

# Medicare Training

## Module Two



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Here at the Fraud Patrol, we understand this is a lot of material...

So we're only going to cover the:



**BIG**  
**Picture!**

# Medicare



- What is Medicare?
- Who is responsible for Medicare?
- Types of Medicare
- Medicare Covered Preventive Services
- Medigap/Other Supplemental Insurance
- Medicare-Approved Drug Discount Cards
- Medicare Prescription Drug Plans
- Coordination of Benefits
- Medicare Entitlement: EDRD or Disability
- Medicare Patients' Rights
- Who are the Beneficiaries?/How to reach them
- Medicare Modernization Act of 2003

# 1<sup>st</sup> Group Exercise:

## What is Medicare?

If the ball comes to you, just shout out a fact about Medicare! 😊

# What is Medicare?

- Medicare is a health insurance program for:
  - People 65 years of age and older
  - Some people with disabilities
  - People with End-Stage Renal Disease

# Who is responsible for Medicare?

- The Centers for Medicare and Medicaid Services (CMS)
  - A federal agency within the U.S. Department of Health and Human Services that administers the Medicare Program
- The Social Security Administration
  - Responsible for enrolling most people in Medicare

# Types of Medicare

- Original Medicare
- Medicare Advantage Plans

# Types of Medicare: Original Medicare

- Original Medicare is offered nationwide and offers three parts
  - Part A- hospital insurance
    - Most people do not have to pay for Part A.
  - Part B- medical insurance
    - Most people pay a monthly premium for Part B.
    - Part B includes a deductible (\$110 for 2005)
    - 20% coinsurance for most services
    - Some co-payments
  - Part D- Prescription Benefit
    - Most people pay a monthly premium
    - Includes a deductible
    - Coinsurance/co pays will apply

# Original Medicare Part A

- Part A helps pay for:
  - Hospital stays
  - Skilled nursing facility (SNF) care
  - Home health care
  - Hospice care
  - Blood

# Original Medicare Part B

- Part B helps pay for:
  - Doctors' services
  - Outpatient medical and surgical services and supplies
  - Diagnostic tests
  - Outpatient therapy
  - Outpatient mental health services
  - Some preventive health care services
  - Clinical laboratory services
  - Home health care
  - Durable medical equipment (DME)
  - Outpatient hospital services
  - Blood
  - Ambulance service
    - If other transportation would endanger the beneficiary's health

# Types of Medicare: Medicare Advantage Plans

- Medicare Advantage Plans allow private insurance companies to offer coverage to people with Medicare
- Medicare Advantage Plans are not available everywhere
  - The plans are not available in Arkansas
- There are 4 main categories of Medicare Advantage Plans
  - Medicare Managed Care Plans
  - Medicare Private Fee-for-Service Plans
  - Medicare Preferred Provider Organization Plans
  - Medicare Specialty Plans

Take a Break! 😊

Please be back in 5 minutes

# Medicare Covered Preventive Services

- Preventive Services are available to help lower risk of illness and disease
- Preventive Services coverage is based on eligibility such as:
  - Age
  - Gender
  - Medical history
- An initial preventive physical examination called “Welcome to Medicare” physical exam is available

# Medicare Covered Preventive Services

- “Welcome to Medicare” physical exam\* includes:
  - Initial preventive physical exam
  - Height and weight
  - Blood pressure and EKG
  - Education and counseling
  - Referral for other preventive services

\* applies to beneficiaries that begin Part B coverage after January 1, 2005 AND exam must be performed within 6 months of start date of Part B coverage. Does not include payment for clinical laboratory tests.

# Medicare Covered Preventive Services

- Other preventive services available\*:
  - Bone mass measurement
  - Cardiovascular screening
  - Colorectal cancer screening
  - Diabetes screening, services, & some supplies
  - Glaucoma screening
  - Mammogram screening
  - Pap test and pelvic exam with clinic breast exam
  - Prostate cancer screening
  - Vaccinations (flu, pneumococcal pneumonia, and Hepatitis B
  - \* eligibility, deductible/coinsurance requirements, and frequency of testing varies from service to service

# Medigap



- What is a Medigap Policy?
  - A policy sold by private insurance companies
  - It fills in the gaps in the Original Medicare Plan
  - There are currently 10 standard plans called A to J
    - Plan A offers the most basic benefits while plans B-J offer additional benefits.

# Medigap

- Medigap policies only work with the Original Medicare plan
  - Except under certain circumstances
- It is illegal for someone to sell a Medigap policy to someone they know is in a Medicare plan other than the Original Medicare Plan
- Except in certain situations, it is illegal for an insurance company to sell a beneficiary a Medigap policy if they have Medicaid

# Medigap

- Who can buy Medigap?
  - Must have Medicare Part A and B
  - May not be able to buy Medigap if under 65
  - Medigap policies only work with Original Medicare Plan
    - Except under certain circumstances

# Medigap

- Medigap is **not**:
  - Coverage from an employer or union
  - A Medicare Managed Care Plan
  - A Private Fee-for-Service Plan
  - Medicare Part B
  - Medicaid

# Other Supplemental Insurance

- Group health coverage
  - Employer
  - Union
  - Association
  - Organization
  - TRICARE for Life
- COBRA

Take a Break! 😊

Please be back in 5 minutes

## 2<sup>nd</sup> Group Exercise:

Anyone have any stories about obtaining prescription drugs?

We want to get some understanding of what many seniors deal with! 😊

# Medicare-Approved Drug Discount Cards

- New discount cards are available to people with Medicare
  - Cards are not available to people with Medicaid outpatient drug coverage
- These cards:
  - Are voluntary
  - Are temporary
  - Were predecessor to Prescription Drug Benefits
  - Will expire May 15, 2006

# Medicare Prescription Drug Plans

- Starting January 1, 2006 Medicare will offer prescription drug coverage under a new Part D
- Plans are different than Medicare-approved drug discount cards
  - Medicare-approved discount cards phase out May 15, 2006
  - While the Medicare-approved drug discount cards offer discounts, the Medicare prescription drug plans will offer insurance coverage
- Beneficiaries with Medicare Part A and/or Part B can get Medicare prescription drug coverage (Part D)
- Coverage will be offered by private companies

# Medicare Prescription Drug Plans

- Medicare prescription drug plans may help beneficiaries lower their prescription drug costs
- Some beneficiaries who have low or no prescription drug costs may not save money with the plans
  - Beneficiaries who choose to enroll in a plan later may face a premium penalty for not enrolling during the initial enrollment period

# Medicare Prescription Drug Plans

- There will be at least 2 private drug plans to choose from. At least 1 of these plans will be a stand-alone prescription drug plan
  - Two types of Medicare Part D plans:
    - Stand-alone prescription drug plans (PDP)- which will only offer prescription drug coverage.
      - Beneficiaries will continue to get other medical services through Original Medicare (or through Medicare cost plans and Private Fee-for-Service plans if they do not offer prescription drug coverage)
    - A Medicare private health plan (like a PPO, PFFS, or HMO)- beneficiaries can join or remain in a Medicare private health plan that provides prescription drug coverage in addition to all Medicare covered services

# Medicare Prescription Drug Plans

- Plans provide insurance coverage for prescription drugs
- Beneficiaries will pay a monthly premium
- Beneficiaries will pay an annual deductible
- Beneficiaries will pay a share of the cost of their prescriptions
- Drug plans will vary in:
  - Which prescription drugs are covered
  - How much beneficiaries pay for prescriptions out of pocket
  - Which pharmacies beneficiaries can use
- All Drug plans will have to provide at least a standard level of coverage which will be set by Medicare

# Medicare Prescription Drug Plans

- The standard for an approved Medicare approved drug plan includes:
  - The overall value of the plan must be equal to or greater than the basic plan outlined in the 2003 Medicare law
  - The annual deductible for 2005 cannot be greater than \$250
  - Catastrophic coverage must be as good or better than the basic plan outlined in the 2003 Medicare law
  - Plans must cover at least 2 drugs in each drug class in their formulary
  - Plans must cover all or substantially all drugs in 6 categories:
    - Antidepressants, antipsychotics, anticonvulsants, antiretrovirals (AIDS treatment), immunosuppressants, anti-cancer

All information found on [www.medicarerights.org](http://www.medicarerights.org)

# Medicare Prescription Drug Plans

- More on standard for an approved Medicare approved drug plan:
  - Plans must have a process in place for members to request exceptions to the plan's formulary if a medically necessary drug is not covered
  - Plans must have a network of pharmacies that meets federal standards for convenient access
  - Plans must make information about their pharmacy network and formulary easily available (some information is only required upon request)
  - Plans must have a Medicare-approved transition process for new members whose condition has been stabilized on medications that not on the plan's formulary

All information found on [www.medicarerights.org](http://www.medicarerights.org)

# Medicare Prescription Drug Plans

- Beneficiaries who qualify may receive extra help in paying:
  - Their drug plan's monthly premiums and/or some of the cost they would normally pay for their prescriptions
- These costs type of extra help will be based on income and assets
- Beneficiaries may qualify for extra help if:
  - Annual income is below 150% of federal poverty level and assets are low
    - Some will still qualify if above level; some income and assets may not be counted
  - They get Medicaid, a Medicare Savings Program, or receive Supplemental Security Income (they will automatically qualify; they will not need to apply for the extra help or reapply each year)
    - Those that automatically qualify will still have to choose a drug plan or they will be randomly assigned to a drug plan (which could have higher premiums)

# Medicare Prescription Drug Plans

More on beneficiaries who qualify...

- If a beneficiary chooses a drug plan which has a higher premium than the extra help premium amount the beneficiary will be responsible for the difference
- Beneficiaries must reapply each year for extra help

# Medicare Prescription Drug Plans

- Information regarding the drug plans will be available through:
  - Medicare's website-beginning in October 2005 Medicare will have a tool on their website <http://www.medicar.gov> that will allow beneficiaries to search for private drug companies
    - Beneficiaries will be able to:
      - Search for drug plans in their area and compare their:
        - Costs
        - Covered drugs
        - Pharmacy network
  - 1-800-MEDICARE
  - The *Medicare & You 2006* handbook

# Medicare Prescription Drug Plans

- Plans will be offered that add coverage to the Original Medicare Plan and Private Fee-for-Service Plans.
  - These plans will be offered by insurance companies and other private companies
- There will also be other drug plans that are part of Medicare Advantage Plans in some areas

Lunch Break! 😊

Please be back in 60 minutes

# Coordination of Benefits

- Coordination of Benefits (COB) means:
  - Determining if Medicare is primary or secondary payer
  - Ensuring primary payer pays first (whether it is Medicare or other insurance)
  - Ensuring claims are paid properly
  - Sending claims data to other insurers
  - Sharing Medicare eligibility data with other primary payers
  - Avoiding duplicate payment

# 3<sup>rd</sup> Group Exercise:

Anyone have any stories about Medicare Entitlement?

The most interesting story will win a prize! 😊

# Medicare Entitlement

- End-Stage Renal Disease
- Disability

# Medicare Entitlement: ESRD

- End-Stage Renal Disease (ESRD) is defined as:
  - Stage of kidney impairment that appears irreversible and permanent, which requires a regular course of dialysis or a kidney transplant to maintain life
- The Original Medicare Plan is usually the only plan available for beneficiaries with ESRD

# Medicare Entitlement: ESRD

- Part A Eligibility Requirements any age:
  - If regular dialysis or
  - Kidney transplant
  - AND at least one of the following:
    - Worked required amount of time
    - Receiving SSA or RRB cash benefits
    - Spouse or dependent child of someone who worked required amount of time

# Medicare Entitlement: ESRD

- Part B Eligibility:
  - If entitled to Part A
    - Can enroll in Part B
      - Will have to pay premium for Part B
  - Will need both Part A and Part B to cover certain services

# Medicare Entitlement: Disability

- Beneficiaries will be automatically enrolled in the Original Medicare Plan:
  - Once they have received Social Security disability payments for 24 months
- Disabled Beneficiaries can choose between enrolling in the Original Medicare Plan or a Medicare Advantage Plan

# Medicare Entitlement: Disability

- Entitlement will end if:
  - Social Security determines that the beneficiary is no longer disabled
    - Entitlement can be continued under some circumstances such as under the Ticket to Work and Work Incentives Improvement Act of 1999\*
      - \*It encourages disabled persons to work without fear of losing their health care benefits (such as Medicare)
  - Nonpayment of Part A premiums
  - Voluntary termination
  - After working (while still disabled) for 8 ½ years with premium-free Part A

Take a Break! 😊

Please be back in 5 minutes

# 4<sup>th</sup> Group Exercise:

Do Medicare Patients Have Rights?

Please share two stories among the group! 😊

# Medicare Patient's Rights

- Both the Original Medicare Plan and Medicare Advantage Plans have guaranteed rights
- These rights:
  - Protect the beneficiaries when they get health care
  - Make sure the beneficiary gets the health care services that the law says they can get
  - Protects the beneficiaries against unethical practices

# Medicare Patient's Rights

- Beneficiaries have the right to:
  - Be treated with dignity and respect
  - Be protected from discrimination
  - Get information that they can understand so they can make health care decisions
  - Gets answers to their Medicare questions
  - Get emergency care when and where they need it

# Medicare Patient's Rights

- Beneficiaries have the right to:
  - Learn about treatment choices in clear, understandable language
  - Know how to file a complaint
  - Have personal information Medicare collects kept private
  - Talk with their health care providers in private

# Medicare Patient's Rights

- Beneficiaries have the right to file a complaint about:
  - Billing
  - Payment
  - Services received
  - Coverage issues
  - Operations including quality of health care

# Medicare Patient's Rights: Beneficiaries Privacy Rights

- Right to ask Medicare
  - To see and copy their personal medical information
  - To correct any medical information that they believe is incorrect or incomplete
  - Who their medical information was sent to
  - To communicate in a different manner
  - NOT to use and give out their information for reasons listed
  - For released information in writing

# Medicare Patient's Rights: Beneficiaries Privacy Rights

- Medicare Must
  - Disclose personal medical information to:
    - The beneficiary or someone with the legal right to act for them
    - To the Secretary of Health & Human Services
    - When required by law

# Medicare Patient's Rights: Beneficiaries Privacy Rights

- Medicare Has the Right
  - To disclose personal medical information to:
    - Medicare contractors to process claims
    - Ensure quality health care
    - Provide customer service
    - Resolve beneficiary complaints

# Medicare Patient's Rights: Beneficiaries Privacy Rights

- Medicare may:
  - Disclose personal medical information
    - To state and federal agencies
    - For public health activities
    - For government oversight
    - For judicial proceedings
    - For law enforcement purposes
    - For research studies
    - To avoid threat to health and safety
    - To notify beneficiary about benefits
    - For collection of information

Take a Break! 😊

Please be back in 5 minutes

# Who are the Beneficiaries?

- In 2004 Medicare had over 41 million beneficiaries
  - 97% of the beneficiaries were over 65
- A projected estimate of beneficiaries for 2030 show:
  - Close to 77 million Medicare beneficiaries
  - 68.2 million of those will be over 65
  - 8.6 million will be disabled or have ESRD

# How to reach Beneficiaries

- According to the Medicare Current Beneficiary Survey (MCBS) 2000 beneficiaries prefer receiving information in the following ways:
  - #1 talking face-to-face
  - #2 pamphlet
  - #3 telephone
  - #4 media
  - #5 internet

# Medicare Modernization Act of 2003

- Major provisions implemented:
  - 2004:
    - Drug discount card
    - The name Medicare Advantage Plans replaced the name Medicare + Choice Plans
  - 2005:
    - Drug discount card
    - New preventive services
    - Part B deductible increased to \$110
  - 2006:
    - Prescription drug plans
    - 2 new Medigap policies
    - Changes to the Part B deductible

# We're Done! 😊



- You know so much about Medicare now, that you can look at it with only one eye!

# Material Covered



- What is Medicare?
- Who is responsible for Medicare?
- Types of Medicare
- Medicare Covered Preventive Services
- Medigap/Other Supplemental Insurance
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# 5<sup>th</sup> Group Exercise: As a topic is picked, say something about one of the items covered today! 😊

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# Question & Answer: All questions are to be answered by the group in order to strengthen short-term recall for the test

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# Evaluation

Please complete the Module 2  
portion of your training evaluation!

# Thanks for Your Participation! 😊

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