California Senior Medicare Patrol
and
Center for Medicare Advocacy

Webinar Series
The Center for Medicare Advocacy is a national, non-profit law organization founded in 1986 that works to advance access to comprehensive Medicare and quality health care. Based in Washington, DC and CT, with additional attorneys in CA and MA.

- Staffed by attorneys, advocates, communication and technical experts
- Education, legal analysis, writing, assistance, and advocacy
- Systemic change – Policy and Litigation
  - Based on our experience with the problems of real people
- Medicare coverage and appeals expertise
- Medicare/Medicaid Third Party Liability Projects
Senior Medicare Patrol (SMP)

CMA Webinar:
Help Available for Lower Income Beneficiaries

Catherina Isidro
Executive Director
California Health Advocates

Tatiana Fassieux
Training and Education Specialist
California Health Advocates

January 19, 2023
The mission of the SMP program is to empower and assist Medicare beneficiaries, their families, and caregivers to prevent, detect, and report health care fraud, errors, and abuse through outreach, counseling, and education.

Located in all 50 states plus:

- **District of Columbia**
- **Guam**
- **Puerto Rico**
- **U.S. Virgin Islands**

To Find your state SMP:

- **Toll Free:** 877-808-2468
- **Visit:** www.smpresource.org
Providing quality Medicare and related healthcare coverage information, education and policy advocacy.

Advocacy & Policy
Improving rights and protections for Medicare beneficiaries and their families

Education
Website, fact sheets and educational workshops

Senior Medicare Patrol
Fraud prevention education

California Health Advocates
www.cahealthadvocates.org
Three Roles of SMP

Provide
• Provide Medicare fraud prevention education via health fairs, presentations, etc.

Refer
• Refer potential Medicare fraud cases to appropriate investigative entities.

Address
• Address complaints reported via our SMP State-wide fraud hotline 1-855-613-7080.
<table>
<thead>
<tr>
<th>PREVENT</th>
<th>DETECT</th>
<th>REPORT</th>
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<tbody>
<tr>
<td><strong>PREVENT:</strong> SMPs provide focused outreach and messaging designed to protect Medicare beneficiaries from Medicare fraud.</td>
<td><strong>DETECT:</strong> As local trusted connections in the community, the SMPs are often the first to hear of new issues as they begin to emerge.</td>
<td><strong>REPORT:</strong> SMPs provide in-depth one-on-one assistance to Medicare beneficiaries and other complainants.</td>
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</table>
TAGALOG ON THE BACK

SPANISH ON THE BACK
SMP Materials

Medicare Fraud Alert
Beware of Scams

Do not respond to offers for free medical equipment or services.

Check your medical statements routinely for services not provided.

Call us for a free fraud prevention presentation or for guidance if you suspect you may be the victim of fraud.

Share your Medicare number only with your trusted providers.

Report Medicare Fraud to California Senior Medicare Patrol

855-613-7080

SMP Senior Medicare Patrol
Preventing Medicare Fraud

• Contact Porsha Avila at:
• pavila@cahealthadvocates.org
Join Us for Our Upcoming Webinars Partnered with Center for Medicare Advocacy!

19 Jan.  Help Available for Lower Income Beneficiaries

23 Feb.  Medicare Home Health Coverage and Updates

23 Mar.  Medicare Skilled Nursing Facility Coverage & Updates

25 May  Voices of Medicare - Pressing Beneficiary Issues
cahealthadvocates.org

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☑ Medicare Updates and More
☐ Fraud Alerts
☐ Upcoming Webinar Announcements

Sign up
Misleading Marketing

Tri-fold mailer
Unemployment
Benefits
Guide??
Bait & Switch!
Fine print:
Insurance
solicitation!

Looks like an
IRS form!
Top Complaints:

1. Medicare Part C/D Communications & Marketing Violations

2. Billing Issues

3. Deceptive Hospice Enrollments

4. DME Brace Scams

5. Genetic Testing Scams

6. Medicare Card Phone Scam
What to Look Out For:

- Keep track of medical appointments
  - Use journal or calendar

- Medicare Summary Notice (MSN)
  - Sent to FFS Medicare beneficiaries

- Explanation of Benefits (EOB)
  - Sent to MA members and beneficiaries with a prescription drug plan

Check statements for accuracy. Look for:

- Charges for services not rendered
- Charges for services different than those rendered (upcoding)
- Services/items charged twice
- Charges for services not ordered by primary care physician
# Red Flags on an MSN

Help prevent Medicare fraud by checking these things

<table>
<thead>
<tr>
<th>Date</th>
<th>Provider Name</th>
<th>Billing Code</th>
<th>Service</th>
<th>Amount Charged</th>
<th>Medicare Approved</th>
<th>Medicare Paid</th>
<th>Maximum You May Be Billed</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 28, 2019</td>
<td>Leo Zygelman, CH, (555) 555-123</td>
<td>02-11040-307-640</td>
<td>Chiropractic manipulative treatment, 3 to 4 spinal regions (98941-GA)</td>
<td>$40.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$40.00</td>
<td>D</td>
</tr>
<tr>
<td>December 25, 2019</td>
<td>Joshua Richards, M.D., (555) 555-1234</td>
<td>02-11040-517-100</td>
<td>Established patient office or other outpatient visit (98213-GA)</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
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<td>F,G</td>
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</table>

**SUPPORT BY GRANT # 90MPPC0001 FROM ACL**
“Guard the Medicare Card”

Scammers do not discriminate between Original Medicare and Medicare Advantage enrolled beneficiaries. Their target is anyone with this Medicare card.
THANK YOU!

• Remember to report Medicare fraud to your local SMP

• SMP Resource Center and SMP Locator link:
  • https://www.smpresource.org/Default.aspx

• If in California, call our CA SMP Hotline at 855-613-7080
Help Available for Lower-Income Medicare Beneficiaries

California Health Advocates Webinar
January 19, 2023

Kathy Holt, Center for Medicare Advocacy
David Lipschutz, Center for Medicare Advocacy
Agenda

I. Overview of Medicare Program and Beneficiary Finances
II. Overview of Low-Income Programs
   Medicaid
   Medicare Savings Programs (MSPs)
   Part D Low-Income Subsidy (LIS, or Extra Help)
III. Coordination of Benefits Issues
   Dual Eligibles, Integration
   D-SNPs
   Other Insurance
IV. Enrollment Issues
   New Special Enrollment Periods (SEPs)
   Public Health Emergency (PHE) Unwinding
I. OVERVIEW of MEDICARE and BENEFICIARY FINANCES
Overview Of Medicare

Four “Parts” of Medicare:

• **Part A** – Hospital Insurance
  Traditional or Original Medicare (Administered by Centers for Medicare and Medicaid Services - CMS)

• **Part B** – Medical Insurance
  • Supplemental Coverages (e.g. Medigap Plans, Medicare Savings Programs, Retirement, VA/Military Plans)

• **Part C** – Medicare Advantage program – Private Insurance Companies
  • MA – Medicare Advantage Plan without Part D drug coverage
  • MA-PDs – Medicare Advantage with Part D drug coverage

• **Part D** – Prescription Drug Program – Private Insurance Companies
  • PDP – Stand-Alone Prescription Drug Plans
Medicare Costs 2023

Hospital Deductible: $1,600 / Benefit period

Hospital Coinsurance:
  • Days 0-60: $0
  • Days 61-90: $400 / Day
  • Days 91-150: $800 Day (Lifetime Reserve Days)

Skilled Nursing Facility Coinsurance:
  • Days 1-20: $0
  • Days 21-100: $200 / Day

Part A Premium (For voluntary enrollees only)
  • With 30-39 quarters of Social Security coverage: $278 / Month
  • With 29 or fewer quarters of Social Security coverage: $506 / Month
Medicare’s Cost-Sharing Requirements and Benefit Gaps Contribute to Relatively High Out-of-Pocket Costs

<table>
<thead>
<tr>
<th>Cost-Sharing Requirement</th>
<th>Benefit Gap</th>
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</thead>
<tbody>
<tr>
<td>No out-of-pocket cap on cost-sharing for benefits</td>
<td>Long-term services and supports – very limited coverage</td>
</tr>
<tr>
<td>covered under Medicare Parts A and B*</td>
<td>Average annual cost of semi-private room in nursing home, 2021: $108,000</td>
</tr>
<tr>
<td>No out-of-pocket cap on cost-sharing for Part D</td>
<td>Dental services not generally covered</td>
</tr>
<tr>
<td>prescription drugs</td>
<td>Average out-of-pocket spending among people using dental services, 2018: $874</td>
</tr>
<tr>
<td>Limited premium and cost-sharing assistance for low-</td>
<td>Hearing aids and routine eye exams and eyeglasses – not covered</td>
</tr>
<tr>
<td>income Medicare beneficiaries (Subject to asset test)</td>
<td>Average out-of-pocket spending, users of hearing ($914) or vision ($230) in 2018</td>
</tr>
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NOTE: *Except in Medicare Advantage
Medicare Parts A & B And Other Insurance

- Employer based coverage
  - Through current work
  - COBRA
  - Retiree coverage
- Medicare Supplemental Insurance Policies (Medigaps)
- Military coverage
  - Veterans Administration, TriCare
- Medicaid
  - Medicare Savings Programs (MSPs)
- Medicare Advantage (MA) plans
- Medicare Part D prescription drug benefit
  - Part D LIS
Income and Assets

- Half of all Medicare beneficiaries lived on incomes below $29,650 per person in 2019
- One in four had incomes below $17,000 per person in 2019
- Half of all Medicare beneficiaries had savings below $73,800 per person in 2019
- One fourth had less than $8,500 per person in savings
- 12% had no savings or were in debt

Source: KFF, “Medicare Beneficiaries’ Financial Security Before the Coronavirus Pandemic” (April 2020)
Income and Assets

- Across the entire Medicare population, median per capita income was considerably lower for beneficiaries under age 65 with permanent disabilities ($19,550) than among seniors.
- In 2018, about one in seven (15%) Medicare beneficiaries were under age 65 and generally eligible for Medicare due to a long-term disability.
- Median income for individuals ages 65 and older was $31,450 per person in 2019, while one in four beneficiaries ages 65 and older had incomes below $18,150.

Source: KFF, “Medicare Beneficiaries’ Financial Security Before the Coronavirus Pandemic” (April 2020)
Income and Assets

- Median per capita income was substantially higher for beneficiaries who were white ($33,700) than for those who were black ($23,050) or Hispanic ($15,600)
- Median per capita income in 2019 was lower among women with Medicare than men ($27,750 vs. 32,050, respectively)

Source: KFF, “Medicare Beneficiaries’ Financial Security Before the Coronavirus Pandemic” (April 2020)
Kaiser Family Foundation (KFF)

Figure 3

Half of All Medicare Beneficiaries Lived on Incomes of $29,655 or Less and Had Savings of $73,819 or Less Per Person in 2019

The Average Traditional Medicare Beneficiary Spent More Than $6,000 Out-of-Pocket for Health Care in 2018
II. OVERVIEW of LOW-INCOME PROGRAMS
Medicaid

- Joint federal/state program; helps pay some medical costs for some individuals with limited income and resources
- Medicaid is the payer of last resort and may cover services not fully covered by Medicare, e.g. nursing home and extensive home care services
- State Medical Assistance (Medicaid) office is responsible for determining eligibility and enrollment
Dual Eligibles

As of Sept. 2022

- Over 65 million people are enrolled in Medicare
- Over 90 million people are enrolled in Medicaid and CHIP
- Over 12 million individuals are dually eligible for Medicare and Medicaid
Full v. Partial Dual

- **Full benefit dually eligible:** qualify for full package of Medicaid benefits
- Medicaid provides wrap-around coverage by paying some, or all, of Medicare cost-sharing and covering some services not covered by Medicare
  - But coordination of benefits can be problematic
- Full duals often (but not always) separately qualify for Medicare Savings Programs (MSPs)
Full v. Partial Dual

- Partial-benefit dually eligible: enrolled only in Medicare and an MSP
- NOTE: People enrolled in MSPs automatically qualify for Part D Low-Income Subsidy (LIS) - but opposite is not true; also note: LIS is not a Medicaid program
Medicaid Resources

- National Center on Law and Elder Rights (NCLER) [https://ncler.acl.gov/Legal-Training/Health-LTSS.aspx](https://ncler.acl.gov/Legal-Training/Health-LTSS.aspx)
- Justice in Aging [https://justiceinaging.org/](https://justiceinaging.org/)
- National Health Law Program (NHeLP) [https://healthlaw.org/](https://healthlaw.org/)
Medicare Savings Programs

MSPs
Medicare Has Made a Substantial Impact on Poverty

- Medicare has been improving access to health care since 1965

- Before Medicare
  - Less than 50% of people had health insurance
  - 35% of people over 65 lived in poverty
  - Life expectancy was 8 years less for men, 5 years less for women

- After Medicare began
  - Access to health care increased by 1/3
  - Poverty decreased by nearly 2/3
The Need for Cost Assistance

Medicare allows many to live out of poverty, but some people still struggle to bear Medicare out of pocket costs.

MSPs are essential to economic security and health care access for millions of Americans with low income.
What are the Medicare Savings Programs (MSPs)?

- MSPs help lower-income people pay all or some of Medicare costs

- Eligibility is based on income and, in 40 states, assets/resources

- MSP income and asset criteria varies by state/DC
  - Program criteria can change, e.g., CA is removing asset “test” no later than January 1, 2024

- MSPs are administered by state Medicaid agencies (E.g., Medi-Cal in California)
Examples of Medicare Costs that MSPs May Cover

In Traditional Medicare:

2023 Medicare Part A costs

• Part A hospital deductible: $1,600/per benefit period
• Part A hospital copays: $400 daily (61-90), $778 daily (91-150)
• Part A skilled nursing facility copays: $200 daily (21-100)

2023 Medicare Part B costs

• Part B monthly premium: $164.90
• Part B annual deductible: $226
• Part B coinsurance: 20%
Enrollment in MSPs

• In 2019, 10.3 million Medicare beneficiaries, or 16% of all beneficiaries, were enrolled in the Medicare Savings Programs.

• The share of state Medicare populations enrolled in the Medicare Savings Programs varies from 7% in North Dakota to 33% in the District of Columbia (differences in eligibility criteria and differences in poverty rates among the Medicare population.)

Source: KFF: “Help with Medicare Premium and Cost-Sharing Assistance Varies by State” (April 2022)
Enrollment in MSPs

• Among the nine states and the District of Columbia that have the highest share of Medicare beneficiaries enrolled in the Medicare Savings Programs, eight either have eliminated the asset test or have asset limits higher than the federal limit:
  • District of Columbia, Connecticut, Maine, Louisiana, Mississippi, Alabama, Massachusetts, New York

Source: KFF: “Help with Medicare Premium and Cost-Sharing Assistance Varies by State” (April 2022)
Enrollment in MSPs

• Compared to Medicare beneficiaries overall, the Medicare Savings Programs and Part D Low-Income Subsidy disproportionately serve beneficiaries in communities of color, beneficiaries under 65 with disabilities, and women, who tend to have lower incomes and modest savings.

Source: KFF: “Help with Medicare Premium and Cost-Sharing Assistance Varies by State” (April 2022)
MSP Qualifying and Eligibility Criteria
Qualifying For MSPs

- Individual must be eligible for Medicare
- Individual must be a U.S. citizen or have Legal Permanent Resident (LPR) status for 5 years immediately prior to applying
- Individual must be 65 years of age or under age 65 and eligible for Medicare due to disability
- Income and assets/resources (if applicable) must be within eligibility guidelines
MSP National Snapshot: Financial Eligibility

- **Income**
  - 42 states use federal guidelines [Poverty Guidelines | ASPE (hhs.gov)]
  - 8 states (AK, CT, HI, IL, IN, ME, MA, MS) and DC have higher income guidelines

- **Asset/Resource Limits**
  - 37 states use federal guidelines ($8,400[single]; $12,600 [couple])
    - EXPECTED NEW: For 2023 ($9,090; $13,630 [couple])
  - 4 states have a higher asset test (CA, ME, MA, MN)
  - 10 states (AL, AZ, CT, DE, LA, MS, NM, NY, OR, VT) and DC have no asset limit
MSP National Snapshot: Financial Eligibility

Examples of assets/resources that may be excluded from the allowable assets amount calculation:

• One home
• Household goods
• Personal belongings
• One car
• Pre-paid burial plan (may have higher amount allowed if irrevocable) Example: in CA, $1,500 limit if revocable, unlimited if irrevocable
• Burial plot
MSP National Snapshot: Financial Eligibility

Expected impact of asset test removal in California:

- A provision in the CA state budget approved in 2021 will eliminate the asset test for 2 million people enrolled in both Medicare and Medi-Cal

- Effective date July 1, 2022 (currently $130,000 resource limit)

- Asset test will be fully removed by January 1, 2024

- State assembly analysis showed that 17,802 additional Californians would have been eligible in 2018 if no asset test

California Budget Eliminates Asset Test for Medi-Cal and Medicare - Cerritos Community News | Cerritos Community News (loscerritosnews.net)
Medicare Savings Program

MSP Eligibility Categories
3 Main MSP Eligibility Categories: QMB, SLMB and QI (2022)

Qualified Medicare Beneficiary (QMB)
- Covers Part A Premiums and Part B Premiums, Deductibles & Coinsurance
- Medicare Providers aren’t allowed to bill you for Medicare-covered items & Services

Specified Low-Income Medicare Beneficiary (SLMB)
- Covers Part B Premiums only
- For beneficiaries who already have Part A and have limited income and resources

Qualifying Individual (QI)
- Covers Part B Premiums only
- For beneficiaries who already have Part A and have limited income and resources
- Must apply every year, benefits may be granted first-come, first-served
Qualified Medicare Beneficiary (QMB)

- QMB pays Part A premiums when an individual is not entitled to premium-free Part A
- QMB pays Part B premiums
- QMB pays all Part A and Part B cost-sharing: Parts A and B deductibles, co-pays, and co-insurance
QMB Eligibility

- **2022 Federal Guidelines (most states follow)**
  - **Income:** At or below 100% FPL plus a $20 income disregard per household  **2023:** [Poverty Guidelines | ASPE (hhs.gov)](https://aspe.hhs.gov/poverty-guidelines)
    - $1,153 single  **2023 expected new:** $1,238 [single]
    - $1,546 married  **2023 expected new:** $1,643 [married]
  - **Assets/Resources:** $8,400 single; $12,600 married
    - 2023 expected new: $9,090 [single]; $13,630 [married])

- **Other States & DC**
  - **Income:** Varies by state but ranges up to 300% FPL (DC)
  - **Assets/Resources:** Varies by state but ranges to unlimited
“Balance Billing” Prohibited for QMB

• Medicare participating providers who deliver services to people with QMB cannot bill an individual above the Medicare allowed amount.

• Providers must accept Medicare payment as payment in full. Can’t classify people with QMB as “private” patients in order to charge above Medicare.

Specified Low-Income Beneficiary (SLMB) AND Qualifying Individual (QI)

- **SLMB** and **QI** programs pay monthly **Part B premium only**

- Enrollment:
  - **SLMB** – Year-round open enrollment
  - **QI** – Enrollment subject to available federal funding (QI program may close if funding runs out)

- In 42 states:
  - **SLMB**: 100% - 120% FPL
  - **QI**: 121% - 135% FPL

- Other state’s MSPs eligibility ranges = 136% to 246% FPL
Effective Date of MSP Enrollment

- **QMB** – First of the month following the month eligibility is documented

- **SLMB and QI** – Up to three months retroactive from the date of application if beneficiary meets eligibility criteria during those months.
MSP Eligibility Categories: Miscellaneous Information

• The waiting period may be eliminated for individuals who missed their Initial Enrollment Period (Part A and B).

• States may pay Medicare late enrollment penalties, if applicable.

• All MSP categories provide automatic enrollment in federal Low-Income Subsidy (LIS / “Extra Help”) that helps with Part D costs.
A Fourth MSP Eligibility Category - QDWI

Qualified Disabled Working Individual (QDWI)

- Monthly income $4,615 single/$6,189 couple (other than AK and HI)
- Earned ($65) and unearned ($20) income disregards
- Pays Medicare Part A premiums
- For people with Medicare under 65, disabled, and no longer qualify for free Medicare Part A or Medicaid because they returned to work and income exceeds limit
- Up to 3 months retroactive from date of application if meets eligibility criteria during those months.
- Assets/Resources currently limited to $4,000/single or $6,000/couple
MSP Transition Period (National)  
AKA “Disregard Period”

- Addresses the months between the announcement of the SSA COLA (9.6% for 2023) & the announcement of FPL
- SSA COLA announced in the fall (effective for 2023)
- FPL updates in January. Poverty Guidelines | ASPE (hhs.gov)
- Benefits eligibility for MSP are updated no sooner than the last day of the month following the publication of the FPL in the Federal Register notice.
- As a result, state Medicaid agencies should disregard (not count) the COLA increase in determining MSP eligibility during the transition period.
- Verify end of transition period in each state/territory/DC.
Calculating Income To Determine MSP Eligibility

- Based on gross income (before any deductions)
- Some states apply a “disregard” to earned and/or unearned income before and/or after calculating countable income
- Many states divide earned income by 50% (divide by 2) to determine countable wages
- Add the countable wages to the unearned income (retirement, pensions, dividends, etc.) and compare the total to the MSP income limits
- **Note:** Legally married couples must report their combined income, even if only one spouse is applying for MSP
MSP Countable Income Calculation

Example

Mr. Green is a single Medicare beneficiary in California with $120,000 in countable assets. His countable income is as follows:

• $500 net monthly Social Security (SS) retirement (add back the Medicare part B premium of $164.90 that was deducted from SS = $664.90 (gross))
• Plus $180 monthly pension (gross)
• Plus $860/month (gross) from part-time job
  • $860 divide by 50% ($860 / 2 = $430) countable wages

Add together: monthly unearned income and recalculated earned income

Result: $664.90 + $180 + $430 = $1,274.90 gross monthly income

Less: $20 disregard = $1,254.90

Mr. Green is eligible for SLMB (Below $1,359 gross monthly countable income) and LIS/“Extra Help”
Application For MSPs Varies By State

• May have continuous enrollment during the year
• May allow by paper application or online
• Annual renewal may be required
• Income changes during the year must be reported and may affect eligibility
• If MSP eligibility ends, LIS/“Extra Help” may continue, at least for remainder of the calendar year
MSP Application Screening
For QMB, SLMB, QI

- In the 42 states using Federal Guidelines, Medicare beneficiaries, with monthly incomes less than $1,549 (single)/ $2,080 (couple) should be screened.

- For all other states and DC, see NCOA Chart at: https://www.ncoa.org/article/medicare-savings-programs-eligibility-coverage

AND for a free MSP screening
Contact your state SHIP (Find it at “Ship Locator”)
at https://www.shiphelp.org/ to review qualifications for an MSP program to help pay Medicare premiums and/or other Medicare costs.
Medicare Savings Program

There is Work to do to Enroll More People in MSPs
People in Medicare Savings Programs (MSPs) Often Lose Coverage

Eligibility factors like income, assets, and functional status are relatively stable over time for dually eligible individuals, but dually eligible individuals still experience high degrees of churn on and off Medicaid.

ASPE: Loss of Medicare-Medicaid Dual Eligible Status: Frequency, Contributing Factors and Implications
Medicare Savings Programs (MSPs) are Underutilized

Medicare coverage can be expensive, and for millions of people it’s made affordable by the MSPs, yet millions more are eligible but not enrolled.

Increasing MSP Enrollment

Resources to generate awareness and screenings for MSP eligibility:

- Center for Medicare Advocacy has MSP Fact Sheets and Flyers in English and Spanish at MedicareAdvocacy.org
- Search Individual State MSP Programs
- Search the SHIP TA Center Resource Library
MSP Resources and References
Key MSP Resource By State

Medicare Savings Programs (MSPs): Eligibility and Coverage (2022) Updated February 2022

 Authored by the National Council on Aging (NCOA)

See Chart at: https://www.ncoa.org/article/medicare-savings-programs-eligibility-coverage

In California: https://cahealthadvocates.org/low-income-help/medicare-savings-programs-msps-qualification-at-a-glance/
California MSP Resources


MSP Program Qualifications at a Glance:
https://cahealthadvocates.org/low-income-help/medicare-savings-programs-msps-qualification-at-a-glance/

To Apply for MSP:
https://www.dhcs.ca.gov/services/medic-ical/Pages/CountyOffices.aspx
Additional MSP References

▪ For income levels, see the 2022-2023 federal poverty level guidelines at: https://aspe.hhs.gov/povertyguidelines


▪ See the Medicare.gov webpage that details Medicare costs in 2022-2023, available at: https://www.medicare.gov/your-medicare-costs/medicare-costs-at-a-glance

▪ See the Social Security Programs and Operations Manual System (POMS) for the MSP resource levels asset levels for 2020-2023 https://secure.ssa.gov/poms.nsf/lnx/0603001005#:~:text=HI%2003001.005%20Medicare%20Part%20D%20Extra%20Help%20Low-Income,Eligible%20beneficiaries%20receive%20subsidized%20premiums%20deductibles%20and%20co-payments which mirror the lowest level of LIS resource amounts.
PART D LOW-INCOME SUBSIDY
(LIS, or EXTRA HELP)
Part D Standard Benefit - 2023

- **Deductible**: $505 (up from $480 in 2022);
- **Initial coverage limit**: $4,660 (up from $4,430 in 2022);
- **Out-of-pocket threshold**: $7,400 (up from $7,050 in 2022);
- **Total covered Part D spending at the out-of-pocket expense threshold for beneficiaries who are not eligible for the coverage gap discount program**: $10,516.25 (up from $10,012.50 in 2022);
- **Estimated total covered Part D spending at the out-of-pocket expense threshold for beneficiaries who are eligible for the coverage gap discount program**: $11,206.28 (up from $10,690.20 in 2022); and
- **Minimum cost-sharing under the catastrophic coverage portion of the benefit**: $4.15 for generic/preferred multi-source drugs and $10.35 for all other drugs (up from $3.95 and $9.85, respectively, in 2022).
The Low-Income Subsidy (LIS)  
“Extra Help”

- Low Income Subsidy (LIS), or “Extra Help” is administered by the Social Security Administration
- Helps pay for Part D costs, including premiums, deductibles, and co-pays
- Eliminates Part D Late Enrollment Penalty
Eligibility For The LIS

- Some beneficiaries are automatically eligible for the LIS. They don’t have to apply for it.
  - Medicaid and Medicare
  - Medicare Savings Programs (QMB, SLMB, and QI)
  - Supplemental Security Income (SSI) and Medicare

- Anyone else with Medicare can apply for LIS through the Social Security Administration (SSA) and qualify for the LIS if income and asset rules are met.
Financial Eligibility
- Up to 135% of Federal Poverty Level (FPL)
- Resources up to $9,090 ($13,630 if married) *

Coverage
- Premium – 100% of the Part D premium up to the “benchmark” threshold amount
- Deductible - $0
- Rx copays
  - Up to $4.15 generic ($1.45 if full dual at or below 100% FPL)
  - Up to $10.35 brand ($4.30 if full dual at or below 100% FPL)
  - $0 co-pays for duals in an institution or receiving Home and Community Based Services (HCBS) under a Medicaid waiver
- $0 above catastrophic level

* Excludes burial expenses
Partial LIS - 2023

- Financial Eligibility
  - Income between 135%-150% FPL
  - Resources up to $15,160 ($30,240 if married)
- Coverage
  - Premium - pays a portion of the Part D premium, depending upon the person’s income and asset levels (25%, 50% or 75% of benchmark amount)
  - Deductible – no more than $104
  - Rx: no more than 15% of the cost for each covered drug
  - Above catastrophic level
    - $4.15 generic
    - $10.35 brand
Helpful LIS Resources

- National Council on Aging (NCOA):

- KFF “An Overview of the Medicare Part D Prescription Drug Benefit” (October 2022)


- For CA, see CHA website at:
Benchmark Plans And The LIS
What is a benchmark premium?

- Low-income subsidy “Benchmark” premium is set by CMS & varies by region
- The benchmark amount is the maximum premium Medicare will pay for LIS individuals
- LIS-eligible have $0 premium if enrolled in a benchmark plan
- May have lower “star” ratings
- Plans can choose to waive the portion of their monthly premium that is a *de minimis* amount above the LIS benchmark
- LIS-eligibles may enroll in a more expensive plan, provided they pay the excess premium (over benchmark threshold) out-of-pocket. Often “worth it” to get the drugs they need
Medicare Part D
Voluntary Enrollment

- Enrollment in Part D is voluntary and not automatic for most beneficiaries
- If choosing not to enroll when first eligible, a late enrollment penalty may be imposed if deciding to enroll at a later date

**Note:** People with “creditable coverage” do NOT need to enroll in Part D - and generally should not.
Medicare Part D
Mandatory Enrollment

- For most people Part D enrollment is voluntary. However, beneficiaries eligible for LIS MUST be enrolled including:
  - Dual Eligible (Medicare + Medicaid)
  - Medicare Savings Program (MSP)
  - Directly enrolled in LIS through SSA

- CMS will auto enroll members of these groups into a Part D plan if they do not enroll on their own
  - Auto-enrollment – full duals; Facilitated enrollment – non duals eligible for LIS

- IMPORTANT: If the beneficiary has other Rx coverage and does not want Medicare Part D, they must let CMS know. Otherwise, it could disrupt other insurance coverage
Other Important LIS Information

- Once granted, the LIS stays in place for at least a full year, so…
  - If a dual eligible goes into “spenddown” or no longer qualifies for MSP, s/he stays on LIS at least for rest of the calendar year. If eligible for MSP through July or later, eligibility for LIS remains until the end of the following calendar year.
Limited Income Newly Eligible Transition “LINET”
Safety Net Program For LIS-eligible

- LIS-eligible individuals, enrolled in Medicare, with no Part D plan in place yet, can be enrolled in LINET at the pharmacy and get same day medication fills
- Must show LIS eligibility with Best Available Evidence (BAE)
- This is called “Point of Sale (POS) Enrollment”
- POS Enrollment is performed by “LINET,” a special-purpose two-month temporary Humana plan
- Also provides reimbursement to duals who paid out of pocket for drugs before plan starts
Inflation Reduction Act of 2022 (IRA)

- Allows Medicare to **negotiate with drug manufacturers** for the price of some Part D and Part B drugs (starting in 2026);
- **Caps beneficiary out-of-pocket Part D drugs costs at $2,000** per year (starting in 2025 – also allows spreading of costs over course of the year); in 2024, the 5% coinsurance for Part D catastrophic coverage will be eliminated);
- Imposes **checks on the annual rise in costs of drugs and Part D premiums** (limitations on drug prices start in 2023, and limitations on Part D premiums start in 2024);
- **Limits monthly out-of-pocket copays for insulin to $35** (starting in 2023);
- **Eliminates cost-sharing for adult vaccines** covered under Part D (2023) and **Expands access to the Part D low-income subsidy** (“Extra Help”) (starting in 2024) – full LIS up to 150% FPL with higher resource limits
IRA - 2024

- Individuals with incomes up to 150% of poverty and resources at or below the limits for partial LIS benefits will be eligible for full LIS benefits
- The partial LIS benefit currently in place for individuals with incomes between 135% and 150% of poverty will be eliminated
III. COORDINATION of BENEFITS ISSUES
Coordination Problems

- Complications can occur when:
  - There are different payment rates between Medicare and Medicaid
  - There are different coverage rules
  - Different types of coverage arrangements (e.g. managed care v. traditional/fee-for-service)
    - E.g., some states require duals to enroll in Medicaid managed care plans
Integrated Care for Dual Eligibles

- Integrated care: “delivery system and financing approaches that maximize Medicare-Medicaid care coordination and mitigate cost-shifting incentives, including total-cost-of-care accountability across Medicare and Medicaid.”
  - In 2019, just over 1 in 10 full-benefit dually eligible individuals were enrolled in an integrated care program
Medicare Options

- Medicare options – in general, choice of traditional Medicare, Medicare Advantage (MA)
- MA – trade-offs include some expanded services vs. prior authorization and limited networks
D-SNPs

- Dual Eligible Special Needs Plans (D-SNPs):
  - Subset of MA plans (D-SNPs, C-SNPs, I-SNPs); over 4.6 million Medicare beneficiaries were in SNPs in 2022 (majority in D-SNPs)
  - Enroll individuals who are entitled to both Medicare and Medicaid. States cover some Medicare costs, depending on the state and the individual’s eligibility.
  - Aim is to coordinate and integrate care between Medicaid and Medicare
D-SNP Look Alike Plans

- Look alike plans market to duals but are not subject to the regulations governing D-SNPs. Have no responsibility to coordinate Medicare and Medicaid benefits

- **CMS final rule**: 2020 CMS rule that finalized contracting limitations for D-SNP look-alikes at 42 CFR 422.514(d) and (e) starting plan year 2023

- Resources:
  - Justice in Aging: [Dual Eligible Special Needs Plan (D-SNP) Look-Alikes: A Primer](#)
  - Milliman: [Key insights into 2022 Medicare Advantage D-SNP landscape](#)
D-SNP- Resources

- Commonwealth Fund:
  - Taking Stock of Medicare Advantage: Special Needs Plans
- Justice in Aging:
  - Dual Eligible Special Needs Plans (D-SNPs): What Advocates Need to Know
Ensuring The Proper Insurance Payment Order

- An individual should provide all types of coverage information on his or her Initial Enrollment Questionnaire (IEQ)

- If health coverage changes thereafter, an individual should tell Medicare, doctors, and all providers

- Confirm this information with the Benefits Coordination and Recovery Center (BCRC) (also known as the Coordination of Benefits (COB) Contractor) at:
  
  **1-855-798-2627 (TTY 1-855-797-2627)**

**NOTE:** Medicare may make a conditional payment, even when not supposed to pay first
## Who Pays First? General Rules

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Who Pays First?
COBRA, VA, And TRICARE

- Disabled and covered by COBRA?
  - Medicare pays first, COBRA pays second

- A Veteran with Veteran’s benefits?
  - VA “authorized coverage” (care by a VA provider) or Medicare coverage (care by a non-VA provider), neither pays twice

- TRICARE/TRICARE FOR LIFE?
  - Military hospital & federal providers, TRICARE pays first, Medicare second
IV. ENROLLMENT ISSUES
Special Enrollment Periods (SEPs) For Duals (MA and Part D)

- A Dual (Medicare & Medicaid) SEP is limited to once per quarter (from election date) only for first 9 months of year.

- If someone has a change in Dual status, he/she can change within 3 months.

- If someone is auto enrolled into a plan, he/she can change within 3 months of auto enrollment.
SEPs From BENES Act

- Provisions of the rule include the creation of several new Part A and B special enrollment periods (SEPs) effective January 2023:
  - Including for loss of Medicaid
  - Health plan or employer error
  - For formerly incarcerated individuals
- Rule also addresses extended coverage of immunosuppressive drugs under Part B for individuals with ESRD whose Medicare coverage would otherwise end 36 months after kidney transplant (for those who don’t have other health coverage) with coverage starting as early as Jan. 1, 2023.
- 87 Fed Reg 66454 (Nov. 3, 2022).
PHE Unwinding

- Medicaid “continuous coverage” requirements in place during the COVID-19 Public Health Emergency (PHE) will be phased out
- “Under the [Consolidated Appropriations Act] CAA, 2023, expiration of the continuous enrollment condition will no longer be linked to the public health emergency (PHE) and instead the condition will end on March 31, 2023. Following the end of the condition, states will have up to 12 months to initiate, and 14 months to complete, a renewal for all individuals enrolled in Medicaid, the Children's Health Insurance Program, and the Basic Health Program.” See CMS Informational Bulletin (Jan. 5, 2023)
  - The earliest that states can begin redetermining eligibility for Medicaid is Feb. 1, 2023
  - The earliest that states can terminate Medicaid coverage for people no longer eligible is April 1, 2023
PHE Unwinding

- CMS is holding a webinar on Wed., Jan 25th from 12:00-1pm ET registration link: here
- See various resources for advocates, including from NHeLP, NCLER, Justice in Aging
State Health Insurance Assistance Program (SHIP)

- A Trusted community resource
- Provides one-on-one counseling and enrollment assistance including screening for Medicare Savings Programs (MSPs)
- Virtual outreach and educational events

State Health Insurance Assistance Program (SHIP)
Questions & Discussion
For further information, to receive the Center’s free weekly electronic newsletter, *CMA Alert*, update emails and webinar announcements, contact:

Communications@MedicareAdvocacy.org

Or visit

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