



# Mini-Manual

Updated 3/2017

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# Medicare Overview

Medicare is a federal health insurance program for people age 65 or older, and people under age 65 with certain disabilities.

## Four Parts of Medicare

### Part A (Hospital Insurance)

- Helps pay for inpatient hospital care, skilled nursing facility\*, home health care, hospice, blood

**\*Important Note:** Skilled Nursing Facility (SNF) coverage requires 3-day prior inpatient hospital admission. Observation status does NOT count towards SNF coverage requirement.

### Part B (Medical Insurance)

- Helps pay for outpatient medical services like doctors' visits, tests and preventive services
  - Does NOT cover routine annual physicals
  - Does cover Welcome to Medicare exam and Annual Wellness Visit
- Together Parts A & B are referred to as "Original Medicare"

**Important Note:** Original Medicare can be supplemented by private "Medigap" plans.

### Part C (Medicare Advantage [MA/ MA-PD])

- Must have Part A **and** Part B to be eligible
- Replaces Original Medicare (Parts A &B) - usually includes Part D (then called MA-PD plan)
- Run by Medicare-approved private insurance companies
- Must cover medically necessary services and plans can charge different copayments, coinsurance, or deductibles for these services than Original Medicare

### Part D (Prescription Drug Coverage)

- Must have Part A **and/or** Part B to be eligible
- Provides outpatient prescription drug coverage
- Run by Medicare-approved private insurance companies
- Drug formularies and pricing varies by plan

# Medicare Premiums

## **Part A: Free for most beneficiaries**

- Premium-free for the following individuals:
  - Individuals who paid Medicare taxes for at least 40 credits (10 years)
  - Individuals who are married (for at least a year), widowed (marriage of at least 9 months), or divorced (marriage of at least 10 years), and whose spouse age 62 or older meets the 40 credits requirement

**Important Note:** There is no longer any difference for same-sex marriages.

- Premium-Part A is for individuals NOT eligible for premium-free Part A due to insufficient credits. These individuals, called voluntary enrollees:
  - Must be a U.S. citizen OR an alien lawfully admitted for permanent residence and resided in U.S. for 5 consecutive years
  - Will pay Part A premium based on number of credits
  - MassHealth may pay premium for beneficiaries with limited income and assets
  - Can purchase Part A **AND** Part B **OR** Part B only
    - CANNOT have Part A alone as a voluntary enrollee
    - Having Part B only does NOT meet the minimum essential coverage requirement under the Affordable Care Act and beneficiary may have to pay a penalty (Part A meets requirement)

## **Part B: Monthly premium**

- Standard premium for most
- Higher income beneficiaries pay more (Income Related Monthly Adjustment Amount – IRMAA)
- MassHealth may pay premium for beneficiaries with limited income and assets

## **Part C: Monthly premium for most plans**

- Premiums vary by plan
- Higher income beneficiaries pay IRMAA for MA-PD
- Extra Help reduces costs for beneficiaries with limited income and assets

## **Part D: Monthly premium**

- Premiums vary by plan
- Higher income beneficiaries pay IRMAA
- Extra Help reduces costs for beneficiaries with limited income and assets

# When to Enroll Into Medicare

## 1) Initial Enrollment Period (IEP): *For Parts A, B, C, D*

- **7 month period** that starts 3 months before the month of the 65<sup>th</sup> birthday (or 4 months before birthday month, if birthday is on 1<sup>st</sup> of the month). Part A will begin the 1<sup>st</sup> month of eligibility (4<sup>th</sup> month of IEP). Part C or D will begin the 1<sup>st</sup> month of eligibility or the 1<sup>st</sup> of the month following enrollment, whichever is later. Part B will begin based on the month of enrollment as follows:

65 <sup>th</sup> Birthday is July 4							
Initial Enrollment Period							
If you enroll in:	April	May	June	July	Aug	Sept	Oct
MEDICARE STARTS:	Birthday Month			1 Month Later	2 Months Later	3 Months Later	3 Months Later
	July 1			Aug. 1	Oct. 1	Dec. 1	Jan. 1

- **People already receiving Social Security (SS)/Railroad Retirement benefits when they turn 65:**
  - Should receive a Medicare card in the mail about 3 months before their 65<sup>th</sup> birthday and are **automatically enrolled** in Medicare Parts A & B (but NOT Part D).
  - Beneficiaries who do not want Part B coverage must notify Social Security as instructed by the letter that comes with the card.
- **People under 65 with a disability:**
  - Should receive a Medicare card in the mail after they have received disability benefits from SS (or the Railroad Retirement Board) for 24 months. Medicare coverage may begin sooner for individuals who have permanent kidney failure or ALS.
- **People who are NOT receiving SS benefits when they turn 65:**
  - Will NOT be automatically enrolled and *must contact Social Security to enroll*. Beneficiaries should apply within the 3 months before they turn 65 in order to avoid a possible delay in the start of their Medicare coverage. Some people are eligible to enroll online.

## 2) Special Enrollment Period (SEP): *For Parts B, C, D*

- **Part B: 8 month period** following the end of Employer Group Health Plan coverage from **ACTIVE EMPLOYMENT** (for individuals/spouses who delayed enrollment past their IEP)
- **Parts C & D:** various situations, including leaving employer coverage, moving, having Extra Help, being a Prescription Advantage member, being in a nursing home

## 3) General Enrollment Period (GEP): *For Part B (& Part A voluntary enrollees)*

- **January 1<sup>st</sup>- March 31<sup>st</sup> each year; effective date July 1<sup>st</sup>**
- For people who miss their IEP and/or SEP
- Late enrollment penalty may apply for delayed Part B enrollment and for Part A voluntary enrollees who delay enrollment when initially eligible

**Important Note:** Those eligible for premium-free Part A may enroll at any time with coverage retroactive up to 6 months.

## 4) Open Enrollment Period (OEP): *For Parts C & D*

- **October 15<sup>th</sup> - December 7<sup>th</sup> each year; coverage effective January 1<sup>st</sup>**
- Can join a Part C or D plan or switch plans
- Late enrollment penalty may apply for delayed Part D enrollment

## 5) Medicare Advantage Disenrollment Period (MADP): *For Part C*

- **Jan 1<sup>st</sup> - Feb 14<sup>th</sup> each year; coverage effective the first of the month after disenrolling**
- Can leave the plan and return to Original Medicare and enroll in a Part D plan, even if the MA plan did not include drug coverage
- CANNOT switch MA plans during this period

# How to Enroll Into Medicare

The Social Security Administration (SSA) processes Medicare A & B applications. Those not already receiving SS benefits when they initially become eligible for Medicare will need to apply.

### Ways to Apply for Part A & B:

- Apply online at Social Security: [www.socialsecurity.gov](http://www.socialsecurity.gov)
- At the local Social Security office (*Office hours vary*)
- Over the phone: Social Security Telephone Number: 1-800-772-1213

### Ways to Apply for Part C & D:

- Apply online at [www.medicare.gov](http://www.medicare.gov)
- Call 1-800-MEDICARE
- Call plan

# Delaying Medicare Enrollment Without Penalty

**Delaying Part B:** People eligible for Medicare may delay Part B enrollment without penalty only if they are covered by an Employer Group Health Plan (EGHP) through their own (or their spouse's) current **ACTIVE EMPLOYMENT**.

- *The number of employees is important:*
  - If there are fewer than 20 employees (or fewer than 100 if someone is eligible for Medicare based on disability), then Medicare is generally primary and it is very important for the employee to check with the employer to see if Part B needs to be taken to insure proper coverage.
  - If Medicare should be primary, but the insured does *not* enroll in Medicare, the EGHP may DENY claims and may even request reimbursement at a later date for claims paid inappropriately.
  - If there are 20 or more employees, the employer must offer the same health benefits to employees 65 and older that they offer to younger employees. If Medicare is taken, it will be secondary to the EGHP.
- When these individuals (or their spouses) stop working, if their IEP has ended, they have an **8 month SEP** in which to sign up for Part B. If they do not enroll in Part B during this period, they will have to wait for the *General Enrollment Period* and may have to pay a late enrollment penalty.
- Medicare beneficiaries may suspend their Part B without penalty if covered by an EGHP through their own (or their spouse's) active employment. They will have an 8 month SEP to enroll again in Part B as above.

**Important Note:** Having a retiree plan or COBRA coverage does NOT protect an individual from the Part B penalty!

**Delaying Part D:** The rules are **different** for Part D

- People with Medicare may delay enrollment in Part D without penalty as long as they have "creditable coverage" (as good as Medicare).
- Creditable coverage can include employer plans, COBRA, retiree plans, etc. (check with plan)
- Veterans coverage is creditable

**Delaying Part A:**

- Most people get Part A premium free and have no need to delay enrollment.
- People with large group employer coverage who are in a High Deductible Health Plan (HDHP) and contribute to a Health Savings Account (HSA) **should not enroll in Part A**, since HSA contributions are not allowed for people enrolled in any part of Medicare. However, people who apply for Social Security benefits will be automatically enrolled in Part A and will not be able to opt out.
- For further questions refer to the IRS or a professional tax accountant.

# Late Enrollment Penalties

## Part A Penalty

- For voluntary enrollees (paying for A) who don't enroll in Part A when initially eligible
- Penalty is 10% of premium
- Penalty lasts for twice the length of time the person delayed enrollment
- MassHealth may pay the penalty for beneficiaries with limited income and assets

## Part B Penalty\*

- For individuals who do not enroll in Part B when initially eligible and were NOT covered by an Employer Group Health Plan (EGHP) through **ACTIVE EMPLOYMENT** (either through self or a spouse's employment).
- The penalty is 10% of the Part B premium for every 12-month period a beneficiary was eligible for Part B and did not sign up. The penalty percentage remains the same, but the penalty amount changes annually with the change in the standard Part B premium.
- Beneficiaries whose Medicare premiums are paid by MassHealth will have their Part B penalties paid by MassHealth.

## Part D Late Enrollment Penalty\*

- For individuals who do not join a Medicare Prescription Drug Plan when first eligible and didn't have **Creditable Coverage** (at least as good as Medicare Part D)
- Penalty is 1% of the benchmark (the national base beneficiary premium) for EACH MONTH the beneficiary:
  - Did not enroll in a Medicare PDP or MA-PD when they were first eligible AND:
    - Had no prescription drug coverage
    - OR
    - Had coverage that was not considered "creditable"
    - OR
    - Had a lapse in creditable coverage of more than 2 full months (63 days)
- Beneficiaries with Extra Help will not have to pay the late enrollment penalty

**\*Important Note:** Penalties for Part B & D are for life except for:

- Individuals with Medicare under 65 with a penalty:
  - Once an individual turns 65, the penalty is removed and the individual will have a "clean slate"

# COBRA & Medicare

COBRA may allow terminated employees or their families who lose coverage due to termination of employment, death, divorce or other life events to continue their coverage under their employer's group health plan for themselves and their families for limited periods of time. This period is generally 18-36 months, depending on the qualifying event.

## • **The interaction between COBRA coverage and Medicare is complicated:**

- ***People who become eligible for Medicare while on COBRA*** will (in most cases) automatically lose their COBRA coverage.
- ***People who are already eligible for Medicare when they become eligible for COBRA*** are allowed to take COBRA, but it only makes sense to do so in limited cases.

**Important Note:** Anyone on COBRA who is Medicare eligible should check with the COBRA plan to see if Medicare should be taken.

- COBRA is generally secondary to Medicare (except for those on Medicare due to ESRD). If the insured does not enroll in Medicare, the COBRA plan may DENY claims and may even request reimbursement at a later date for claims paid inappropriately.

## • **COBRA & the Medicare Part B Penalty:**

- It is very important for ANYONE eligible for Medicare to understand that coverage through COBRA does NOT give protection from the Part B late enrollment penalty.
- In order to avoid the penalty, they must sign up for Part B during their 8-month Special Enrollment Period following the end of their active employment.
- They will NOT get a Special Enrollment Period to sign up for Part B when their COBRA coverage ends (a common misconception).
  - They will likely have to wait for the General Enrollment Period to enroll (Jan-March for coverage effective July 1) and they may be subject to the Part B late enrollment penalty.

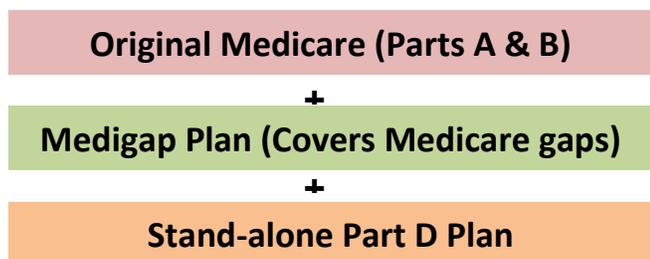
## • **COBRA & the Medicare Part D Penalty:**

- Most (but not all) COBRA plans include drug coverage that is considered "creditable" or as good as Part D coverage.
- As long as a person has "creditable" drug coverage in place, he/she will not incur a late enrollment penalty for Part D.
  - Once this "creditable" drug coverage ends, he/she will have a **2 month SEP** (63 days) to sign up for a Part D plan without incurring a penalty.

## Supplement Options: Medigap & Part C (Medicare Advantage)

Original Medicare **DOES NOT** cover all medical expenses and there are gaps in coverage. Many Medicare beneficiaries choose to supplement their Medicare coverage in one of two ways:

### OPTION #1



**Medigap Plans:** Cover gaps in Original Medicare - may go to any Medicare provider, no referrals required

#### 2\* Medigap Plans sold in Massachusetts:

- **Supplement 1:** Covers MOST gaps
- **Core:** Covers SOME of the gaps

Sold by several different companies at different monthly premiums, but **coverage for Medicare services is identical**

**Eligibility\*\*:** Must have Parts A & B and be a Massachusetts resident

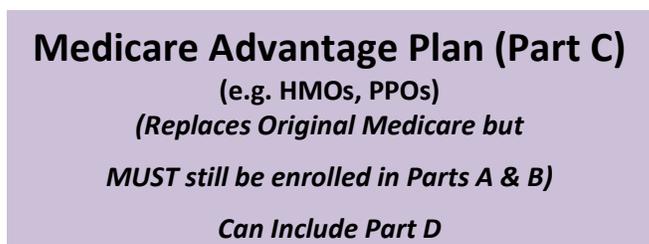
**Enrollment Period:** Massachusetts Medigap beneficiaries have a continuous open enrollment

#### **\*Supplement 2 (e.g. “Medex Gold”)**

Policy no longer being sold but can still be held by beneficiaries and includes creditable drug coverage. Members can drop and enroll in new Part D Plan during OEP (no automatic SEP).

\*\*Restrictions may apply to people with ESRD

### OPTION #2



**Medicare Advantage Plans:** Private health plans that contract with Medicare to deliver **all** medical services. Plans have networks and may require referrals.

- *Most have monthly premiums*
- **Co-pays** for most services
- May have **deductibles**
- Most plans offer limited **extra benefits**

**Eligibility\*\*:** Must have Parts A & B and live in plan’s service area

- Cannot leave service area for more than 6 consecutive months
- Can’t also have stand-alone PDP

#### **Enrollment Periods:**

- Initial Enrollment Period
- Open Enrollment Period (Oct 15 – Dec 7, coverage effective Jan 1)
- Special Enrollment Periods may apply

#### **Disenrollment Period: Jan 1 – Feb 14**

- MA plan members may disenroll and return to Original Medicare
- Will have SEP to enroll in a stand-alone PDP, even if the plan they are leaving did not include drug coverage

# Medicare Advantage vs. Medigap

Many people who visit a SHINE counselor want to know, “which is the best plan?” Unfortunately, there is no simple answer to this question. There are advantages and disadvantages to every option.

## Weighing the pros and cons...

	Medigap (ex. Supplement 1) Plan	Medicare Advantage Plan
COST	Higher monthly premium but NO co-pays for covered services	Lower monthly premiums (average) but has co-pays
NETWORKS	No networks. Free to choose ANY doctors/hospitals that accept Medicare	Generally restricted to network
REFERRALS	No referrals necessary	May need referrals for specialists
SERVICE AREA	Covered anywhere in US	Cannot live outside service area for more than 6 consecutive months
TRAVEL	Foreign travel included	Only urgent and emergency services covered outside designated area
BENEFITS	Some ‘routine’ services not covered (e.g. vision, hearing, dental)	May include limited extra benefits (vision, hearing, dental)
EXTRA PERK	Continuous open enrollment in Massachusetts	No hospital stay required for SNF coverage benefit

## Questions to help beneficiaries decide between the two options:

- ? ***Do your preferred doctors and hospitals accept the plan?*** If it is important for you to continue seeing your current doctors, you should find out which Medicare Advantage plans they accept (if any).
- ? ***How much are the co-pays for out-patient AND in-patient services? What is the “out-of-pocket maximum” for the year?*** If you use a lot of services, your co-pays may add up quickly. Try to estimate how much your co-pays will be for the year and compare that to the annual cost of a Medigap plan.
- ? ***If you are in a PPO, how much will you pay for out-of-network services?*** Out-of-network costs may be higher than the in-network co-pays for a given plan.
- ? ***Are the medications you take on the formulary?*** If you join a Medicare Advantage plan (unless it is a PFFS without drug coverage), you *MUST* take the Part D coverage offered by that plan. So it’s important to find out if they cover your medications and at what cost.

# Employer and Union Retiree (Group) Health Coverage & Medicare

Retiree health plans can act as a supplement to Medicare or, in the case of a managed care plan, provide retirees with their Medicare coverage.

- Each retiree plan is unique and offers different coverage; retirees must carefully review the 'Outline of Coverage' for the plan(s) offered.
- Most retiree drug coverage does not have a coverage gap.
- In recent years, there has been a trend towards increasing costs and decreasing coverage of retiree plans. Therefore, retirees must have a clear understanding of their benefits in order to compare their coverage with non-group options.

***Important Note:*** Retirees should be extremely cautious about the decision to give up their retiree plan as most retiree plans will not allow people back into their plan once they disenroll.

## Non-Group Coverage & Medicare

People eligible for Medicare who are already enrolled in private non-group coverage (an individual or a family plan) may be allowed to stay in that plan, but it will become secondary to Medicare.

- Since Medicare will be primary, individuals should enroll in both Parts A and B.
- In most cases, keeping the private plan would be more costly, but under certain circumstances, it can be less costly.
  - For example: For some people with very high drug costs, it is less costly to continue the drug coverage through their private plan than with Medicare Part D. HOWEVER, the individual MUST check with the plan to see if the plan will continue to provide drug coverage after the individual becomes eligible for Medicare.

***Important Note:*** If people have Marketplace (Connector) plans, they can keep them until their Medicare coverage starts. Then, they can cancel the Marketplace plan without penalty. If they like, they can keep their Marketplace plan too. But if they've been getting premium tax credits or other savings on a plan they bought through the Marketplace, these savings will end once their Medicare Part A coverage starts. So they would have to pay full price for the Marketplace plan. They would also be subject to the Part B penalty if they delayed Medicare enrollment.

# Part D

## Medicare Prescription Drug Coverage

- Two ways to get Part D prescription coverage:
  - 1) Medicare Prescription Drug Plans (PDPs); also known as stand-alone plans
  - 2) Medicare Advantage (Part C) Plans with drug coverage (MA-PDs)
- Premiums, deductibles, co-pays, retail costs, and the drugs covered vary by plan

### **The Standard Levels of Coverage for Part D Plans are as follows:**

Deductible	You pay full cost of drugs
Initial Coverage	Plan pays 75%, you pay 25% (varies by plan)
Coverage Gap ("donut hole")	You pay a % for brand-name drugs and a % for generic drugs, which decreases each year until 2020, when there will be no gap in coverage
Catastrophic Coverage	Plan pays 95%, you pay 5% or small co-pay, whichever is larger

### **Selecting a Plan**

- Plan selection should be done by entering the beneficiary's drug list using the Medicare Plan Finder on [www.medicare.gov](http://www.medicare.gov) and comparing options.
- For MA-PDs (HMO, PPO or SNP), verify drugs are covered since can't take stand-alone PDP.
- For PDPs, choose lowest cost plan that covers all drugs with fewest restrictions:
  - *Prior Authorization*: Before the plan will cover a certain drug, the prescriber must first contact the plan with more information.
  - *Step Therapy*: Beneficiary must first try certain less expensive drugs before they can move up a "step" to a more expensive drug.
  - *Quantity Limits*: Plans may limit the amount of prescription drugs they cover over a certain period of time.

## **Steps to Take When Drug is Not on PDP/MA-PD Plan Formulary**

Beneficiaries can take the following steps when a drug they are taking is not covered under the formulary or there are restrictions.

- 1) Ask prescriber if beneficiary meets prior authorization or step therapy requirements or if there are generic, over-the-counter or less expensive brand name drugs.
- 2) Request a coverage determination (including an “exception”) that the plan cover the drug.
- 3) Try to find a SEP in order to switch Part D plans to one that has a formulary that covers all of the drugs.

## **Medicare PDP/MA-PD Complaints**

To file a complaint with a PDP or MA-PD plan, contact the SHINE regional office. Complaints can be entered into the Complaints Tracking Module (CTM). Beneficiaries should be notified of the decision generally no later than 30 days after the plan gets the complaint.

If a PDP/MA-PD member has been terminated due to failure to pay premiums, “good cause” reinstatement may be requested. CMS has assigned the handling of good cause determinations to plans. A disenrolled individual must contact the plan within 60 calendar days following disenrollment for failure to pay plan premiums and indicate that he or she “has a good reason for not having paid the premiums”. Reinstatement is a possibility only if it is determined that his or her failure to make timely payment was due to circumstances over which he or she had no control and could not reasonably have been expected to foresee.

# Programs to assist with Prescription Drug Costs

## Extra Help (LIS)

“Extra Help” (also known as the Limited Income Subsidy or LIS) is a federal program that helps Medicare beneficiaries with **limited income and assets\*** pay the costs (Premium, Deductible, and Co-pays) associated with a Medicare Part D plan.

*\*Countable assets include bank accounts, IRAs, stocks, bonds, second home, second car, boat. (Unlike MassHealth, LIS does **not** count the cash surrender value of life insurance policies.)*

- Extra Help benefits:
  - Subsidizes premiums, deductibles, copayments, coverage gap
  - Covers the Late Enrollment Penalty for part D
  - **Provides continuous monthly Special Enrollment Period (SEP)**
- Two levels of Extra Help:
  1. Full Extra Help - \$0 monthly premium (for basic plans under the Part D annual benchmark), \$0 deductible, low drug co-pays, no coverage gap
    - *People in nursing homes on LTC MassHealth AND people in the Frail Elder Waiver program have \$0 drug co-pays*
  2. Partial Extra Help- Sliding scale for plan premium, reduced deductible, 15% co-insurance for all drugs, no coverage gap
- Must have a Part D plan to get coverage
  - Beneficiaries who do NOT enroll themselves in a Part D Plan will be automatically enrolled into a basic Part D Plan that is randomly selected
  - Auto-enrolled plans may NOT cover all drugs
    - *It may be necessary to choose a plan above the benchmark in order to cover all drugs.*
- Apply through the Social Security Administration
  - Beneficiaries apply for “Extra Help” through the Social Security Administration (SSA) using the agency’s printed or online application (www.ssa.gov or call 800-772-1213)
  - Medicare beneficiaries who have MassHealth, CommonHealth, or one of the Medicare Savings Programs (QMB, SLMB, or QI-1), are automatically **deemed eligible** for “Extra Help” and **do not** have to apply
  - If a person **loses** one of these programs:
    - **Prior to July**: Will remain eligible for LIS through the end of **that** calendar year
    - **During July or later**: Will remain eligible for LIS through the end of the **following** calendar year

# LI NET

Medicare's Limited Income NET (LI NET) provides immediate, but temporary, prescription drug coverage (with no formulary restrictions) to people who are eligible for Extra Help but are not yet enrolled in a Part D plan.

**LI NET Phone Number:** 1-800-783-1307

**Dedicated SHIP line:** 866-934-2019

- Medicare auto-enrolls ALL full dual eligibles (Medicare and MassHealth) into LI NET for two months, beginning the first month they are eligible for both programs.
- Other LIS beneficiaries will NOT be auto-enrolled in LI NET, but will be enrolled in LI NET at the pharmacy (*aka POS or 'point of sale' enrollment*) if they have not yet enrolled in a Part D plan.
- ***These beneficiaries must provide proof of eligibility in order to use Medicare's Limited Income NET program – either a MassHealth card or LIS award letter from Social Security.***

**Instructions for Pharmacy:** If an E1 query reveals member is not yet enrolled in a plan, submit claim to LI NET (instructions found at [www.humana.com/pharmacists/resources/li\\_net.asp](http://www.humana.com/pharmacists/resources/li_net.asp)), using this data:

BIN# = 015599	Patient ID = Social Security # or Medicaid ID
Group ID (may be left blank)	Cardholder ID = Medicare Number
PCN# = 05440000	

- After two months, beneficiaries who have NOT enrolled in a plan on their own will be auto-enrolled into a randomly selected plan below the benchmark. (They may switch to a plan of their choice if they wish.)
- Medicare's Limited Income NET program can also be used by LIS beneficiaries to be **reimbursed for prescriptions paid for out-of-pocket** while they were eligible.
  - It is best to call LI NET to determine the window for this retroactive coverage.
- Administered by Humana

# Prescription Advantage (PA)

Prescription Advantage (PA) is a state-sponsored prescription drug insurance plan for Massachusetts seniors (age 65+) and low-income people with disabilities. PA provides secondary coverage to help pay for prescription drugs covered by a primary Part D plan or other creditable coverage. There are no monthly premiums.

Applications may be submitted at any time by calling (1-800-243-4636, press 2), by mail or online at [www.prescriptionadvantagemma.org](http://www.prescriptionadvantagemma.org).

## Eligibility

- Must be enrolled in a Medicare or creditable coverage prescription drug plan in order to receive benefits, but can apply prior to getting coverage (Applies to PDP's and MA-PD's)
- Medicare eligible individuals:
  - 65 + with household income less than 500% FPL
  - Under 65 cannot exceed Category S2 income limits
  - If also eligible for Extra Help, must apply for Extra Help
- Non-Medicare eligible individuals:
  - PA can provide primary prescription drug coverage to people 65+ or under 65 with a disability
- People on MassHealth/CommonHealth are NOT eligible to join

## Benefits (Based on Category)

- *Category S1* (Partial LIS): Provides immediate co-pay assistance
- *Categories S2-S4*: Will help pay for prescription drugs once a beneficiary reaches the "donut hole"
- *Category S5*: Only assists by capping the annual out-of-pocket co-pays and charges annual fee
- *All Above Categories*:
  - PA sets an annual out-of-pocket limit on co-pays; if limit is exceeded, PA will pay fully for all covered drugs for the remainder of the calendar year
  - PA members get a SEP to enroll or switch Part D coverage (PDP or MA-PD) once a year outside the OEP

**Important Note:** People needing further assistance with drug costs may be referred to the MCPHS University Pharmacy Outreach Program (866) 633-1617.

**Important Note for NEW Members:** Co-pay assistance during the coverage gap can begin immediately for new members. However, any costs incurred prior to joining Prescription Advantage cannot be applied towards the Prescription Advantage out-of-pocket annual spending limit.

# MassHealth Programs for Medicare Beneficiaries

MassHealth is the Massachusetts Medicaid program which is a public health insurance program for low-to medium-income individuals.

SHINE counselors screen clients for potential eligibility, educate them on the benefits, and assist in the application process. Counselors should not guarantee a client that the individual will be eligible. This decision should be left to MassHealth.

SHINE's focus is on MassHealth ONLY AS IT RELATES TO MEDICARE BENEFICIARIES and those approaching Medicare eligibility. (Benefit programs and eligibility criteria may differ for individuals who are not entitled to Medicare).

**Important Note:** For applicants 65+ with earned income (exception working disabled CommonHealth), MassHealth will disregard the first \$65/month and half of the remainder of earned income. Applicable for LIS at any age.

## Dual Eligible (Medicare + MassHealth)

Medicare beneficiaries who are enrolled in MassHealth are called *dual eligible*.

### Dual Eligibles:

- May get help paying for Part A & B premiums, deductibles, co-insurance, and co-pays
- If in a Medicare Advantage plan, no deductibles, coinsurance or co-pays (except drugs)
- Receive MassHealth covered services that are not covered by Medicare
- Automatically get "deemed eligible" for Full Extra Help, regardless of income and assets
- MUST enroll into a Medicare Part D plan or after 60 days will be auto-assigned to plan
- MassHealth is always the payer of last resort

## MassHealth Standard

MassHealth Standard is the most comprehensive MassHealth program, providing a wide range of health care benefits.

### Benefits

- Services include (but are not limited to) inpatient hospital service, doctors, chiropractors, vision care, nursing facility care, home health care, adult day health, mental health and substance abuse services.
- For members with Medicare, MassHealth provides secondary coverage **if MassHealth providers are used** and may also pay Medicare premiums, co-pays and deductibles for non-MassHealth providers if certain income/asset limits are met.
- Automatically deemed eligible for Extra Help

# CommonHealth

CommonHealth provides health care benefits for those **WITH A DISABILITY** whose incomes are too high to be eligible for MassHealth Standard.

## Eligibility for Medicare Beneficiaries

- Must be enrolled in Parts A & B and are responsible for paying the Part B premium unless they meet income guidelines for the Buy-In (SLMB or QI-1)
- NO income or asset limits regardless of age, but those with incomes above 150% FPL will pay a monthly premium based on income

## Work Requirement

- Individuals 65+:
  - Eligible for CommonHealth ONLY if they work at least 40 hours/month
  - MassHealth is liberal in its definition of work; being paid \$1/hr for babysitting, dog walking, personal assistant qualifies
- Individuals under 65:
  - Do NOT have to work to be eligible
  - Those who do **NOT** work at least 40 hours/month may have to pay a one-time deductible (spend-down) which is based on their income
  - Individuals who DO meet the work requirement have NO spend-down

## Benefits

- Considered “dual eligible” and will be deemed eligible for Extra Help regardless of income or assets.
  - Benefits offered are similar to those offered under MassHealth Standard

# One Care

Managed care program for some dual-eligible beneficiaries **AGED 21-64**. Not available in all counties. Plans can limit new enrollments.

**Contact MassHealth to Apply: 1-800-841-2900**

## Eligibility

- Be age 21-64
- Have Medicare Parts A & B
- Have MassHealth Standard or CommonHealth
  - Cannot also be enrolled in SCO, PACE, Frail Elder Waiver, or other MassHealth waiver program.

## Benefits

- Program combines Medicare/MassHealth services and provides further access to care coordination and support services.
- No co-pays for services or drugs.
- Includes comprehensive dental services.

**Important Note:** Plans have provider networks, are offered by private companies and vary by region.

# Home & Community-Based Services Waiver for Frail Elders (“Frail Elder Waiver”)

The Frail Elder Waiver (FEW) program is for Massachusetts residents who qualify for nursing home care but want to live at home.

**Contact Local ASAP to apply or mail application with ASAP evaluation**

## Eligibility

- Must be 60 years or older
- Must be evaluated and deemed **“nursing home eligible”** by a designated ASAP
- Income level at or below 300% SSI;
- Asset Limit: Must meet LTC eligibility (\$2,000 for applicant, amount for spouse changes annually)

## Benefits

- Will receive full MassHealth benefits as well in-home services (ex. homemaking, respite)
- Deemed eligible for Extra Help (with no drug co-pays)

**Important Note:** Those on the FEW whose income is over 135% FPL will have to pay the Part B premium.

# MassHealth Personal Care Attendant (PCA) Program

PCA is a program that helps people **AGED 65+** with long-term disabilities live independently at home. MassHealth determines the number of hours/week that a PCA is needed.

## Eligibility

- Be age 65 or older (or under 65 if on MassHealth Standard or CommonHealth)
- Have a permanent and long-lasting disability, requiring a PCA to assist with at least two ADL's (such as bathing, dressing, eating, toileting, taking medications, and moving about inside the home)
- Once approved, members must obtain approved PCA services within 90 days

## Benefits

- Provides members full MassHealth benefits **plus** funds to hire their own PCA to assist with ADL's (PCAs can be a friend, or even a family member, however, spouses are NOT allowed to be paid as PCAs)

# MassHealth Senior Care Options (SCO)

A managed care program for people **AGED 65+** who have **MassHealth Standard**, including those eligible through the Frail Elder Waiver. Members may also have Medicare, but they are NOT required to have Medicare to be eligible.

## Contact Plan to Apply

### Eligibility

- Be 65 or older
- Qualify for MassHealth Standard
- Live in a designated service area of a SCO plan

### Benefits

- Program combines Medicare/MassHealth services as well as social and psychological services to help seniors maintain their health and live in the community as long as possible
- Includes comprehensive dental services
- No co-pays for services or drugs

**Important Note:** Plans have provider networks, are offered by private companies and vary by region.

# PACE (Program of All-Inclusive Care for Elders)

PACE is a program for frail people **AGED 55+** who need extra services so they can stay at home. It combines medical care and social services that can be provided at an adult day health center, home, and/or a facility. Services are delivered through PACE-authorized health centers in designated communities.

## Contact Program to Apply

### Eligibility

- Be age 55 or older
- Income at or below 300% SSI, assets at or below \$2,000
- Must be evaluated and deemed “*nursing home eligible*” by ASAP
- Must live in PACE program service area and must receive all services through PACE health center
- No fee if MassHealth eligible, including through the FEW
- If not MassHealth eligible, members may have a monthly premium

## Long-Term Care (LTC) MassHealth

MassHealth covers LTC costs for individuals living in nursing homes or other LTC facilities if they meet certain criteria.

### Eligibility

- There is ***NO income limit***. Single (unmarried) individuals must private pay for their care until their assets are below \$2000. Once assets are below \$2000, the individual is allowed to keep a “personal needs allowance” (amount changes annually) and amounts paid for health insurance premiums. MassHealth will then cover the cost of the facility.
- If the institutionalized individual is married, the community spouse is allowed to keep a ***limited amount of assets*** (changes annually) as well as ***ALL of his/her own income***.
- Community spouse may also be allowed to keep ***some or all of the institutionalized spouse's income***, based on maintenance needs.
- Community spouse may appeal to retain more assets or income.

# Counseling People Going on Medicare Due to Disability Under Age 65

## **People currently on MassHealth Standard or CommonHealth:**

- These individuals will remain eligible for MassHealth, but MassHealth will become secondary to Medicare (they MUST enroll in Medicare).
- MassHealth will no longer cover their drugs -- they will be deemed eligible for Extra Help (with temporary drug coverage through LINET) and in most cases automatically enrolled in a Part D Plan (if they do not enroll themselves first).
- They will be eligible for One Care, if plan is available and accepting new enrollments.

## **People NOT on MassHealth Standard or CommonHealth:**

- *Tell them about CommonHealth and One Care:* Because all of these clients have a disability they could potentially be eligible for either program.
  - Even if the client currently has coverage through another source, she/he should be made aware of these important programs for possible future needs.
- *If they have been covered by a Connector plan:* They will no longer be eligible for any cost-sharing or premium tax credits, because they have become eligible for Medicare.
- *If they have EGHP coverage:* They will probably not need to sign up for Part B (EGHP will be primary if there are 100 or more employees) and/or Part D (if their drug coverage is creditable). But it is a good idea to have them verify this with the Benefits Administrator at the company.
- *Drug Coverage:* If they do not have creditable drug coverage, you should advise them about their Medicare Part D options.
- *They are eligible for any Medigap or Medicare Advantage Plan:* Unless they have ESRD, in which case special restrictions apply.
- *You should screen them for all other benefit programs:* Including Extra Help, MSPs, Prescription Advantage, and HSN.

# Medicare Savings Programs (MassHealth Buy-In Programs)

MassHealth Buy-In Programs (also referred to as Medicare Savings Programs or MSPs) are programs that assist Medicare beneficiaries who meet the income/asset guidelines.

## Senior Buy-In: Qualified Medicare Beneficiary (QMB)

- **Eligibility**
  - Be eligible for Medicare
  - Income at or below 100% of the FPL; assets at or below the designated limits (same income limit as MassHealth Standard, but higher asset limit)
- **Benefits**
  - Payment of Medicare Part A & B premiums
  - Payment of deductibles and co-pays for Medicare-covered services from providers who participate in Medicare
  - Medicare providers can't bill QMBs for any Medicare/Medicare Advantage co-pays
  - Deemed eligible for Full Extra Help

## Buy-In: Specified Low-Income Medicare Beneficiaries (SLMB)

- **Eligibility**
  - Be eligible for Medicare
  - Have income at or below 120% of the FPL; assets at or below the designated limits
- **Benefits**
  - Payment of Medicare Part B premium
  - Deemed eligible for Full Extra Help

## Buy-In: Qualifying Individuals (QI-1)

- **Eligibility**
  - Be eligible for Medicare
  - Have income at or below 135% of the FPL; assets at or below the designated limits
- **Benefits**
  - Payment of Medicare Part B premium
  - Deemed eligible for Full Extra Help

**Important Note:** There is a reciprocal arrangement between **MassHealth and Social Security** so individuals found eligible for Extra Help may have their application forwarded to determine eligibility for the MSPs.

# Health Safety Net (HSN)

HSN is a program that helps low-income Massachusetts residents of all ages pay for medically necessary health services at designated Massachusetts Community Health Centers (CHCs) and hospitals. **People with Medicare** may also be eligible to use HSN as secondary coverage for Medicare co-pays and deductibles.

**Health Safety Net Phone Number:** 1-877-910-2100

## Eligibility

- Be a Massachusetts resident (Do NOT need to be a US Citizen)
- Income no higher than 300% FPL
- Be ineligible for MassHealth Standard

**Important Note:** There is no HSN Card. Individuals should save the MassHealth letter for proof of HSN eligibility or use their Social Security number.

## Covered Services

- Most **medically necessary** services are covered as long as they are provided by a Massachusetts CHC or acute care hospital.
- HSN will also pay for eligible services received up to 10 days before the application date.
- Covered services include:
  - Hospital stays
  - Emergency services
  - Out-patient doctor visits & tests
  - Mental health services
  - Vision & hearing services
  - Dental services (only at certain CHCs)
  - Prescription drugs (only at certain CHCs)

## HSN-Primary

- For individuals who do not have any other insurance.

## HSN Secondary

- For individuals who have other insurance (e.g. Medicare or a Medicare Advantage plan).
- The other insurance will need to be billed first before the HSN is billed.

## Co-Pays & Deductibles

- **Full HSN:** For those with incomes below 150% of FPL
  - No deductible; co-pays only for drugs
- **Partial HSN:** For those with incomes between 151% and 300% of FPL
  - *Annual deductible:* Based on income

- *Hospital fees:* Must pay entire deductible amount before HSN coverage begins.
- *CHC fees:* Pay co-pays (based on income) for each visit until family deductible is met. After paying family deductible, the HSN pays for all covered medical services for the rest of the year for all family members.

## Medicare and HSN

In order to save money, many people with Medicare have no supplement, or choose a supplement that has high deductibles and/or co-pays. HSN can help pay for some of these costs as well as cover some services that are not covered by Medicare.

- **For hospital in-patient care:**

- HSN covers hospital deductibles and co-pays (including the Part A deductible as well as Medicare Advantage hospital co-pays) only after the beneficiary has met the family deductible (if they have one).
- HSN does NOT cover fees from private doctors or specialists and independent labs.
- HSN does NOT cover any co-pays that may be in a Rehab Hospital or Skilled Nursing Facility.

- **For out-patient services**

- Can receive outpatient services at CHCs including prescription drugs and limited dental services (only available at certain facilities).
- Can go to any CHC (not just the closest one).
- Can also contact the nearest hospital that accepts HSN and ask a “financial counselor” about any out-patient services at the hospital and what those services will cost.
- If individual has a deductible, will have co-pays for office visits and services until the family deductible is met. After that, will have no co-pays for the remainder of the year (except for drugs).

- **Out-patient prescription drugs**

- HSN has a limited number of CHC or hospital outpatient pharmacies in its network and each requires that a prescription be written by a clinician who works at that affiliated facility. In most cases, beneficiaries will need to see a doctor at the hospital or CHC where the pharmacy is located to get their prescription filled there.
- Low co-pays for most medications (***those with Partial HSN do NOT have to meet their deductible first to be eligible for these co-pays***). The HSN will not pay for prescriptions filled at a local retail pharmacy (for example, CVS, Walgreens, etc.) unless they have a special agreement with a neighboring CHC.
- There is no requirement to have a Medicare Drug Plan for prescriptions to be covered at these designated HSN locations. However, HSN has a very restricted list of medications they will cover, so it is highly recommended that people stay enrolled in their Part D Plan.

# Veterans and Military Health Benefits

The Veterans Administration (VA) provides inpatient and outpatient medical services and prescription drugs.

**To Apply:** Veterans/Family should contact the city or town Veterans' Service Office or call the Massachusetts Department of Veterans Services: 617- 210-5480

## **Enrollment**

- Veterans may be enrolled in both the VA and Medicare but the enrollment process (and the eligibility criteria) is distinct for each.
- A veteran can enroll at any VA health care facility or Veterans' Service Officer (VSO) at any time of year. VSO's are available in most towns in Massachusetts and will have information about other programs for veterans.
- Application forms may also be obtained by calling **1-877-222-VETS (1-877-222-8387)**.

## **Benefits**

- Primary and preventive care
- Comprehensive inpatient and outpatient services
- Pharmacy services provided free to certain eligible veterans or for a small co-pay

## **VA and Medicare**

- **Medicare:** The VA does not recommend that veterans cancel or decline coverage in Medicare (or other health care or insurance programs) solely because they are enrolled in VA health care.
  - Having a secondary source of coverage may be in a veteran's best interest:
    - Veterans enrolled in both programs would have access to non-VA physicians (under Medicare Part A or Part B) or may obtain prescription drugs that are not on the VA formulary if prescribed by non-VA physicians and filled at their local retail pharmacies (under Medicare Part D).
- **Part D:** Veterans can enroll in a Medicare Part D plan along with their VA Health Plan prescription benefit.
  - The VA drug benefit IS considered creditable coverage so beneficiaries are NOT required to enroll in Part D.
- **Part B Penalty:** Veterans could be subject to a penalty for enrolling "late" for Medicare Part B, even if they are enrolled in VA health care.

- Late enrollment in Part B is only allowed during the General Enrollment Period and individuals who choose not to enroll when they are first eligible may be left without access to health care until they can enroll in Medicare.
- This is different than Medicare Part D (prescription drugs) where veterans can delay enrollment without penalty if they are enrolled in the VA medical benefits program because the prescription drug benefit that the VA provides is “creditable coverage”.
  - However, having VA drug coverage does NOT provide a SEP to enroll in Part D outside of the Open Enrollment Period.

## **Benefits for Veterans & Widows with Limited Incomes**

- **Massachusetts State Benefits (Chapter 115)**

- Veterans and widows may be entitled to reimbursement of their medical expenses if they meet income (200% FPL) and asset limits or meet a spend-down.
- *These benefits are not countable for MassHealth programs.*

- **Federal Aid & Attendance Pension**

- Provides benefits for veterans and surviving spouses who require the regular attendance of a caregiver to assist with one or more activities of daily living (eating, dressing, bathing, etc.) due to physical or mental impairment.
- Applicants do **NOT** have to reside in a facility to be eligible for this program. The care can be provided in the home by either outside agencies or family members.
- *These benefits are NOT countable for MassHealth programs.*