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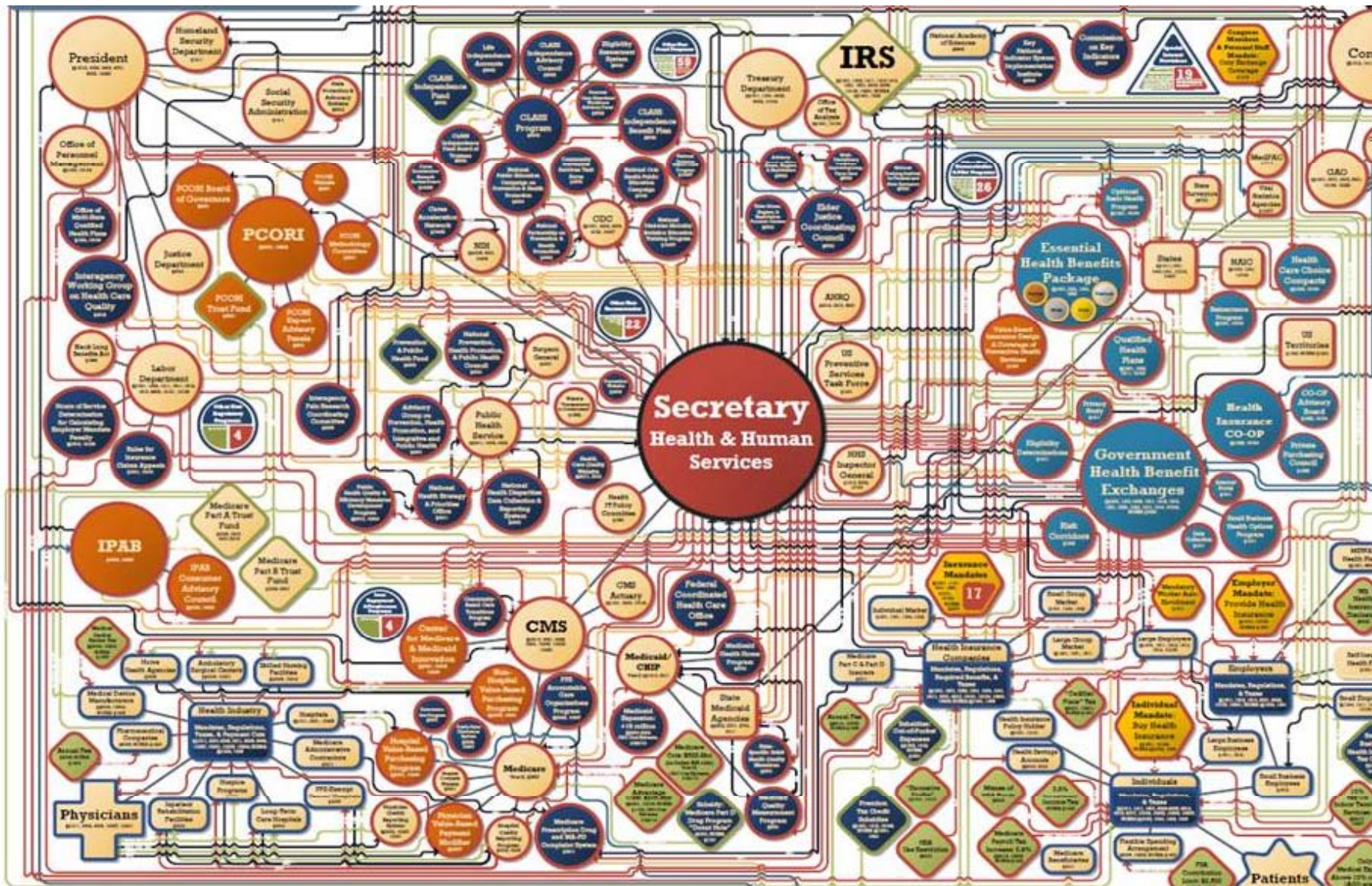
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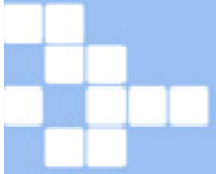
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New Government	Expanded Government	Private	New Relationships
<ul style="list-style-type: none"> Retaining Potential Investment in Health Insurance Market Other Expansions Representative Bodies of Additional Entities 	<ul style="list-style-type: none"> Mandates Taxes & Monetary Fees/Penalties/Cuts Trust Fund (Retaining Potential) Other New Trust Funds/Monetary Benefits Government with Expanded Authority/Responsibility Government Financial Entity with New Inflows/Outflows State/Territory with Expanded Authority/Responsibility 	<ul style="list-style-type: none"> Private Entity with New Mandates/Regulations/Responsibilities Unchanged Private Entity Special Interest Provisions 	<ul style="list-style-type: none"> Regulations/Requirements/Mandates Reporting Requirements Oversight Money Flows Consultation/Advisory/Info Sharing Structural Connections (Includes Existing)

AIC: Advisory Group on Access
 AHRQ: Agency for Healthcare Research and Quality
 CDC: Centers for Disease Control & Prevention
 CDP: Children's Health Insurance Program
 CLS: Community Living Assistance Services & Supports
 CMS: Centers for Medicare & Medicaid Services
 CO-OP: Consumer Operates & Owns Program
 FFS: Fee-for-Service
 FSA: Flexible Spending Arrangement
 SDC: Specialized Administrative Office
 HHS: Health Care & Educational Reconciliation Act
 HHS: Health & Human Services Department
 IGA: Health Savings Account
 IPAB: Independent Payment Advisory Board
 IRS: Internal Revenue Service
 MAC: Medicare Advantage Program
 MIPAC: Medicare Payment Advisory Commission
 MRE: Medical Error Reporting System
 SDCMS: Secretary's Advisory United Office Regional System
 MREMS: Multiple Employer Welfare Arrangement
 MREO: Mutual Reconciliation of Insurance Contributions
 NDI: National Database of Insurance Contributions
 NDI: National Database of Health
 PCORI: Patient-Centered Outcomes Research Institute
 PPS: Progressive Payment System

Patient Protection & Affordable Care Act, P.I. Health Care & Education Reconciliation Act.
 Prepared by: Joint Economic Committee, Reps.
 Congressman Ken Brady, Senior House Reps.
 Senator Sam Brownback, Ranking Member



Lesson 1 – Program Basics

- What is Medicare?
- Enrolling in Medicare
- What does Medicare cover?

What is Medicare?



- Health insurance for three groups of people
 - 65 and older
 - Under 65 with certain disabilities
 - Any age with End-Stage Renal Disease (ESRD)
- Administration
 - Centers for Medicare & Medicaid Services

What are the Four Parts of Medicare?



Part A
Hospital
Insurance



Part B
Medical
Insurance



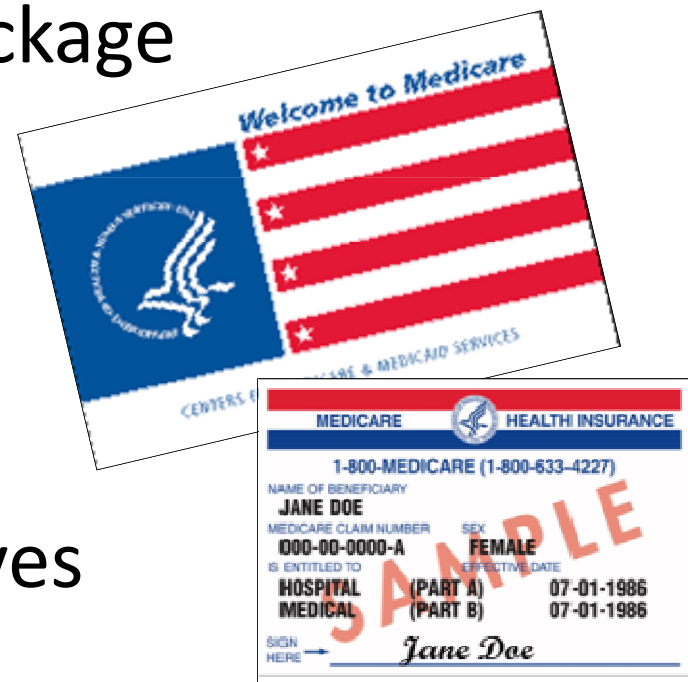
Part C
Medicare
Advantage
Plans , like
HMOs and
PPOs
Includes Part A
& B and usually
Part D
coverage



Part D
Medicare
Prescription
Drug
Coverage

Automatic Enrollment – Part A and B

- Automatic for those receiving
 - Social Security benefits
 - Railroad Retirement Board benefits
- Initial Enrollment Period Package
 - Mailed 3 months before
 - Age 65
 - 25th month of disability benefits
- Others must enroll themselves



If Not Automatically Enrolled Your 7-Month Initial Enrollment Period

No Delay				Delayed Start				
If you enroll in Part B	3	2	1	<i>The month you turn 65</i>	1	2	3	
	months	months	month		month	month	months	months
	before	before	before		after	after	after	after
	the	the	the		you	you	you	you
	month	month	month		turn 65	turn 65	turn 65	turn 65
	you	you	you					
	turn 65	turn 65	turn 65					

<p>Sign up early to avoid a delay in getting coverage for Part B services. To get Part B coverage the month you turn 65, you must sign up during the first three months before the month you turn 65.</p>	<p>If you wait until the last four months of your Initial Enrollment Period to sign up for Part B, your start date for coverage will be delayed.</p>
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General Enrollment Period (GEP)

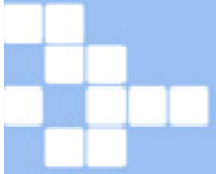
- January 1 through March 31 each year
- Coverage effective July 1
- Premium penalty
 - 10% for each 12-months eligible but not enrolled
 - Must pay as long as you have Part B
 - Limited exceptions

Enrolling in Part B if You Have Employer or Union Coverage

- May affect your Part B enrollment rights
 - You may want to delay enrolling in Part B if
 - You have employer or union coverage and
 - You or your spouse, or family member if you are disabled, is still working
- See how your insurance works with Medicare
 - Contact your employer/union benefits administrator

When Employer or Union Coverage Ends

- When your employment ends
 - You may get a chance to elect COBRA
 - You may get a Special Enrollment Period
 - Sign up for Part B without a penalty
- Medigap Open Enrollment Period
 - Starts when you are both 65 and sign up for Part B
 - Once started cannot be delayed or repeated



What Does Medicare Cover?

- What is covered in
 - Medicare Part A (Hospital Insurance)
 - Medicare Part B (Medical Insurance)

Medicare Part A Covered Services

Inpatient Hospital Stays	<p>Semi-private room, meals, general nursing, and other hospital services and supplies. Includes care in critical access hospitals and inpatient rehabilitation facilities. Inpatient mental health care in psychiatric hospital (lifetime 190-day limit). Generally covers all drugs provided during an inpatient stay received as part of your treatment.</p>
Skilled Nursing Facility Care	<p>Semi-private room, meals, skilled nursing and rehabilitation services, and other services and supplies.</p>
Home Health Care Services	<p>Can include part-time or intermittent skilled care, and physical therapy, speech-language pathology, a continuing need for occupational therapy, some home health aide services, medical social services, and medical supplies.</p>
Hospice Care	<p>For terminally ill and includes drugs, medical care, and support services from a Medicare-approved hospice.</p>
Blood	<p>In most cases, if you need blood as an inpatient, you won't have to pay for it or replace it.</p>

Paying for Medicare Part A

- Most people receive Part A premium free
 - If you paid FICA taxes at least 10 years
- If you paid FICA less than 10 years
 - Can pay a premium to get Part A
 - May have penalty if not bought when first eligible

Medicare Part B Coverage

Doctors' Services

Services that are medically necessary (includes outpatient and some doctor services you get when you're a hospital inpatient) or covered preventive services.

Except for certain preventive services, you pay 20% of the Medicare-approved amount (if the doctor accepts assignment), and the Part B deductible applies.

Outpatient Medical and Surgical Services and Supplies

For approved procedures (like X-rays, a cast, or stitches).

You pay the doctor 20% of the Medicare-approved amount for the doctor's services if the doctor accepts assignment. You also pay the hospital a copayment for each service. The Part B deductible applies.

Medicare Part B Coverage

Home Health Care Services

Medically necessary part-time or intermittent skilled nursing care, physical therapy, speech-language pathology services, occupational therapy, part-time or intermittent home health aide services, medical social services, and medical supplies. Durable medical equipment and an osteoporosis drug are also covered under Part B.

You pay nothing for covered services.

Medicare Part B Coverage

Durable Medical Equipment

Items such as oxygen equipment and supplies, wheelchairs, walkers, and hospital beds for use in the home. Some items must be rented.

You pay 20% of the Medicare-approved amount, and the Part B deductible applies.

Other (including but not limited to)

Medically necessary medical services and supplies, such as clinical laboratory services, diabetes supplies, kidney dialysis services and supplies, mental health care, limited outpatient prescription drugs, diagnostic X-rays, MRIs, CT scans, and EKGs, transplants and other services are covered.

Costs vary.

Part B Covered Preventive Services

- “Welcome to Medicare” visit
- Annual “Wellness” visit
- Abdominal aortic aneurysm screening*
- Alcohol misuse screening and counseling
- Behavioral therapy for cardiovascular disease
- Bone mass measurement
- Cardiovascular disease screenings
- Colorectal cancer screenings
- Depression screening
- Diabetes screenings
- Diabetes self-management training
- Flu shots
- Glaucoma tests
- Hepatitis B shots
- HIV screening
- Mammograms (screening)
- Obesity screening and counseling
- Pap test/pelvic exam/clinical breast exam
- Pneumococcal pneumonia shot
- Prostate cancer screening
- Sexually transmitted infection screening (STIs) and high-intensity behavioral counseling to prevent STIs
- Smoking cessation

*When referred during Welcome to Medicare physical exam

NOT Covered by Part A and Part B

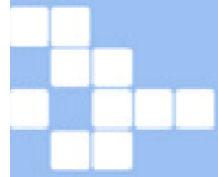
- Long-term care
- Routine dental care
- Dentures
- Cosmetic surgery
- Acupuncture
- Hearing aids and exams for fitting hearing aids
- Other – check on www.medicare.gov

Paying the Part B Premium

- Deducted monthly from
 - Social Security payments
 - Railroad retirement payments
 - Federal retirement payments
- If not deducted
 - Billed every 3 months
 - Medicare Easy Pay to deduct from bank account
- Contact SSA, RRB or OPM about premiums

Part B Late Enrollment Penalty

- Penalty for not signing up when first eligible
 - 10% more for each full 12-month period
 - May have penalty as long as you have Part B
- Sign up during a Special Enrollment Period
 - Usually no penalty



Lesson 2

Your Medicare Coverage Choices

- Original Medicare (Part A and Part B)
 - Medigap (Medicare Supplement Insurance) Policies
- Medicare Advantage Plans (Part C)
- Other Medicare Health Plans
- Medicare Prescription Drug Coverage (Part D)

Medigap Policies

- Medigap (Medicare Supplement Insurance) policies
 - Private health insurance for individuals
 - Sold by private insurance companies
 - Supplement Original Medicare coverage
 - Follow Federal/state laws that protect you
- Medigap Open Enrollment Period
 - Starts when you are both 65 and sign up for Part B
 - Once started cannot be delayed or repeated

Medigap Benefits	Medigap Plans									
	A	B	C	D	F*	G	K**	L**	M	N
Part A Coinsurance up to an addition 365 days	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Part B Coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Blood	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Hospice Care Coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Skilled Nursing Coinsurance			✓	✓	✓	✓	50%	75%	✓	✓
Part A Deductible		✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B Deductible			✓		✓					
Part B Excess Charges					✓	✓				
Foreign Travel Emergency (Up to Plan Limits)			✓	✓	✓	✓			✓	✓
*Plan F has a high-deductible plan							Out-of-Pocket Limit**			
*** Plan N pays 100% Part B coinsurance with copay up to \$20/\$50 for emergency room visits not resulting in inpatient							\$4,660	\$2,330		

Medicare Advantage (MA) Plans

- Health plan options approved by Medicare
- Also called Medicare Part C
- Run by private companies
- Medicare pays amount for each member's care
- Another way to get Medicare coverage
- Part of the Medicare program
- May have to use network doctors or hospitals

Types of Medicare Advantage Plans

- Medicare Advantage Plans include
 - Health Maintenance Organization (HMO)
 - Preferred Provider Organization (PPO)
 - Private Fee-for-Service (PFFS)
 - Special Needs Plan (SNP)
 - HMO Point-of-Service Plan (HMOPOS)
 - Medicare Medical Savings Account (MSA)
- Not all types of plans are available in all areas

When You Can Join or Switch MA Plans

Initial Enrollment Period	<ul style="list-style-type: none">▪ 7 month period begins 3 months before the month you turn 65
Medicare's Open Enrollment Period	<ul style="list-style-type: none">▪ October 15 – December 7▪ Coverage begins January 1
Special Enrollment Period	<ul style="list-style-type: none">▪ Move from the plan service area<ul style="list-style-type: none">• And cannot stay in the plan▪ Plan leaves Medicare program▪ Other special situations

Medicare Prescription Drug Coverage

- Also called Medicare Part D
- Prescription drug plans approved by Medicare
- Run by private companies
- Available to everyone with Medicare
- Must be enrolled in a plan to get coverage
- Two sources of coverage
 - Medicare Prescription Drug Plans (PDPs)
 - Medicare Advantage Plans with Rx coverage (MA-PDs)
 - And other Medicare health plans with Rx coverage

Improved Coverage in the Coverage Gap

Year	What You Pay for Brand Name Drugs in the Coverage Gap	What You Pay for Generic Drugs in the Coverage Gap
2012	50%	86%
2013	47.5%	79%
2014	47.5%	72%
2015	45%	65%
2016	45%	58%
2017	40%	51%
2018	35%	44%
2019	30%	37%
2020	25%	25%

Note: Dispensing fees are not discounted.

Medicare Prescription Drug Coverage Premium

- A small group may pay a higher premium based on income
 - Fewer than 5% of all people with Medicare
 - Uses same thresholds used to compute income-related adjustments to Part B premium
 - As reported on your IRS tax return from 2 years ago
- Required to pay if have Part D coverage

When you can Join or Switch Medicare Prescription Drug Plans

Initial Enrollment Period (IEP)	<ul style="list-style-type: none"> ▪ 7 month period ▪ Starts 3 months before month of eligibility
Medicare's Open Enrollment Period	<p style="text-align: center;">October 15 – December 7 each year</p> <ul style="list-style-type: none"> ▪ Coverage begins January 1
January 1 – February 14	<p>During this period, you can leave an MA plan and switch to Original Medicare. If you make this change, you may also join a Part D plan to add drug coverage.</p> <p>Coverage begins the first of the month after the plan gets the enrollment form.</p>

Late Enrollment Penalty

- Higher premium if you wait to enroll
 - Additional 1% of base beneficiary premium
 - For each month eligible and not enrolled
 - For as long as you have Medicare drug coverage
 - Except if you had creditable drug coverage
 - National base beneficiary premium
 - \$31.08 in 2012
 - Can change each year

Formulary

- A list of prescription drugs covered by the plan
- May have “tiers” that cost different amounts

Tier Structure Example		
Tier	You Pay	Prescription Drugs Covered
1	Lowest copayment	Most generics
2	Medium copayment	Preferred, brand-name
3	Highest copayment	Non-preferred, brand-name
Specialty	Highest copayment or coinsurance	Unique, very high-cost

Rules Plans Use to Manage Access to Drugs

Prior Authorization	<ul style="list-style-type: none">▪ Doctor must contact plan for prior approval<ul style="list-style-type: none">• Before prescription will be covered• Must show medical necessity for drug▪ Process for requests may vary by plan
Step Therapy	<ul style="list-style-type: none">▪ Type of prior authorization▪ You must first try similar, less expensive drug▪ Doctor may request an exception if<ul style="list-style-type: none">• Similar, less expensive drug didn't work, or• Step therapy drug is medically necessary
Quantity Limits	<ul style="list-style-type: none">▪ Plan may limit drug quantities over a period of time for safety and/or cost▪ Doctor may request an exception if additional amount is medically necessary

Medigap Rights in Original Medicare

- To buy a Medigap policy
 - Also called Medicare Supplemental Insurance
 - Guaranteed issue rights
 - In your Medigap Open Enrollment Period companies
 - Can't deny you Medigap coverage
 - Can't place conditions on coverage
 - Can't charge more because of past or present health problems
 - Must cover pre-existing conditions
 - May have up to six-month waiting period
 - Some states give additional rights