

Individuals with IDD Who Are Dually Eligible for Both Medicare and Medicaid

Beverly Roberts

Director, Mainstreaming Medical Care

February 15, 2022

broberts@arcnj.org

To sign up for my listserv:

www.mainstreamingmedicalcare.org



The Arc of New Jersey

- Largest non-profit advocacy organization for people with intellectual and other developmental disabilities and their families
- Parent directed membership organization founded in 1946
- Chapters in all 21 counties
- Affiliated with The Arc of the United States
- Governed by a volunteer Board of Directors

Departments of The Arc of NJ

- The Arc Family Institute
- Governmental Affairs/Public Policy
- Public Affairs/Communications

Programs & Projects

- Mainstreaming Medical Care
- New Jersey Self-Advocacy Project
- Project HIRE
- Criminal Justice Advocacy Program
- Planning for Adult Life

Difference between SSI and SSDI

SSI – Supplemental Security Income

- SSI is a Social Security benefit for persons with a significant disability who also have *very low income*. When a person with IDD is age 18 or older, the parent's income is disregarded.

SSDI – Social Security Disability Insurance

- An individual with IDD receives SSDI due to the work record of a parent when the parent receives Social Security as a retirement benefit, or is disabled, or the parent has passed away.

OR

- SSDI can also start from the work record of a person with IDD, who has worked enough quarters to qualify for SSDI.

Why do some persons with IDD, under age 65, have Medicare?

- Person with IDD receives SSDI because of parent's work record or because of their own work record, AND
- 24 months after the start of SSDI, person with IDD starts to receive Medicare, automatically.

Note: Medicare for a person with IDD is not connected to the parent starting to receive Medicare at age 65.

Dual Eligibles Fact Sheets

- [FAQ Dual Eligibles/ General Information](#)
- [FAQ Dual Eligibles/ Prescription Medications](#)
- [FAQ Dual Eligibles/ Special Needs Plan \(D-SNPs\)](#)

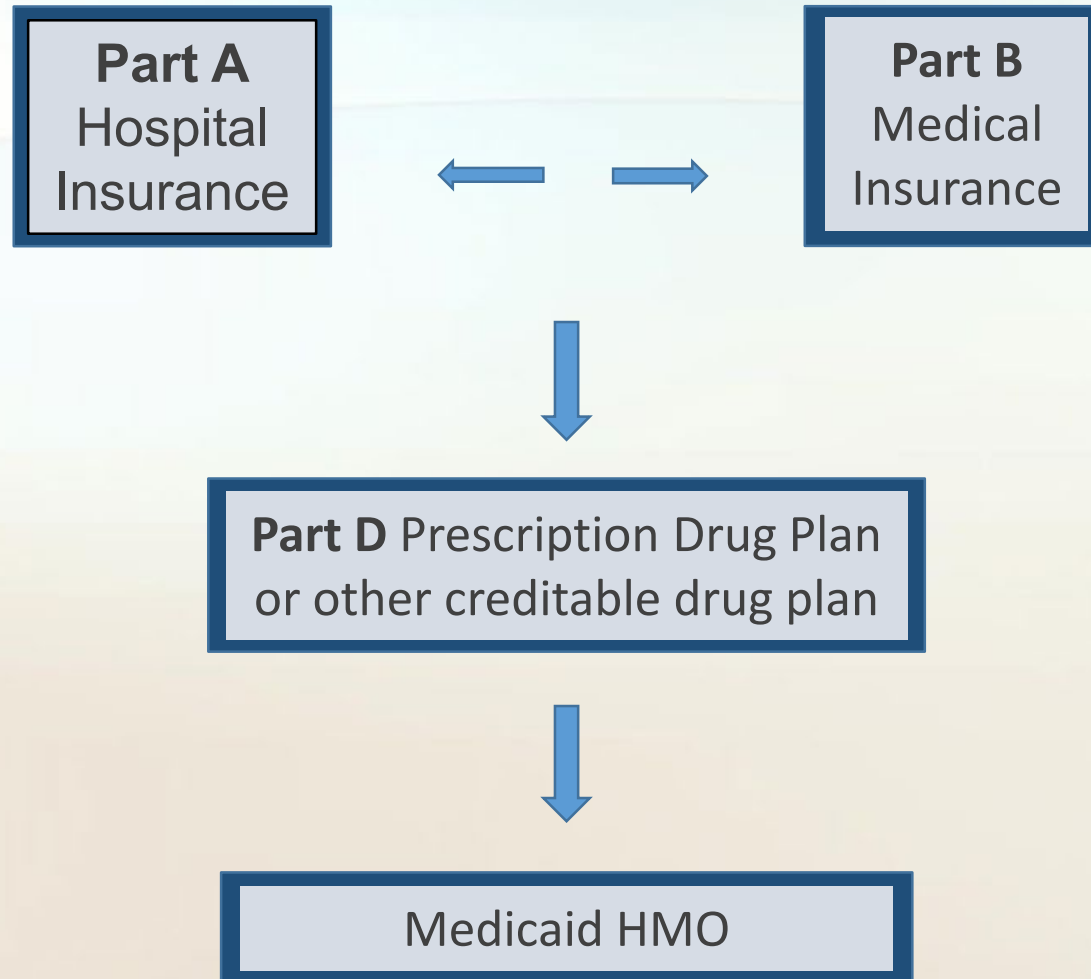


Dual Eligibles

General Information

Dual Eligible's Coverage

Original Medicare



What is “Original” Medicare?

- When anyone is newly enrolled in Medicare, that enrollment is for “Original” Medicare.
- When enrolled in Original Medicare, the individual has access to all providers who accept Medicare.
- **If no action is taken to switch out of Original Medicare (by enrolling voluntarily into a D-SNP or Medicare Advantage managed care plan), the dual eligible will remain in Original Medicare, and will also have a Medicaid managed care plan.**

What happens when person with IDD on Medicaid becomes eligible for Medicare?

- If already on SSI (or MLTSS) or Medicaid for *Aged, Blind, Disabled*, the person with IDD will automatically become a dual eligible after getting Social Security Disability Insurance (SSDI) for 24 months.
- Will automatically be enrolled into Medicare A and B.
 - Medicare becomes PRIMARY insurance for hospital and medical.
 - Medicare monthly premiums for A and B will be paid by Medicaid.
 - Initially, may have \$170.10/month deduction (in 2022) from SSDI for Part B, but after a delay of 1-3 months, person should be reimbursed by SSA.
- Still enrolled in Medicaid HMO.

What happens if also have private health insurance, and decline Medicare Part B?

- Some persons with IDD have both private health insurance and Medicaid. Then Medicare starts (after 24 months of SSDI).
- **When Medicare is starting, suggest keeping Part B.** Parents may not realize that Medicaid will cover the cost of Medicare Part B for person with IDD – and they decline Part B.
- **Important: If Part B was declined -- must start Part B when private health insurance is ending!**
- Special Enrollment Period (SEP). available for 8 months after stopping private health insurance, to start Medicare Part B. But a penalty if adding Part B after that.
- If you don't add Part B during the SEP, can enroll only during open enrollment period.

-

What happens when person with IDD on Medicaid becomes eligible for Medicare?

MEDICARE PART D - PRESCRIPTION DRUG PROCESS:

(More on Part D in later slides.)

- Will automatically be enrolled into Part D Drug Plan, with Extra Help.
- Extra help – no monthly fee for the drug plan if enrolled in Benchmark plan; no deductibles.
 - **Medicare covers prescription drugs, NOT Medicaid, unless person also has private health insurance – then opt out of Part D**.
 - Most individuals with IDD who have Medicare & Medicaid pay small drug copay: \$1.35 each generic drug; \$4.00 for brand name drugs in 2022.

What does Medicaid cover for dual eligibles?

- All Medicare cost-sharing:
 - Part A and Part B monthly premiums
 - Part A, Part B deductibles and co-insurance
 - Automatic enrollment in Low Income Subsidy (Extra Help) for Part D Drug Plan costs.
 - NJ Medicaid provides many services not covered by Medicare:
 - Dental
 - Eyeglasses
 - Chiropractors
 - Podiatrist
 - Medical Day Care
 - Non-emergency medical transportation (ModivCare)
 - Personal Care Assistance
 - Adult diapers
 - Home Health Aides
 - Care Management
- Above benefits provided thru the Medicaid HMO plan

Cost Sharing and Balance Billing Issues

- Provider must accept Medicare payment and Medicaid payment (if any) as payment in full.
- **Important note:**
 - **Medicare provider can decide not to treat dual eligible!**
 - If provider agrees to treat, cannot bill the patient for any balances after Medicare pays.
 - Billing dual eligible patient for balance after Medicare pays is called “balance billing” and prohibited under federal and state laws.
- Medicare provider CANNOT ask dual eligible to sign “waiver” or private contract to pay privately.

Balance Billing Issues



If a dual eligible is being billed a cost share by their doctor for a Medicare covered service

- Call provider's billing office to explain patient is dual eligible.
- Educate them that provider must accept Medicare payment as payment in full.
- **BE AWARE THAT THE PROVIDER MAY REFUSE TO TREAT THE DUAL ELIGIBLE IN THE FUTURE.**

See CMS publication on this issue: *"Prohibition on Balance Billing Dually Eligible Individuals Enrolled"*

<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/SE1128.pdf>

Medigap (supplemental insurance)

- Medicare covers 80% of the doctor's bill.
- Medigap policies cover the “gap” and pay the other 20%.
- **Currently, federal regulation prohibits selling a Medigap policy if person had Medicaid first and then Medicare starts.**
- Not prohibited if have Medicare first, and then Medicaid.
- This regulation is VERY UNFAIR! The Arc of NJ has been advocating for a change in this policy.

There is a big difference between enrollment in an Aged, Blind and Disabled (ABD) type of Medicaid and NJ FamilyCare/Medicaid expansion

Most people with IDD are enrolled in an ABD type of Medicaid/NJ FamilyCare

These are ABD Medicaid categories:

- Having SSI and Medicaid
- Being a Section 1634 DAC – due to previously having SSI and now has SSDI due to parent’s retirement, disability or death
- NJ WorkAbility
- Medicaid through the DDD Waiver Unit
- Community Medicaid – New Jersey Care Special Medicaid Program
- Managed Long-Term Services and Supports (MLTSS)
- **If unsure which type of Medicaid a person with IDD has, call the Health Benefits Coordinator call center at 1-800-701-0710 and ask them.**

What happens when someone who has NJ Family Care/Medicaid expansion (instead of ABD Medicaid) becomes eligible for Medicare?

- If enrolled in regular NJ FamilyCare (Medicaid expansion) it is not a disability Medicaid category.
- After having Social Security Disability (SSDI) for 24 months - **NO LONGER ELIGIBLE FOR THAT MEDICAID CATEGORY.**
 - Federal law prohibits it.
 - Will receive termination letter from NJ Dept of Human Services, but no Medicaid terminations during COVID pandemic public health emergency.
- **IF THIS HAPPENS, A PERSON WITH IDD WILL PROBABLY BE ELIGIBLE FOR ONE OF THE ABD MEDICAID CATEGORIES.**
Contact Broberts@arcnj.org for assistance.

What is SHIP and how can the staff help Dual Eligibles?

SHIP is the State Health Insurance Assistance Program and the staff can help Dual Eligibles in many ways.

SHIP is a statewide, locally-based program to help consumers navigate Medicare. SHIP is administered by the NJ Dept. of Human Services, Division of Aging Services (DoAS), and funded by the federal government. **SHIP provides free counseling for:**

- Information on all aspects of Medicare, including Part D – drug plans
- Questions about Medicare and Medicaid coverage (dual eligibility)
- Questions regarding private insurance in addition to having Medicare and Medicaid
- Dual Eligible Special Needs Plans (D-SNPs)
- Problems with claims, denials, or enrollment

SHIP counselors are trained and certified by DOAS, unbiased and do not sell or recommend any products. SHIP has 450 counselors based in local agencies throughout New Jersey. Half of the counselors are trained volunteers. For more information or to contact SHIP, please call the hotline at DOAS:

1-800-792-8820 or NJ SHIP website: <http://www.state.nj.us/humanservices/doas/services/ship/>

Dual Eligibles and Prescription Medication

Types of prescription drug coverage for Dual Eligibles

- Medicare Part D – Stand-Alone Prescription Drug Plan (PDP)
- Dual Eligible Special Needs Plan (D-SNP)
- Creditable Coverage Drug plan, through an employer, retiree or union health insurance plan
- Medicare Advantage Health Plans, with prescription drug coverage

Important change for Dual Eligibles!

- The most important change: Persons who previously received prescription drugs from Medicaid HMO, now get medications through Medicare system.
- Unless on the CCP or MLTSS, (or enroll voluntarily in a D-SNP) **dual eligibles will pay small copay for each prescription drug. (\$1.35 for generic drug; \$4.00 for brand name in 2022).**
- ❖ Important Note: If dual eligible has private health insurance and receives prescription drugs through “**creditable coverage**” – no drug copay. **Will continue to receive prescription drugs from private insurance, but opt-out of Medicare Part D.**

What is a drug formulary?

- A drug formulary is a list of drugs that are covered by the drug plan.
- If a drug is not on the formulary, then the doctor may be able to get the drug covered by submitting a strong letter of medical necessity to the drug plan, requesting an exception. But even a strong letter may not yield good result.
- Every Medicare Part D drug plan has its own formulary.
- Formularies may change every year, in January.

Medicare Part D – Stand-Alone Prescription Drug Plans (PDP)

- Offered by many insurance companies under contract with Medicare. Only covers prescription drugs.
- New dual eligibles are automatically, randomly, assigned to a benchmark stand-alone Medicare Prescription Drug Plan (PDP). If drugs are covered by private health insurance and creditable coverage – opt-out of Medicare drug plan.
 - **When enrolled in a benchmark drug plan - \$0 monthly premium.**
 - Can enroll in non-benchmark drug plan, but must pay a monthly cost.
- No deductibles for dual eligibles.
- Each PDP has its own formulary (list of covered drugs).
- Dual eligibles will pay small copay for each drug unless person has creditable coverage, is on the CCP or MLTSS, or enrolls voluntarily in a D-SNP.

Medicare Part D – Stand-Alone Prescription Drug Plans (PDP) cont.

- Dual eligibles can switch Medicare Part D plans at any time – no penalty; no “lock-in.”
- To switch to another drug plan – call 1-800-Medicare.
 - The new drug plan will take effect first day of the next month.
- A small number of drugs are excluded from Medicare Part D, and Medicaid MCO will pay the full cost (e.g., prescription vitamins).
- The list of Medicare stand-alone prescription drug plans may change each year.
- Contact the State Health Insurance Assistance Program (SHIP) at 800-792-8820 for a current list.

Dual Eligible Special Needs Plan (D-SNP) and prescription drugs

- Prescription drugs are covered in accordance with the specific D-SNP formulary (list of covered drugs).
- There are no medication co-pays for drugs that are on the D-SNP formulary.
- If enrolling voluntarily in a D-SNP, must abide by all of the D-SNP rules.

“Creditable Coverage” through employer, retiree or union health insurance plan

- **Definition of creditable drug coverage:** having other health insurance that is as good as or better than Medicare Part D. **Having Medicaid is NOT viewed as “creditable” drug coverage.**
- **If receiving prescription drugs through private health insurance, the dual eligible needs to “opt out” of the Part D drug plan by calling 1-800-Medicare. Cannot have Part D and also receive prescription drugs from private health insurance.**
- **If person has Medicare and creditable drug coverage, and also has Medicaid, then Medicaid will assist in covering the drug copays!**

Medicare Advantage Health Plans with prescription drug coverage (MA-PDs)

- Most dual eligibles will **not** be enrolling in a Medicare Advantage Plan.
- Offered by insurance companies under contract with Medicare and structured as HMOs or PPOs with network of providers.
- These managed care plans include health services and prescription drugs. Each MA-PD has its own formulary (list of covered drugs). There may be small co-pays for each drug depending on consumer's level of extra help.

What if a prescription drug isn't covered by Medicare Part D drug plan?

Possible options:

- Ask drug plan if there is a similar drug that is on the formulary. If yes, ask doctor if the individual can switch to the other drug.
- Ask the doctor to **request an exception**, to have the drug covered by drug plan. If drug plan denies the request, doctor can appeal.
- Contact SHIP hotline at 1-800-792-8820 to ask if there is another Part D plan that will cover the drug. If yes, can switch to another drug plan at any time. Can also call 1-800-Medicare.

Drug coverage restrictions

What are drug coverage restrictions?

Drug coverage restrictions vary by plan. Plans may have these rules for covering certain drugs.

- **Quantity Limits** - Limits the number of pills the individual can get at a time.
- **Prior Authorization** - Requires approval from the plan before the individual can get the drug.
- **Step Therapy** - Requires the individual to try a less expensive drug first, before using a more expensive drug.
- **Quantity Limits and Step Therapy restrictions can be appealed.** The prescribing doctor will need to contact the Part D plan to request an exception based on the individual's medical needs.

Dual Eligibles and Special Needs Plans (D-SNPs)

What is a Dual Eligible Special Needs Plan (D-SNP)

- D-SNP is a Medicare managed care plan for persons who have both Medicare and Medicaid.
- **ENROLLMENT IN A D-SNP IS VOLUNTARY!**
- Dual eligibles will probably receive letters and/or phone calls from Medicaid HMO encouraging enrollment.
- There are advantages and disadvantages to D-SNP enrollment. This is an individual decision!

Major disadvantages to enrolling in a D-SNP

- Must use only the health care providers and services – including the drug plan formulary – affiliated with that D-SNP.
- The D-SNP provider network is usually much more limited than Original Medicare.
- **Important:** If person enrolls in a D-SNP and then goes to doctor or other health care provider not in the D-SNP network, the person will be billed for the full cost of that service – and neither Medicare nor Medicaid will cover that cost.

Major advantages to enrolling in a D-SNP

- No copays for visits to providers in the D-SNP network.
- No copays for prescription drugs on D-SNP formulary.
- Most D-SNPs offer a bonus – a catalog of over-the-counter items at no charge (e.g., diabetic socks, thermometer, etc.).
- A care manager who understands Medicare and Medicaid regulations and should help in navigating the system.

Questions to ask before enrolling in a D-SNP

1. Are the individual's doctors, hospitals, home care agencies, medical equipment supplier, pharmacy and lab in D-SNP network?
2. Are referrals required before seeing a specialist?
3. Are the individual's prescription drugs covered?

Questions?

