



*Improving the lives of older Americans*

# ***Health Care Reform & People with Medicare One Year Later***

**National Center for Benefits  
Outreach and Enrollment**

Helping Seniors and Adults with Disabilities Access Benefits

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**NewPATHS Annual Conference**

**August 2011**

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**National Center for Benefits Outreach and Enrollment**

**National Council on Aging**



## Topics we will cover

- Where is ACA implementation a year later:
  - Medicare
    - The coverage gap
    - Medicare Advantage
    - Annual Wellness Visit and other screening/wellness services
    - Annual enrollment is earlier now!
  - Medicaid
    - Rebalancing long term supports and services
    - Duals – alignment and integration initiatives

# Medicare – Closing the Coverage Gap

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- Around 900,000 in coverage gap so far this year
- What they get
  - Last year – a \$250 rebate check
  - This year –
    - 50 percent discount on brand Rx
    - 7 percent discount on generics
  - Next year –
    - 50 percent discount on brand Rx
    - 14 percent on generics

# Medicare - Part D and Medicare Advantage Annual Enrollment Period

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- It's earlier this year
  - October 15 – December 7
- Benefits counselors getting ready now
  - Annual enrollment is an opportunity to use person-centered strategies to promote associated benefits
    - LIS
    - MSPs
    - SNAP

## People with LIS and Fall Enrollment Options

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- Plan sponsors may adopt optional *de minimus* policy:
  - Full LIS members do not pay any part of premium, even if it was slightly above the benchmark –
    - by an amount determined by CMS
    - For 2012 \$2
- CMS not reassigning “choosers”
  - People with LIS who selected their own Part D plan
  - Choosers may have to pay a premium unless they join a new benchmark plan for 2011
  - All “choosers” will get a notice about this no matter when they opted out of their original plan

# Medicare - LIS Reassignment – (Fall 2011 for 2012 Plan Year)

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- Important new notification –
  - For people with LIS/Extra Help who are reassigned to new benchmark plans in Fall 2011 (for 2012)
  - A *personalized notice* about reassignment that -
    - Compares costs of their old plan (2011) to their reassigned plan (for 2012)
      - Assumes they continue to use the same prescription drugs
    - Tells them how to request a coverage determination, exception, and redetermination
    - Must arrive within **30 days of reassignment** (late November/early December 2011)

## LIS Co-Pay Changes -Medicaid HCBS (2011)

- Full benefit duals who receive Medicaid for
  - Home-based care
  - Home and community-based waivers
- No payments for their Part D coverage
  - No plan premium
  - No co-pays for some drugs
    - On their Part D plan formulary
    - Obtained from an in-network pharmacy

# Medicare - Annual Wellness Visit (2011)

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- Each client can have **one** wellness visit every 12 months (once a year)
  - Starts 12 months after the initial “Welcome to Medicare” exam
  - Still qualify for one even if they **miss** the Welcome to Medicare visit it
- No cost sharing for this service
- Includes
  - A personal risk assessment
  - Routine measurements
  - Prevention plan services

# Services Provided in the Wellness Visit

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- Routine measurements: height, weight, body mass index, blood pressure, etc.
- Detection of cognitive impairment
- Updates to medical and family history
- List of risk factors, recommended interventions, and treatment options
  - Including associated risks
- Personalized health advice and referral to preventive and educational programs
- List of all health care providers and suppliers
- Screening schedule for next 5-10 years

## **Medicare - Screening and Preventive Services**

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- No out-of-pocket cost-sharing for most Medicare-covered preventive and screening services
  - Part B deductible (\$162 in 2011) waived
  - No co-insurance charges
  
- Includes
  - Welcome to Medicare visit
  - Annual Wellness visit
  - Most, but not all Medicare-covered preventive services
  - Applies to Original Medicare and as of 2012 to Medicare Advantage plans too

# Medicare – Medicare Advantage

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- Annual Disenrollment Period
  - Allows people in Medicare Advantage plans to disenroll to Original Medicare
    - Jan 1-Feb 14
    - Associated Special Enrollment Period to pick a Part D plan
    - *No* Medigap guaranteed issuance rights
- Reimbursement rates changing
  - Will slowly reduce overpayments as compared to Original Medicare
  - Incentivize good care with star rating system
    - Continuous enrollment into 5 star plans
    - Bonuses for high performing plans
    - Future penalties for low-quality plans

## Medicare - Other Changes – 2011

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- Indian Health Service, and HIV/AIDS program payments towards drugs count as TrOOP
- Higher Part D premiums
  - Medicare beneficiaries with annual incomes higher than:
    - \$85,000 (single person)
    - \$170,000 (married couple living together)
  - > 5% of the Medicare population is also subject to income-related Part B premium adjustments

## Medicare - down the road to 2014

- Both Medicaid and Medicare Part D will cover benzodiazepines and barbiturates
- There will be a study of adding nominal cost-sharing to Medigap policies C and F, to be effective in 2015

## Medicaid – Eligibility expansion in 2014

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- Starting in 2014 Medicaid coverage is extended to people *below age 65* whose income is at or under 133 percent of the Federal Poverty Limit
  - Will be an income test based on modified adjusted gross income,
  - No asset test
- Before 2014 some states that have state-funded medical assistance programs for childless adults under age 65 may opt to cover these adults with Medicaid
  - No asset test would apply to those covered by this provision
  - Such expansions could be beneficial to people getting Social Security disability benefits and waiting out the 29 months before they are entitled to Medicare
  - Few states are currently taking up this option

# Medicaid- long term support and services rebalancing

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## ▪ Money Follows the Person

- States receive additional federal support to assist Medicaid-enrolled nursing facility residents transition back to the community
- 43 states and the District of Columbia now participating
- Extended through 2016 with additional funding and new states can join
- Reduces required qualifying time in institution to 90 days (but rehab stays don't "count")

# Medicaid – rebalancing long term support and services

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## ▪ **Community First Choice:**

- New state plan option adoption beginning Oct. 1, 2011
- Eligibility premised upon:
  - otherwise needing nursing home placement
  - Income of 150 percent FPL or higher if a higher standard used for nursing home Medicaid
- Services must include:
  - attendant services to assist individuals with accomplishing ADLs, IADLs, and in acquiring, maintaining, and enhancing skills necessary to accomplish ADLs and IADLs
  - Backup systems like beepers
- Services may include:
  - Certain cots of transitioning to community
- Incentives include a 6 percent bump up in FMAP

# Medicaid – HCBW Changes

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- **1915(1) State Plan Option –**
  - More flexibility:
    - Allows states to waive comparability to serve specific groups of people in need of the care
    - Don't need to prove institutional level of care
    - Must be statewide
    - Permits states to extend eligibility from the prior cap of 150 percent of FPL to the “special income level” group (individuals with incomes up to 300% of the SSI benefit rate)
    - Flexibility in designing benefits package
  - Precludes caps on participants
  - Few states have adopted this option so far

# **Medicaid – state balancing initiative payments**

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- **State Balancing Payments**
- To help states spending less than 50 percent of long term care dollars in community care rebalance
  - Temporary - available October 2011 – September 2015
  - Must have a plan including
    - “no wrong door”
    - a standard assessment tool and “conflict-free” care management
    - May expand waiver services, include personal care
    - May establish a higher income standard (up to 300 percent of SSI)
  - Maintenance of eligibility standards as of December 2010
  - Bump up in FMAP for shifting funding to community-based long term support and services

# Medicaid- Spousal Impoverishment Prevention

- Spousal impoverishment protections extended to HCBW spouses
  - Limited time expansion: 5 years - 2014-2018

## Medicare-Medicaid

### Care Transitions

- Just getting started
- Goal is reduce unnecessary re-hospitalizations of people with Medicare within 30 days of discharge
- Community-based organizations partner with hospitals to provide short-term care transition services
- Paid per capita based upon performance

# Medicare-Medicaid

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- Alignment

- An initiative to remove the “rubs” between Medicare and Medicaid

- Integration

- Initiatives to explore integrating coverage and funding
  - 15 state design contracts
  - Two new financial models to support state efforts to integrate care and offer states a share of Medicare savings:
    - Capitated managed care
      - Three-way contracts between CMS, state and health plans
    - Managed “fee for service”
      - Provide coordinated care and focus on redesigned primary care systems

## Our Resources and Contact Info

- National Center for Benefits Outreach and Enrollment

- [www.centerforbenefits.org](http://www.centerforbenefits.org)

### MyMedicareMatters

- [www.MyMedicareMatters.org](http://www.MyMedicareMatters.org)

### MyMedicareCommunity

- [www.MyMedicareCommunity.org](http://www.MyMedicareCommunity.org)

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