2020 Medicare Update

Updated August 2019

New Medicare Cards

- Replace HICN (Health Insurance Claim Number)
  - With Medicare Beneficiary Identifier (MBI)
- MBI is 11-digit identifier
  - Not including Social Security number
    - Not including Suffixes
  - Including Uppercase alphabetic and numeric
    - Excluding letters S, L, O, I, B and Z
- Beneficiaries can download card on www.mymedicare.gov
- Currently, providers can bill under HICN or MBI
  - If bill under HICN, Remittance Advice (RA) contains MBI
- Starting January 1, 2020, must use MBI
  - Exceptions: Appeals and premium payments can still use HICN

Medicaid Requirement to Enroll in Medicare

- NYS requires Medicare eligible Medicaid recipients to enroll in Medicare
  - As condition of continuing to receive Medicaid
- Qualifying for Medicare vs. Qualifying for Premium-Free Part A
  - Eligible for Medicare if US citizen
    - Or legal permanent resident for 5 years
  - Eligible for premium-free Part A
    - 40 quarters/10 years work history
- Neither Part A or Part B? Part A Buy-In
    - http://www.medicarerights.org/fliers/Medicare-Savings-Programs/Medicare-Part-A-Buy-In-(NY).pdf?nrd=1
- Part B only? Apply for MSP
  - Enrolls beneficiary in Part A and QMB pays both Part A and Part B premium
- Receiving SSI? QMB should be automatic

2019 HIICAP Counselor Exam
Qualifying for Premium-Free Part A

- People with Medicare who do not qualify for premium-free Part A under their own work history may qualify for premium-free Part A under...
  - Their (over age 62) current spouse's work history (even if spouse is not collecting Social Security) if married at least one year
  - Their (over age 62) ex-spouse's work history (even if ex-spouse is not collecting Social Security) if the person with Medicare recently re-married
  - Their (over age 62) ex-spouse's work history (even if ex-spouse is not collecting Social Security) if they were married for five years
  - None of the Above

Qualifying for Premium-Free Part A

- 10 Years Work History (40 Quarters/Credits)
  - $1,360 earns one credit (2019)
- May qualify under Spouse/Ex-Spouse/Deceased
- Current Spouse
  - Eligible for Social Security Retirement/Disability
    - Married at least one year
- Ex-Spouse
  - Eligible for Social Security Retirement/Disability
    - Married at least 10 years (and currently single)
- Deceased Spouse
    - Married at least 9 months (and currently single)

Part A Enrollment

- Premium-Free Part A
  - Collecting Social Security
    - Part A is mandatory
  - Not collecting Social Security
    - Part A is voluntary
    - Can enroll in Part A at any time
      - Can be retroactive up to 6 months
- HSA and Medicare Part A
  - Cannot contribute to HSA once enrolled in Medicare (Part A)
    - Caution: Part A can be retroactive into prior calendar year
- Premium Part A
  - Same enrollment rules as Part B

Medicare Part B Enrollment

Initial Enrollment Period (IEP)

Special Enrollment Period (SEP)

General Enrollment Period (GEP)

Medicare Eligibility and Automatic Enrollment

Medicare Eligibility

- ESRD
- SSD
- 65

Automatic Enrollment

- Never
- Always
- Sometimes

Classic Medicare - Only One Part of Medicare

- Part A Only?
  - Must qualify for Premium-free Part A
    - NO Part A only if do not qualify for premium-free Part A
      - If you buy Part A, you also have to buy Part B
- Part B Only?
  - Must NOT qualify for Premium-free Part A
    - NO Part B only if qualify for premium-free Part A
      - If you enroll in Part B, you must also enroll in Part A

Initial Enrollment Period (IEP)

- IEP is 7 months surrounding month of eligibility
  - Delays Part B if enroll after month turn 65
- Eligibility may begin after 65
  - For beneficiaries not eligible at 65
- Exception for People born on 1st of month
  - 7-month IEP surrounds month prior to turning 65
    - Can actually enroll in month after IEP
- “Protected Filing” Date
  - Can get earlier effective date based on date contacted Social Security

…Details

IEP for US Citizen Living Outside of USA

- Initial Enrollment Period (IEP) for US citizens living outside of the United States
- If qualify for premium-free Part A
  - Same IEP as those living in United States
    - Subject to Part B Late Enrollment Penalty (LEP)
- If do not qualify for premium-free Part A
  - IEP based on return to United States
    - NOT subject to Part B Late Enrollment Penalty (LEP)

Special Enrollment Period (SEP)

- Qualifying for Special Enrollment Period:
  - Covered under Group Health Plan (GHP) based on current employment of beneficiary or Spouse
    - Spouse includes “divorced spouse”
    - Group Health Plan includes working in countries with national health plans
  - Current employment first
    - Must be covered starting first month of eligibility
  - Part B first
    - Enrolled in Part B during IEP and later terminated
      - Must be covered starting first month of termination

Special Enrollment Period

- Time Period
  - While still covered under active employment or
    - Within 8 full months following month of loss of active employment
- Effective Date
  - Enroll while employed or first month not employed
    - Effective 1st of month of enrollment
      - Or 1st day of any of following 3 months
  - Enroll in last 7 months
    - Begins 1st of the following month

Special Enrollment Period - Disabled

- Same SEP as for those eligible for Medicare at age 65
- Can qualify for SEP based on current employment of Family Member
  - But only if covered under Large Group Health Plan (LGHP)
    - 100 or more employees
  - Family Member can include Child, Parent or Domestic Partner
- D-SEP
  - Receive primary LGHP coverage but NOT based on current employment
  - D-SEP is 7-month period begins with the later of:
    - Month in which employer notifies beneficiary that Medicare is the primary payer, or
    - The month Medicare becomes the primary payer
  - Part B can be effective:
    - Retroactive to the month Medicare becomes the primary payer

General Enrollment Period
Late Enrollment Penalty

- General Enrollment Period (GEP)
  - January – March (Effective July 1)
- Late Enrollment Penalty (LEP)
  - 10% for every FULL 12 months
  - Based on percentage of current premium
    - Even if paying high income Part B premium
  - Determining Number of Months
    - From end of IEP to end of GEP
      - Or if qualified for SEP…
      - Count from 1st month not actively employed
    - Do NOT count months covered under active employment

…Detail
Overlapping Part B Enrollment Periods

- Initial Enrollment Period always takes precedence
- Exception: When an SEP enrollment is allowed during the IEP
  - Disabled beneficiary has a new IEP at age 65
- Disabled individuals who file SEP enrollment request during the IEP based on age 65 are allowed to enroll under the SEP provisions
  - If the request is filed prior to age 65
    - To allow for earlier Part B effective date
- Disenrolling from Part B
  - Effective end of month following month of disenrollment

Delaying Part B - Caution

- Retiree Insurance
  - Must have coverage based on active/current employment
- Self-Employed
  - Must be employer group health plan (Offers coverage to at least 1 other employee)
    - » Unless purchased through Association
- Small EGHP (Employer Group Health Plan)
  - Can delay enrollment with any size employer
    - However employer insurance may not continue to pay as primary
- Domestic Partner
  - Does not count for people eligible due to age 65
- VA (Veterans Administration)
  - Does not allow you to delay enrollment without penalty

Delaying Part B - Caution

- FQHC (Federally Qualified Health Centers)
  - Pay on a sliding scale as needed for health care services
- COBRA
  - Cannot delay because not coverage through current employment
  - COBRA insurer may not pay as primary in absence of Medicare
- FEHB (Federal Employees Health Benefits)
  - Coverage can work without Medicare
  - Can also suspend FEHB to enroll in Medicare Advantage plan
- Living Outside of USA/Prison
  - Still eligible for Part B and cannot delay without penalty
- Medicare and Health Insurance Exchange
  - Can keep QHP but will lose tax credits/cost-sharing reduction

Equitable Relief

- For individuals that delayed Part B enrollment based on misinformation from Federal representative
  - Beneficiaries eligible due to age 65
    - Must have been misadvised by Federal representative
  - Beneficiaries eligible due to disability
    - Could also request if misadvised by employer
  - Can write letter to local SSA office to request Equitable Relief
- Part B Equitable Relief for ACA Marketplace Enrollees
  - Beneficiaries in QHP who did not enroll in IEP because thought could continue QHP with tax credits/cost-sharing reduction
  - Previously, there was a time limit for this type of equitable relief, but now you can request it at any time

MAGI Medicaid Transition to Medicare

- MAGI Medicaid (Through Exchange) and Medicare
- People with Medicaid becoming eligible for Medicare at age 65
- Receive form from LDSS to screen for Medicaid/MSP
  - May continue to receive Medicaid for several months during screening
    - If Parent/Relative Caretaker, then can continue with MAGI Medicaid
  - Can request reimbursement for Part B premium during this period
  - Will receive Full Extra Help automatically
- Enroll in Medicare Part A and Part B and Part D drug plan
  - Will be disenrolled from Medicaid plan

Medicare Part A and Part B Cost-Sharing

2019-2020 Amounts (Part A/Part B)

- 2019
- Part A Premium
  - < 30 quarters $437
  - 30-40 quarters $240
- Part A Deductible
  - $1,364
- Part A Coinsurance
  - $341 (Days 61-90)
  - $682 (LTR Days)
  - $170.50 (SNF Coinsurance)
- Part A Benefit Periods
- Part B Deductible
  - $185
- Part B Premium

- 2020 (***Estimate***)
- Part A Premium
  - < 30 quarters $***460***
  - 30-40 quarters $***253***
- Part A Deductible
  - $***1,420***
- Part A Coinsurance
  - $***355*** (Days 61-90)
  - $***710*** (LTR Days)
  - $***177.50*** (SNF Coinsurance)
- Part A Benefit Periods
- Part B Deductible
  - $***197***
- Part B Premium

Classic Medicare – Part A Benefit Periods

- “Benefit period” is a period of consecutive days during which medical benefits for covered services, with certain specified maximum limitations, are available to the beneficiary
  - Under Part A, 60 full days of hospitalization plus 30 coinsurance days represent the maximum benefit period
- The benefit period is renewed when the beneficiary has not been in a hospital or Skilled Nursing Facility (SNF) for 60 days
  - Does not matter if admitted to same or different hospital
  - Does not matter if admitted for same or different condition
- Part A benefits allow for 60 lifetime reserve days for use after a 90-day benefit period has exhausted
  - The 60 days are not renewable and may be used only once during a beneficiary’s lifetime

Part B Premium/"Hold Harmless"

- Part B Premium ($135.50 in 2019)
- Predicting $144.30 Part B premium for 2020
  - Also predicting appx 1.7%+ SSA COLA (Cost of Living Adjustment) for 2020
    - Final Premium and COLA to be announced in October
- "Hold Harmless" provision protects Social Security checks from being reduced
  - Due to increase in Part B premium
- Premium will increase for each beneficiary only up to amount of COLA increase
- If 1.7%+ COLA for 2020, most beneficiaries' premium will increase to $144.30
- <u>Who is NOT "Held Harmless?</u>
  - Beneficiaries who are new to Part B
    - Including those who may lose Medicare Savings Program (MSP)
  - Beneficiaries who are not collecting Social Security
    - May have Medicare Part B
  - Beneficiaries subject to the higher Part B premium based on income

Part B Premium for Higher Income Beneficiaries

- Income-Related Monthly Adjustment Amount (IRMAA)
- Income above $85,000 Single/$170,000 Couple
  - Threshold remains same through 2019
- Modified Adjusted Gross Income (MAGI)
  - Adjusted Gross Income + tax-exempt interest income (line 8b)
- Based on tax return from two years prior
  - 2020 Part B Premium will be based on 2018 tax return
- May be able to appeal with Life Changing Event
  - Change in marital status
  - Change in work status
  - Settlement from employer/former employer
    - Due to closure, bankruptcy, or reorganization

Part B Premium for Higher Income Beneficiaries

- Income threshold amounts listed are for 2011 – 2019
  - Thresholds will be adjusted starting in 2020
- *Estimated* premiums for 2020:
  - Up to $107,000/$214,000 ($189.60) (2019)
    - *$202.00 (2020)*
  - Up to $133,500/$267,000 ($270.90) (2019)
    - *$288.50 (2020)*
  - Up to $160,000/$320,000 ($352.20) (2019)
    - *$375.10 (2020)*
  - Above $160,000/$320,000 ($433.40) (2019)
    - *$461.60 (2020)*
  - Above $500,000/$750,000 ($460.50) (2019)
    - *$490.50 (2020)*

…Detail
Married and Filing Separately

- Beneficiaries who are married and lived with their spouse at any time during the year, but file a separate tax return from their spouse
- 2017
  - $85,000 or less (25% (Of Cost of Program))
  - More than $85,000 but less than or equal to $129,000 (65%)
  - More than $129,000 (80%)
- 2018
  - $85,000 or less $134 (25%)
  - Above $85,000 $428.60 (80%)
- 2019
  - Less than or equal to $85,000 (25%)
  - Greater than $85,000 and less than $415,000 (80%)
  - Greater than or equal to $415,000 (85%)

Original Medicare

Classic Medicare - Advance Beneficiary Notice

- Medical necessity denials
  - Beneficiary not liable UNLESS signed valid Advance Beneficiary Notice (ABN)
- Must be service/date specific
- Must use CMS ABN form
  - Form CMS-R-131 (03/11)
- Beneficiary liable for up to provider charge
- Still retain appeal rights
- Always liable for non-covered (excluded) services

Physical Therapy

- Prior to 2018, Medicare had an annual dollar limit on physical, speech and occupational therapy
- Dollar limit was eliminated but dollar thresholds remain
  - $2,040 for physical and speech therapy combined
  - Separate $2,040 for occupational therapy
    - Therapist needs to append “KX” modifier to claims to certify medical necessity
  - $3,000 (Through 2028) for physical and speech therapy combined
  - Separate $3,000 (Through 2028) for occupational therapy
    - Medicare contractor may review medical records to be sure therapy services were medically necessary
  - Some therapists treat $3,000 as limit/cap to avoid potential medical review

Sequestration

- Medicare sequester imposes a 2% “across-the-board” cut to provider reimbursements
  - Does NOT affect Medicare allowance, deductible or coinsurance
    - Does NOT affect Medigap payments
- 2% reduction in Medicare payment amount
  - If paid to provider, provider cannot bill 2% reduction to beneficiary
  - If paid to beneficiary, 2% reduction is from beneficiary payment
- Sequestration reduces payments by 2 percent from April 1, 2013 through March 31, 2027
  - And by 4 percent from April 1, 2027 through September 30, 2027

Observation and Medicare

- Medicare Outpatient Observation Notice (MOON)
  - Formal notice that beneficiary is outpatient, not inpatient
  - Notice required as of March 8, 2017
  - For beneficiaries who receive observation services for more than 24 hours
  - Hospital must provide MOON no later than 36 hours after services begin
- Covered under Part B
  - With fixed co-pay rather than 20% coinsurance
- Drugs covered under Part D
  - Hospital pharmacy probably out of network
  - Need to pay up to charge and submit claim to Part D plan
  - Part D plan will only reimburse up to their rate
- Days under observation do not count toward 3-day stay
  - Required for coverage of Skilled Nursing Facility

QMB and Balance Billing

- Providers not allowed to bill beneficiary for Medicare Part B cost-sharing
  - Regardless of whether in Original Medicare or Medicare Advantage
  - Regardless of whether provider accepts Medicaid
  - Regardless of whether provider receives any payment from Medicaid
- QMB protections also apply for services received outside of NYS
  - Beneficiary may not choose to waive QMB protections
- Beneficiary MSN (Medicare Summary Notice) and Provider RA (Remittance Advice) indicates QMB status
    - And MSN indicates $0 cost-sharing for beneficiary responsibility
- Medicaid only and no QMB and balance billing
  - Provider can only bill Medicare cost-sharing if do NOT accept Medicaid

…Detail
Coordination of Benefits

- Medicare Primary or Secondary?
- Eligible due to Age 65
  - 20 or more employees (Coverage on basis of current employment status)
  - Self or Spouse
    - This requirement is met if an employer has 20 or more full-time and/or part-time employees for each working day in each of 20 or more calendar weeks in the current or preceding year
- Eligible due to Disability
  - 100 or more employees (Coverage is on basis of current employment status)
    - Self or Spouse or Family Member
  - Applies only to LGHPs that cover employees of at least one employer that employed 100 or more full-time and/or part-time employees on 50 percent or more of its business days during the previous calendar year

Medicare Secondary Payer

- Medicare secondary benefits may be payable if:
  - Provider not obligated to accept GHP primary payment as payment in full
  - Plan payment is less than the gross amount payable by Medicare
  - Amount Medicare pays as secondary is less than amount Medicare would pay as primary
    - Note: Must still meet Part B deductible
      - Make sure claims are submitted to be credited toward deductible
    - Note: Part B Limiting Charge still applies if Medicare primary is secondary
- General Rule: Beneficiary responsibility is what Medicare allows, less the sum of the payment from the primary insurance and from Medicare
- Medicare does not pay if provider out of network with primary insurance
  - Exception: Will pay for first claim because beneficiary not aware

Medigap

2019 HIICAP Counselor Exam
Medigap Waiting Period

- The following CANNOT be credited toward meeting the Medigap plan waiting period (of up to 6 months) for pre-existing conditions
  - Lesser Medigap plan
  - VA Health Care
  - National Health Plan (From Another Country)
  - Original Medicare (AFTER first 6 months Medicare eligible)

Medigap Pre-Existing Condition Waiting Period

- Medigap policies may contain up to 6-month waiting period before pre-existing conditions are covered
  - Definition: Pre-existing condition is condition for which medical advice was given or treatment was recommended or received from physician within six months before the effective date of coverage
- Medigap insurers required to reduce waiting period by number of days covered under "creditable" coverage so long as no break in coverage of more than 63 days
  - Creditable coverage includes Medigap, Medicare Advantage, Medicaid
    - AND the VA and National Health Plans in foreign countries
- Credit for time covered under Medicare required only if application for Medigap insurance in six month period beginning with first month individual is both 65 and enrolled under Part B

Medigap Plan C and Plan F

- NEW: 2020
- People newly eligible for Medicare in 2020 or later cannot purchase Medigap plan that covers Part B deductible (Plan C and Plan F)
  - Does not apply if getting Medicare retroactively with start date before 2020
- Beneficiaries with Plan C or Plan F (or High Deductible F) currently can keep same plans in 2020 and beyond
  - Medigap plans are Guaranteed Renewable
- People eligible for Medicare prior to 2020, will have right to purchase Plan C or Plan F in 2020 but may not have opportunity to do so
  - Because insurers will no longer be required to sell Plan C or Plan F in 2020
    - Will be required to sell Plan D or Plan G instead

…Detail
High Deductible Plan G

- NEW in 2020
- High Deductible Plan G
  - Does not cover Part B deductible
    - BUT Part B deductible credited toward high deductible amount
  - BUT in unlikely event high deductible amount satisfied with all Part A expenses, Part B deductible will not be paid by plan

Classic Medicare - Part B Deductible

- Annual Part B Deductible ($185 in 2019)
- Applied to first claim(s) that Medicare receives and processes
  - Not necessarily to first services that beneficiary receives each year
- Medicare allowed amount applied to deductible
  - Deductible may be met through more than one claim
- Provider allowed to collect deductible up front up to Medicare allowed amount
- Beneficiary may have to ask for refund if paid one provider but deductible applied to another provider’s claim

Medicare Part C (Medicare Advantage)

2019 HIICAP Counselor Exam
Preferred Provider Organization (PPO)

- Medicare Advantage PPO plans may require:
  - Members to stay within a network of doctors and hospitals for non-emergency care
  - A Referral from a Primary Care Physician (PCP) for a visit to an in-network Specialist to be covered
  - Prior authorization before receiving certain items or procedures
  - All of the Above

Medicare Advantage

- Eligibility
  - Must have BOTH Part A and Part B
  - Must live in service area of plan
  - Must NOT have ESRD (End Stage Renal Disease)
- ESRD Exceptions
  - Develop ESRD while enrolled in plan
    - Can remain in plan
  - Can enroll in another plan with same organization
  - Plan non-renewal/termination
    - Can enroll in new MA plan
- NEW: Starting 2021, all beneficiaries with ESRD will have option to enroll in Medicare Advantage plan

…Detail
ESRD Medicare Advantage Exceptions

- Individuals who developed ESRD while member of health plan offered by Medicare Advantage (MA) organization
  - Converting to Medicare Parts A and B can elect MA plan in same organization as health plan during ICEP
- Individuals who develop ESRD while enrolled in health plan offered by MA organization are eligible to elect an MA plan offered by that organization
  - Must be no break in coverage between enrollment in health plan offered by MA organization and start of coverage in MA plan offered by same organization
- Individual who elects MA plan and who develops ESRD after date of enrollment request but before effective date is still eligible for MA

Initial Coverage Election Period

- Initial Coverage Election Period (ICEP)
  - Newly eligible for Medicare Advantage can enroll in plan
  - Begins 3 months before first entitlement
    - To BOTH Part A and Part B
  - Ends later of:
    - Last day of Part B Initial Enrollment Period
    - Last day before enrollment in both Part A and B

Annual Coordinated Election Period

- Annual Coordinated Election Period (AEP)
  - October 15 – December 7
  - Enroll, disenroll, or switch
    - Medicare Health Plan choice and/or Part D
  - Enrollment effective January 1
  - Last choice made during AEP will be effective
- Officially Also Known As (AKA)
  - Fall Open Enrollment
  - Open Enrollment Period for Medicare Advantage AND Medicare Prescription Drug Coverage

…Detail

Medicare MSA Disenrollment

- Cancellation Of Medicare MSA (Medical Savings Account) Enrollment Request:
- Individual who elects a Medicare MSA plan during AEP, and who has never before enrolled in a Medicare MSA plan
  - May revoke that enrollment request by December 15
- This cancellation will ensure the enrollment request does not go into effect on January 1
- After December 7 and up to December 15, beneficiary may only return to Original Medicare
  - Cannot enroll into another MA plan or into a stand-alone PDP

Medicare Advantage Open Enrollment Period (OEP)

- NEW: Began in 2019
  - January – March
- Medicare Advantage (MA) plan change
  - Change from MA plan to MA plan or to Original Medicare
    - With or without Part D
  - CANNOT change from Original Medicare to MA plan
    - CANNOT change stand-alone Part D plan (PDP)
- One change effective 1st of following month
- New Medicare beneficiaries who enrolled in MA plan during ICEP
  - MA OEP starts month of entitlement to Part A and Part B and ends the last day of the 3rd month of entitlement

MA-Related Special Enrollment Periods

- SEP65
  - Aged beneficiary enrolls in Medicare Advantage plan (with Part D) during Initial Coverage Election Period
  - **"surrounding their 65th birthday"**
  - 12 months from effective date to return to Original Medicare
  - Can enroll in stand-alone Part D plan (PDP) at same time
- Drop Medigap to enroll in MA-PD plan for **first time**
  - 12 months to return to Original Medicare
  - One-time chance to enroll in PDP
    - SEP begins month of MA disenrollment plus two months

Maximum Out-of-Pocket (MOOP)

- Includes all Part A and B Covered Services
  - Does not include any premium
  - Does not include Part D drug coverage
  - Does not include any added benefits
- Services covered at 100% after MOOP is met
- Mandatory MOOP Amounts for 2020 (Same as 2019)
- HMO
  - $6,700 In-network
- PPO
  - $6,700 In-network
  - $10,000 In and Out of network Combined

Maximum Out-of-Pocket (MOOP)

Mandatory MOOP

- $6,700/$10,000 (2020)
  - (Same as 2019)
- Inpatient – 6 days $1,969
  - (Increase from 2019)
- Skilled Nursing Facility
  - (First 20 Days) $0/day
- Emergency Care $90
- PCP/Specialist $35/$50
- Physical Therapy $40
  - (Same as 2019)

Voluntary MOOP

- $3,400/$5,100 (2020)
  - (Same as 2019)
- Inpatient – 6 days $2,461
  - (Increase from 2019)
- Skilled Nursing Facility
  - (First 20 Days) $20/day
- Emergency Care $120
- PCP/Specialist $35/$50
- Physical Therapy $40
  - (Same as 2019)

Medicare Part D Enrollment

Initial Enrollment Period for Part D

- Initial Enrollment Period (IEP) for Part D
  - Seven month period
  - Enroll prior to month of eligibility
    - Effective month of eligibility
  - Enroll in month of eligibility (or last 3 months)
    - Effective first of following month
- Living Outside of USA or In Prison at 65
  - IEP for Part D is 7 months surrounding month of eligibility
- Retroactive Medicare entitlement
  - Ends 3 months after month of notice

…Detail
Simultaneous IEP for Part D and ICEP

- IEP for Part D and ICEP occur at same time
- If enroll in Part A and Part B when first eligible for Medicare
  - 7-months surrounding month of eligibility
- If enroll in stand-alone PDP, still have rest of ICEP
  - To enroll into Medicare Advantage plan
- If enroll in Medicare Advantage plan WITH Part D
  - Uses both IEP for Part D and ICEP
- Enrollment period ends when coverage is effective

Auto-Enrollment

- YELLOW Notice
  - Dual-eligible automatically enrolled in Part D plan
- GREEN Notice
  - People with Extra Help
    - Automatically enrolled in Part D plan
- Assigned to “Benchmark” Part D plan
  - Available at $0 Premium for people with Full LIS
  - Random assignment
- LI-NET (Limited Income Newly Eligible Transition)
  - Provides temporary and retroactive Part D coverage

Reassignment

- Reassignment Due to Premium Change - PDP
- FULL Extra Help auto or facilitated enrolled
  - NOT in a MA-PD and did NOT elect a Part D plan
- If Part D plan premium is above LIS subsidy ($36.55 in 2020)…
  - Will be assigned to another benchmark plan if offered by same sponsor or
  - Will be reassigned to random benchmark plan
- Plans may waive the monthly beneficiary premium for subsidy eligible individual if de minimis (within $2 (2020))
  - If premium is waived, will not be reassigned
- Reassignment Due to Plan (PDP or MA-PD) Termination
- ALL Extra Help recipients will be reassigned
  - Whether CMS or beneficiary chose plan
- Will be assigned to benchmark Part D plan offered by same sponsor or
  - Will be reassigned to random benchmark plan

Transition of Aetna PDP to WellCare PDP

- Transition of current Aetna PDP members to WellCare PDP plan
  - Effective January 1, 2020
- In 2018, WellCare acquired Aetna's standalone Medicare Part D plans
  - No Changes for 2019
- For 2020, Aetna PDP members will be transitioned to WellCare PDP plans
  - Annual Notice of Change (ANOC) Mid-Late September
  - Quick Start Guide After ANOC Mailing (before end of year)
  - Network Change Notice (November)
  - Billing Welcome Letter (November)
  - ID Card (December)
    - Should receive ID card by end of December

Part C/D Special Enrollment Periods

2019 HIICAP Counselor Exam
Extra Help/LIS Special Enrollment Period

- People with Medicare that also have Extra Help/LIS are entitled to a Special Enrollment Period that allows them to switch Part D plans (including Medicare Advantage plans with Part D)...
  - As often as every month to be effective the first of the following month
  - As often as once per calendar quarter (in each quarter of the year) to be effective the first of the following month
  - As often as once per calendar quarter (in the first 9 months of the year) to be effective the first of the following calendar quarter
  - As often as once per calendar quarter (in the first 9 months of year) to be effective the first of the following month

Limitation on LIS Special Enrollment Period

- Limitation on Extra Help/LIS Special Enrollment Period (SEP)
  - Prior to 2019, beneficiaries with LIS can change Part D/MA plans at any time
- Effective 2019: Limited to 1 change per quarter
  - During first 9 months of year
- SEP is NOT available for those identified as “At risk” or “potentially at risk” for misuse of frequently abused drugs
  - “At risk” designation determined by plan (beneficiary can appeal)
    - Plan sends written notice to beneficiary
  - Does NOT impact other enrollment periods
- SEP is considered “used” based on the month in which the individual makes the election (i.e., application date of the enrollment request)

SEP for Individuals who Gain, Lose, or Have a Change in their Dual or LIS-Eligible Status

- SEP is provided for individuals who receive Extra Help/LIS
  - Become eligible for LIS
  - Lose eligibility for LIS
  - Have a change in the level of assistance
- SEP allows one opportunity to make an election within three months of any changes
  - Or notification of such a change, whichever is later
- Effective 1st of the following month
- Use of this SEP does not count towards the once per calendar quarter limitation

SEP for CMS and State-Initiated Enrollments

- Individuals who are enrolled into a plan by CMS or a State
  - Through passive enrollment, auto-enrollment, facilitated enrollment, and reassignment
- Have an SEP to disenroll from their new plan or enroll into a different plan
  - Allows the individual to make an election before the enrollment is effective or after the coverage starts
- SEP permits a onetime election within three months of the effective date of the assignment
  - Or notification of the assignment, whichever is later

Special Enrollment Periods

- SPAP (EPIC)
  - Available for all SPAP (EPIC) members
  - One election every calendar year
    - Can enroll or switch plans
    - **In addition, SEP for losing EPIC**
      - **Begins either month lose eligibility or are notified of loss, whichever is earlier, and ends two months after either month of loss of eligibility or notification of loss, whichever is later**
- SEP EGHP (Employer/Union Group Health Plan)
  - Includes Retiree Coverage and COBRA
    - SEP to enroll in Part D (or to Disenroll)
      - Used when employer/union allows changes
        - » Ends 2 months after month EGHP ends

Special Enrollment Periods

- Changes in Residence
  - Living Outside of USA or Incarcerated
  - New Medicare health or Part D plans available as result of permanent move
    - Lasts for two months following month of move
- SEP for Institutionalized Individuals
  - Moves into, resides in or moves out of…
  - Facility list includes Skilled Nursing Facility
    - Up to two months after month of discharge
- SEP for 5-Star MA plans and PDPs
  - MA and MA-PD and Stand-Alone PDP Plans with overall 5-star quality ratings
    - Beneficiaries can enroll in 5-star plan from December 8 – November 30
      - Can be used one time per plan year

Special Enrollment Period

- Disenrollment from Part D to Maintain Other Creditable Coverage
  - Including VA and Tricare
    - Part D SEP to disenroll from Part D plan (NOT enroll or switch plans)
      - Including Medicare Advantage plan with Part D
- Special Enrollment Period for beneficiaries whose plan is terminating
  - December 8 – End of February
    - Effective 1st of following month
- Involuntarily Disenrolled from an MA-PD plan (Due to loss of Part B)
  - No longer eligible for Medicare Advantage
    - But continue to have Part A
      - SEP to enroll in stand-alone Part D plan

Part D Cost-Sharing

Standard Part D Benefit (2019-2020)

Benefit Parameters	2019	2020
Deductible	$415	$435
Initial Coverage Limit	$3,820	$4,020
Out-of-Pocket Threshold	$5,100	$6,350
Catastrophic Coverage	Greater of 5% OR $3.40/$8.50	Greater of 5% OR $3.60/$8.95

Part D Update – 2020/2021

- Coverage Gap/Donut Hole
  - 2019 – Beneficiary responsibility 25% Brand and 37% Generic
  - 2020 – Beneficiary responsibility 25% Brand and 25% Generic
- Count Total cost of drug
  - To get to Coverage Gap
- Count TrOOP (True Out of Pocket) costs
  - To get to catastrophic coverage
    - Brand 75% includes 70% manufacturer discount
      - 70% manufacturer discount counts toward TrOOP in addition to beneficiary 25% cost-sharing
    - Generic 75% - only beneficiary's 25% counts toward TrOOP
- 2021 - Part D Explanation of Benefits (EOB)
  - Will include lower cost therapeutic alternatives

LIS Copayments (2019-2020)

Low Income Subsidy (LIS) Copayments	2019	2020
Institutionalized or HCBS Waiver or Dual Eligibles with MLTC Plan	$0	$0
Dual Eligibles Up to or at 100% FPL	$1.25/$3.80	$1.30/$3.90
Other LIS	$3.40/$8.50	$3.60/$8.95

…Detail
Partial Extra Help

- Income and Resource Limits
  - Less than 150% FPL and $14,390 for an individual ($28,720 couple)
    - Includes $1,500/$3,000 (Funeral/Burial Expenses disregard)
- Premium Subsidy
  - 25% - 100% of “Benchmark” Amount
  - Income below Full LIS (135% FPL) and Assets between Full and Partial LIS
    - Full subsidy for premium and Partial Subsidy for Cost-Sharing
- Cost-Sharing Reduction
  - Annual Deductible (Up to $85.00) $89.00 in 2020
  - 15% Coinsurance up to Out-of-Pocket Threshold
  - Maximum Copayments above Out-of-Pocket Threshold
    - $3.40/$8.50 (2019); $3.60/$8.95 (2020)
  - NO Coverage Gap
- Lesser of 15% or plan cost-sharing (with no LIS)

Part D Beneficiary Protections

- Best Available Evidence (BAE)
  - Requires Part D plans to provide covered drugs at lower cost-sharing when shown proof of Extra Help/LIS
    - Including Medicaid card or SSA award letter
  - Provides immediate access to drug with LIS co-pays
- Transition
  - Provides temporary supply of drug when previously covered by Part D but new (or same) plan no longer covers in new year
    - Or covers drug with restrictions
  - One time 30-day supply
- Exception/Appeal
  - Coverage determination – 72 hours/24 hours expedited
  - Redetermination by plan – 7 days/ 72 hours expedited
  - Reconsideration by Independent Review Entity (IRE)

Higher Income Part D Premiums

MAGI	2018	2019
$85,000/$170,000 or less	Plan Premium	Plan Premium
Up to $107,000/$214,000	Plan Premium + $13.00	Plan Premium + $12.40
Up to 133,500/$267,000	Plan Premium + $33.60	Plan Premium + $31.90
Up to $160,000/$320,000	Plan Premium + $54.20	Plan Premium + $51.40
Above $160,000/$320,000	Plan Premium + $74.80	Plan Premium + $70.90

2019 HIICAP Counselor Exam
Part B and Part D Late Enrollment Penalty

- The Medicare late enrollment penalty (LEP) ends in the following situations...
  - 1. Part D LEP ends if later enroll in EPIC
  - 2. Part B and Part D LEPs end if later receive Medicare Savings Program
  - 3. Part B and Part D LEPs end if Medicare eligible due to disability and later turn 65
  - 4. Both 2 and 3

Late Enrollment Penalty (LEP)

- Gap in creditable coverage and/or Part D more than 63 days
  - Begins end of IEP or May 15, 2006 whichever later
- 1% per full month without Part D or creditable coverage (Starting with June 2006 or first full month after end of IEP)
  - Based on base beneficiary premium
    - $32.74 (2020) $33.19 (2019) $35.02 (2018)
- EXCEPTION: LEP does not apply to any beneficiaries with Extra Help (Full or Partial)
  - LEP ends when beneficiary eligible for Extra Help
  - LEP ends for disabled beneficiary who becomes 65

Part D LEP Determination and Reconsideration

- LEP Determination done by Part D plan
  - NUNCMO (Number of Uncovered Months)
- Plan may send attestation form to new member
  - Opportunity to attest to having creditable coverage during gap
    - No documentation required with attestation form
- Plan notifies member of LEP amount
- Member can request Reconsideration (review) of the LEP
  - Can appeal within 60 days of LEP notice
  - Reconsideration by IRE (Independent Review Entity)
    - Documentation required for appeal

Part D LEP and EPIC

- EPIC was creditable drug coverage
  - Prior to 2012
  - EPIC did not require enrollment in Part D
- Beneficiaries enrolling late in Part D not subject to LEP
  - For any months with EPIC between 2006 and 2011
- EPIC may pay all or portion of LEP
  - Members with incomes below $23,000/$29,000
    - EPIC pays up to LIS subsidy amount
  - If premium below subsidy amount, EPIC pays difference toward LEP
  - NEW: Effective October 2019 - EPIC will no longer pay Part D LEP for members not already receiving this assistance
    - Current members receiving assistance with LEP will continue

Retroactive Medicare

- Part A
  - Retroactive up to 6 months
- Part B
  - Have Part A and apply for MSP
    - Part B effective same month as MSP
      - SLMB/QI retroactive up to 3 months
- Part C (Medicare Advantage)
  - If receive Part A and B retro
    - Can enroll in Part C in Special Enrollment Period
      - Begins month of notice
      - Plus 2 additional months
- Part D
  - IEP based on month of notice
    - Month notice received
      - Plus 3 additional months
- Low Income Subsidy (LIS)
  - Applying through Social Security
    - Retroactive to 1st of month of application
- LIS through Medicaid/MSP
  - Can be retroactive to Medicaid/MSP date
- LI-NET
  - Provides temporary/retroactive Part D coverage for beneficiaries with LIS