 percent of cost of your drug).

• The level of Extra Help you are eligible for depends on your income and assets.
  • Full Extra Help.
  • Partial Extra Help.

• Federally administered; federally funded.
  • Get it from Social Security Administration
“Full” Extra Help – 135% FPL

• Eligibility (2019):
  • Monthly income below $1,425 ($1,922 for married couples).
  • Assets below $9,230 ($14,600 for married couples).

• **No premium or deductible** as long as you choose a drug plan with a premium at or below the Kansas regional benchmark (the amount Extra Help will pay for in full) of $30.27 per month in 2019.

• You only pay a **small copayment** for each drug you buy.
  • Your copayment amount depends on your income and whether you have full Medicaid. ($3.40 generic/$8.50 brand name).
  • You pay **nothing** after **$5,100 in out of pocket annual drug costs** in 2019 (catastrophic coverage).
“Partial” Extra Help - up to 150% of poverty

• Eligibility (2019):
  • Monthly income below $1,581 ($2,134 for a married couple).
  • Assets below $14,390 ($28,720 for married couples).

• Benefits vary depending on income
  • a sliding-scale premium based on your income;
  • a $83 deductible;
  • No more than 15 percent for each drug you buy (you will pay either 15 percent or the standard copay, whichever is lower);
  • $3.40/generic and $8.50/brand-name drug copayment after $5,100 in out of pocket drug costs in 2019.
How Does Catastrophic Coverage Work with Extra Help?

• Once your **total** drug costs reach $5,100 in 2019, you will reach catastrophic coverage. This includes
  • what you, family members or friends pay for covered drugs at in-network pharmacies;
  • what Extra Help pays;
  • what your Medicare private drug plan pays.

• **Note:** Monthly Part D premiums and drugs not covered by your plan or by Medicare will **not** count toward catastrophic coverage.
Extra Benefits of Extra Help

• You get an ongoing Special Enrollment Period to enroll in a Part D plan.
  • Can change plans once a month.
    • Effective 1st of following month.
• No penalty for late enrollment even if you did not have creditable coverage
How do I get Extra Help?

• Some people will get Extra Help automatically (“deemed”)
  • Medicaid.
    • Medicaid Spend-down.
  • Supplemental Security Income (SSI).
  • Medicare Savings Programs.
• Everyone else must apply through SSA.
What if I Do Not Get Extra Help Automatically?

• You have to fill out an application.
  • You and your spouse can apply with the same application.

• You can apply through:
  • Social Security Administration
    • Online application works best (www.ssa.gov).
    • Mail in print application (use original).
    • Apply by phone (800-772-1213).
    • Apply in person at local SSA office.

• You will need to declare your income and assets (do not need to provide proof).
When Will My Extra Help Begin?

• If you get Extra Help automatically
  • Extra Help benefits will be retroactive to effective date of full Medicaid, or the month in which you meet your spend-down, SSI or an MSP.

• If you apply for Extra Help
  • If you applied for Extra Help through SSA, there is no time-limit for SSA to process your application.

• Out-of-pocket costs should be reimbursed by your plan.
  • Only drugs on plan’s formulary list that should have been subsidized by Extra Help.
For More Information and Help

• Kansas DCF
  • [www.dcf.ks.gov](http://www.dcf.ks.gov)

• Kansas AAA assistance: 1-866-457-2364

• KS State Health Insurance Information, Counseling and Assistance Program (SHICK)
  • Phone: 800-860-5260
  • Fax: 785-296-0256

• Medicare
  • 800-MEDICARE (800-633-4227)
  • [www.medicare.gov](http://www.medicare.gov)

• Medicare Rights Center
  • Hotline for people with Medicare: 800-333-4114
  • Hotline for professionals: 877-794-3570
  • [www.medicarerights.org](http://www.medicarerights.org)
  • [www.medicareinteractive.org](http://www.medicareinteractive.org) (see next slide)
Medicare Interactive

• Medicare Interactive
  • www.MedicareInteractive.org

• Web based information system developed by Medicare Rights to be used as a counseling tool to help people with Medicare.
  • Easy to navigate.
  • Clear, simple language.
  • Answers to Medicare questions and questions about related topics, for example:
    • Will I get help paying for the Medicare drug benefit if my income is low (Extra Help)?
  • State-specific information (find what programs your state offers and their income and asset limits).