



Medicare Health Plans

Part 2

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Medicare Health Plans



- Under the Medicare Advantage (MA) program, private companies offer health plans that cover all Medicare Part A and Part B benefits. Many also cover Part D prescription drug benefits (MA-PDs). MA plans also may offer extra benefits that Medicare does not cover.

- The types of Medicare Advantage (MA) plans are:
 - Health Maintenance Organizations (HMOs), some have a point-of-service (POS) benefit;
 - Preferred Provider Organizations (PPOs), local and regional;
 - Private Fee-for-Service (PFFS) Plans;
 - Special Needs Plans (SNPs); and
 - Medical Savings Account (MSA) Plans.

- Medicare Cost Plans and PACE plans are other types of Medicare health plans.

MA Eligibility and Premiums



- Eligibility
 - A beneficiary must be entitled to Part A and enrolled in Part B.
 - The beneficiary must live in the MA plan's service area.
 - MA plans must enroll any eligible beneficiary who applies regardless of health status, except that:
 - Generally, beneficiaries are not eligible if they have end-stage renal disease (ESRD) unless they were enrolled in a health plan offered by the same organization before becoming eligible for Medicare.
 - As of January 1, 2010, Special Needs Plans (SNPs) must limit new enrollments to beneficiaries who meet specified plan eligibility criteria (e.g., beneficiaries who are dual eligibles, have specified chronic conditions, or reside in institutions).

- Premiums
 - A beneficiary must continue to pay his/her Part B premium.
 - In addition, the beneficiary may need to pay an MA plan premium.

**Help for Individuals with Limited Income/
Resources—Apply to State Medicaid Office**



- Beneficiaries with limited income and resources should be encouraged to apply to their State Medicaid office to determine eligibility for various programs: Tell them to call 1-800-Medicare (1-800-633-4227) and just say “Medicaid” for the State Medicaid telephone number.
- Beneficiaries may qualify for help from the State to pay the Medicare Part B premium, the Part A and Part B deductibles and cost sharing, and/or some Part D prescription drug costs.

**Help for Individuals with Limited Income/
Resources—Apply to State Medicaid Office**



- Beneficiaries may qualify through these programs by applying to the State Medicaid office.
 - Medicaid: help with health care costs.
 - Medicare Savings Program: help paying the Medicare Part B premium and, in some cases, deductibles and coinsurance.
 - Part D low-income subsidy: help paying for prescription drug coverage. The State Medicaid office will check eligibility for this and other programs such as the Medicare Savings Program. Persons interested in Part D help only may call the Social Security Administration (SSA) at 1-800-772-1213 or apply online at www.ssa.gov/prescriptionhelp.
 - Supplemental Security Income (SSI) benefits: help with cash for basic needs.



Quick Review

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MA Plan Types Coordinated Care Plans – HMOs

- Generally, HMO enrollees must use plan network doctors and hospitals within the plan's service area to receive most covered services.
 - Emergency services received outside of the plan network are covered.
 - In most other cases, if enrollees get care out-of-network without prior approval from the plan, they will have to pay for it themselves.

MA Plan Types
Coordinated Care Plans – HMOs, cont’d.



- Some HMOs offer a Point of Service (POS) Option that allows enrollees to go to non-plan doctors and hospitals without receiving prior approval for certain services.
 - Cost sharing is generally higher than for services obtained from network providers.
- Enrollees may need to select a primary care doctor and may need a referral for specialty care.
- If an enrollee needs a type of specialist that is not in the plan’s network, the plan will arrange for care outside of the network.

MA Plan Types
Coordinated Care Plans – PPOs



- PPO enrollees generally may get care from any provider in the U.S. who accepts Medicare, but will pay less if they go to one of the “preferred” providers in the PPO’s network.
- Enrollees usually will pay higher cost-sharing if they get care from a non-preferred provider.
- Enrollees do not need a referral to see a specialist or out-of-network provider, but may be encouraged to contact the plan to be sure the service is medically necessary and will be covered.

MA Plan Types

Coordinated Care Plans – SNPs



- As of January 1, 2010, Special Needs Plans must limit new enrollments to certain sub-populations of beneficiaries. Types of SNPs include:
 - Dual Eligible SNPs – serve beneficiaries eligible for both Medicare and Medicaid (dual eligibles);
 - Chronic Care SNPs – serve beneficiaries with severe or disabling chronic conditions, such as diabetes; and
 - Institutional SNPs – serve beneficiaries in long-term care facilities within the plan’s network as well as beneficiaries living in the community, but requiring an institutional level of care.
- All SNPs provide Part D prescription drug coverage.

Quick Review



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MA Plan Types
Private Fee-for-Service (PFFS) Plans



- PFFS enrollees may receive covered services from any provider in the U.S. who participates in Medicare and agrees to accept the plan's terms and conditions of payment.
- Except for emergencies, enrollees must inform providers before receiving services that they are PFFS plan members so that the providers can decide whether to accept the plan's terms and conditions.
- Providers may, on a patient-by-patient, and visit-by-visit, basis decide whether to treat the beneficiary.
- Some providers that accept Original Medicare may choose to not accept PFFS plan enrollees.

MA Plan Types
Private Fee-for-Service Plans, cont'd.



- It is **not** the same as the Original Medicare plan that is offered by the Federal Government.
- It is **not** a Medicare supplement, Medigap, Medicare Select policy, or stand-alone Prescription Drug Plan.

MA Plan Types
Private Fee-for-Service Plans, cont'd.



- PFFS plan options available to beneficiaries may include:
 - PFFS plan offering only Medicare A/B benefits;
 - PFFS plan that combines Medicare A/B and Part D prescription drug benefits (MA-PD plan); or
 - PFFS plan offering Medicare A/B benefits and a stand-alone Part D prescription drug plan (PDP).

MA Plan Types
Private Fee-for-Service Plans, cont'd.



- PFFS plans generally pay providers the same amount Original Medicare would pay them. The amount the plan pays is specified in the plan's terms and conditions of payment.
- Providers are not permitted to charge the enrollee more than the cost sharing specified in the PFFS plan's terms and conditions of payment.
 - Cost sharing may include a deductible and copayments or coinsurance.
 - Cost sharing may include balance billing up to 15% of the Medicare rate if allowed in the plan's terms and conditions of payment.

Quick Review



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MA Plan Types Medical Savings Account (MSA) Plans



- A Medicare Medical Savings Account is a high deductible health plan combined with a savings account for health care expenses. Medicare makes a contribution to the beneficiary's savings account.
- MSA enrollees pay for health care expenses from the savings account and then out-of-pocket until the annual deductible is met, after which the plan pays 100% for covered services.
- MSAs cover Part A and Part B benefits, but not Part D Medicare prescription drug benefits.
- Enrollees pay the Part B premium but no plan premium except for any premium for supplemental benefits.

MA Plan Types MSA Plans, cont'd.



- Enrollees may receive covered services from any Medicare approved provider in the U.S.
- MSAs may not have a network or MSAs may have a network of providers who will provide services at lower costs.
- All providers must accept the same amount that Original Medicare would pay them as payment in full.
- Demonstration MSA plans may offer coverage of preventive services before the enrollee has met the deductible.
- Demonstration MSA plans may charge cost-sharing for post-deductible services up to an out-of-pocket limit.

Other Medicare Health Plans



- Medicare 1876 Cost Plans
 - Cost plan enrollees can choose to receive Medicare-covered services:
 - Under the plan's benefits by going to plan network providers
 - Plan cost sharing applies
 - Under Original Medicare by going to non-network providers
 - Original Medicare cost sharing applies
 - Cost plans may offer Part D prescription drug coverage as an optional benefit.
 - Cost plans may offer other optional supplemental benefits.

MA Plans and Dual Eligible Beneficiaries



- Key issues that are important to dual eligible beneficiaries considering MA enrollment include:
 - Whether the beneficiary is eligible for medical benefits under Medicaid. Medicaid may provide additional benefits, but Medicaid will coordinate benefits only with Medicaid participating providers.
 - How cost sharing will be different under the plan compared to Medicaid benefits. Medicaid will pay cost sharing assistance only for Medicaid participating providers.
 - Whether the beneficiary will need help to find providers who accept both Medicare and Medicaid.

MA Plans and Dual Eligible Beneficiaries, cont'd.



- Categories of dual eligible beneficiaries and out-of-pocket costs that must be paid by Medicaid:
 - **QMB (only)** (Qualified Medicare Beneficiary) – Medicare Part A and B premiums; cost sharing for Part A & B benefits.
 - **QMB Plus** – Medicare Part A and B premiums; cost sharing for Part A & B benefits; Full Medicaid benefits.
 - **SLMB (only)** (Specified Low-Income Medicare Beneficiary) – Medicare Part B premium.
 - **SLMB Plus** – Medicare Part B premium; Full Medicaid benefits.
 - **QI** (Qualifying Individual) – Medicare Part B premium.
 - **Other FBDE** (Full Benefit Dual Eligible) – Medicare Part B premium; Full Medicaid benefits.
 - **QDWI** (Qualified Disabled & Working Individual) – Part A premium.

Quick Review



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MA & Prescription Drugs



- An organization offering MA plans must offer at least one MA plan (known as an MA-PD plan) with prescription drug coverage in every service area.
- Outpatient prescription drug benefits offered by MA plans must meet Part D program requirements.

MA & Prescription Drugs, cont'd.



- If a beneficiary enrolls in an MA plan that includes Part D prescription drug coverage (MA-PD plan), the beneficiary can only receive Part D drug coverage through that plan.
- If a beneficiary enrolls in an MA plan that is an HMO or PPO that does not include Part D coverage, the beneficiary cannot join a stand-alone Prescription Drug Plan (PDP).
 - Enrollees in certain Employer/Union retiree group plans may have different options.

MA & Prescription Drugs, cont'd.



- If a beneficiary enrolls in a PFFS plan that does not offer Medicare prescription drug coverage, or in a MSA plan, he or she can join a stand-alone Medicare Prescription Drug Plan.
- Beneficiaries enrolled in a Medicare Cost Plan can join a stand-alone Medicare Prescription Drug Plan if the Cost Plan does not offer Part D coverage or if the Cost Plan does offer Part D coverage but the beneficiary does not choose to enroll in it.

Quick Review



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Sources of Additional Information



- General information for organizations currently offering Medicare Advantage plans, or those planning to do so in the future
<http://www.cms.hhs.gov/HealthPlansGenInfo/>
- Applications for organizations seeking to offer a Medicare Advantage plan
<http://www.cms.hhs.gov/MedicareAdvantageApps/>
- Medicare & You Handbook
www.medicare.gov/publications/pubs/pdf/10050.pdf
- Publications on Health Plan Choices, PFFS, SNP, MSA and Part D Drugs www.medicare.gov
- AHIP Medicare Prescription Drug Plan Guide
www.healthdecisions.org/guide/

Session 2 Review



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