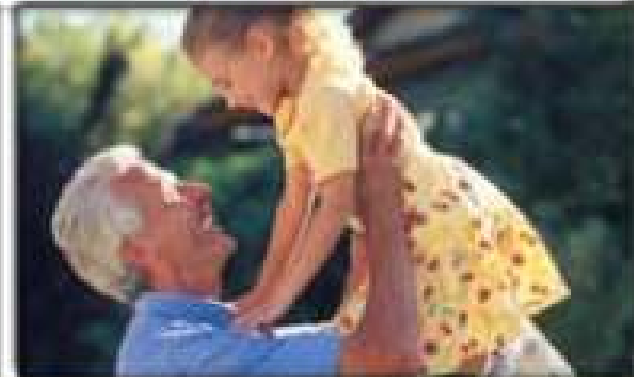


# Medicare Current Topics

COPS

November 20, 2008



# Medicare & Medicaid Statistics

## ■ Medicare enrollees

- 19.1 million in 1966
- 44.3 million in 2008

} 130% increase

## ■ 50 million Medicaid enrollees in 2008

- Almost half, 24 million, are children

# Drug Coverage Statistics

- 90% (40 million) have drug coverage
  - Medicare
  - Another source
- 25.4 million have Part D coverage
  - Growth of 1.5 million in one year
  - 80% of those eligible
- 9.4 million have LIS in Part D
- About 6 percent non-LIS switched
  - Consistent with private sector

# Medicare Expenditures

- CMS programs – \$632.4 billion in 2007
- SNF payments – \$22.2 billion in 2007
- Home health – \$15.5 billion in 2007

# “Never Events”

- Medicare refuses to pay for certain “Never Events”
  - Hospital Acquired Conditions (HACs)
  - Occur as a result of hospital error
  - Eight HACs covered under new rules in 2007
  - CMS proposes nine more HACs in 2008
- Complete list of “Never Events”
  - [cms.hhs.gov/apps/media/fact\\_sheets.asp](http://cms.hhs.gov/apps/media/fact_sheets.asp)

# Health Care Transparency

- Comparison tools at [www.medicare.gov](http://www.medicare.gov)
  - Home Health Compare
  - Hospital Compare
  - Nursing Home Compare
  - Dialysis Facility Compare
- Plan Finder Tools
  - Medicare Prescription Drug Plan Finder
  - Medicare Options Compare

# Nursing Home Compare

- **Special Focus Facility (SFF)**
  - Poor performance or repeated violations
  - 134 SFFs out of 16,000 active nursing homes
  - Published in November 2007
  - Updated and expanded February 2008
- **CMS working closely with these facilities**
  - Improve quality of care
  - Twice number of standard surveys
  - Progressive enforcement

# Hospital Compare Tool

- New for 2008
- Help consumers with health care choices
  - Three critical elements for consumers
    1. Quality information
    2. Patient hospital experience survey information
    3. Pricing information for specific procedures
      - What Medicare pays for those services
      - Number of Medicare patients treated

# Personal Health Record

- Collection of information about a person
  - Health and health care services
  - Immediate access to vital patient information
- Person is in charge of own PHR
  - Controls who can see it
  - Can use to make health care decisions
  - Can choose to share with health care providers

# Personal Health Records Pilot

- 18-month pilot test launched June 2007
- Will test internet-based tools
- People enrolled in participating MA and Part D
  - HIP USA
  - Humana
  - Kaiser Permanente
  - University of Pittsburgh Medical Center
  - BCBS of Louisiana
  - BCBS of Arkansas
  - Medcore
- PHR accessible through [www.mymedicare.gov](http://www.mymedicare.gov)
  - Also through plan websites

# E-Prescribing

- New Part D e-prescribing standards
  - Effective on April 1, 2009
  - Apply to all Part D sponsors
- Standards for e-prescribing transactions
  - Formulary and benefits
  - Medication history
  - Fill status notification
  - Use of National Provider Identifier (NPI)

# Part D-related Updates

- Vaccines
- Economic Stimulus Act of 2008
- Immunosuppressants
- LIS Reassignment
- Enrollment updates
- Penalty elimination for people with extra help

# Coverage of Vaccines in 2008

- Broader reimbursement available
- Vaccines covered under Part B or Part D
- Part B covers
  - Many vaccines (i.e., influenza & pneumococcal)
  - Administration of Part B vaccines
- Part D generally covers
  - Vaccines not covered under Part B
  - Administration of Part D covered vaccines
- Immunizer should work with beneficiaries and their Part D plans for reimbursement

# Part B Coverage

- Medicare Part B covers
  - Pneumococcal pneumonia vaccine
  - Influenza virus vaccine
  - Hepatitis B vaccine for individuals at high or intermediate risk
  - Other vaccines (e.g., tetanus toxoid)
    - When directly related to treatment of an injury or direct exposure to a disease or condition

# Part D Coverage

- Medicare Part D covers
  - All vaccines generally not available under Medicare Parts A or B
- Starting in 2008
  - Part D plans must cover all commercially available vaccines unless excluded due to availability under Part B
  - New preventive vaccine may not be listed in formulary, but is still covered

# Immunosuppressive Drugs

- Claims being denied
  - Billing error
  - Affecting those whose organ transplant was not paid for by Medicare
- Starting July 2008, an automated process will be implemented for settling claims
  - For those enrolled in Part A at the time of their transplant

# Extra Help Reassignments

- For those who get extra help
  - Beneficiaries allowed to remain in PDP without having to pay a premium
- Changed how benchmarks are calculated
  - Benchmarks will be weighted
    - Based on each plan's share of enrollees receiving extra help
    - Rather than their share of total Part D enrollment
- Fewer beneficiaries re-assigned

# Enrolling for Plan Year 2009

- Annual Coordinated Election Period (AEP)
  - “Fall open enrollment”
  - November 15 – December 31, 2008
  - Changes effective January 1, 2009
  - All people with Medicare can
    - Join
    - Switch
    - Drop coverage

# 2009 Standard Benefit

<b>Benefit Parameters</b>	<b>2008</b>	<b>2009</b>
Deductible	\$275	\$295
Initial Coverage Limit	\$2510	\$2700
Out-of-Pocket Threshold	\$4050	\$4350
Total Covered Drug Spend at OOP Threshold	\$5726.25	\$6153.75
Minimum Cost-Sharing in Catastrophic Coverage	\$2.25/\$5.60	\$2.40/\$6.00
<b>LIS Copayments</b>	<b>2008</b>	<b>2009</b>
Institutionalized	\$0	\$0
Up to or at 100% FPL	\$1.05/\$3.10	\$1.10/\$3.20
Other LIS	\$2.25/\$5.60	\$2.40/\$6.00
Partial LIS Deductible/Cost-Sharing	\$56/15%	\$60/15%

# Economic Stimulus Act of 2008

- Provided stimulus “refund” from the IRS
  - Not counted as income
  - Not counted as resources for first three months
  - Counts towards resources after three months
    - May impact eligibility
      - LIS
      - Medicare Savings Program
      - Other government programs funded with federal dollars

# **Medicare Improvements for Patients and Providers Act of 2008**

## **MIPPA**

# MIPPA Provisions

1. Improvements to coverage of preventive services
2. Elimination of discriminatory copayment rates for Medicare outpatient psychiatric services
3. Prohibitions and limitations on certain sales and marketing activities under MA and MA-PD
4. Improvement to the Medigap Program
5. Extension of qualifying individual (QI) program

# MIPPA Provisions

6. Application of full LIS subsidy assets test under Medicare Savings Program
7. Eliminating barriers to enrollment
8. Elimination of Medicare Part D late enrollment penalties paid by subsidy eligible individuals
9. Exemption from income and resources for determination of eligibility for low-income subsidy

# MIPPA Provisions

10. Medicare enrollment assistance
11. Physician payment, efficiency, and quality improvements
12. Incentives for electronic prescribing
13. Adjustments for Medicare mental health services
14. Extension of exceptions process for Medicare therapy caps

# MIPPA Provisions

15. Improved access to ambulance services
16. Delay and reform of Medicare DMEPOS Competitive Acquisition Program
17. Inclusion of barbiturates and benzodiazepines as covered Part D drugs
18. Formulary requirements with respect to certain categories or classes of drugs

# 1. Improvement to Coverage of Preventive Services

- Changes to IPPE (Welcome to Medicare physical exam)
  - Adds body mass index measurement
  - Adds end-of-life planning
  - Deletes electrocardiogram (EKG) as required service
  - Waives Part B deductible
  - Extends eligibility period from 6 months to 1 year
- Effective on or after January 1, 2009

## 2. Reduce Coinsurance for Outpatient Psychiatric Services

- Beginning 2010
- Certain Part B outpatient mental health services copayment phased down
  - From 50% to 20% over 5 year period
  - 2010-2014
  - Copayment 20% beginning 2014

# 3. Prohibitions on Marketing for MA and PDP

- Prohibits certain types of MA and PDP marketing activities
  - Cash inducements
  - Unsolicited direct contact (including door-to-door solicitation and cold-calling)
    - A plan can call its current members
    - An agent can call the members he helped enroll
  - Cross-selling, free meals, and marketing in areas where health care is delivered
- Effective September 18, 2008

# Marketing Limitations for MA and PDP

- Secretary establish limitations
  - Scope of marketing appointments
  - Co-branding
  - Value of nominal gifts
  - Broker compensation and training
- Effective September 18, 2008

# Marketing Questions

All Region X plans and agents having questions related to the MIPPA regulations should submit them to the below CMS address:

[RegulationQuestions@cms.hhs.gov](mailto:RegulationQuestions@cms.hhs.gov)

# 5. Extension of Qualified Individual (QI) Program

- Extends QI program through December 31, 2009
- Allocates funding for the QI program
  - Total funding for FY 08 would be \$400 million
  - Total funding for FY 09 would be \$450 million

# 6. Full LIS Subsidy Assets Test Under MSP

- Increases MSP allowable resources
- Resource limit will be the same as resource limit for full extra help
- Effective January 1, 2010

# 7. Eliminating Barriers to Enrollment

- SSA required to provide increased outreach and enrollment with MSP and extra help
- Beginning January 1, 2010
- SSA required to
  - Transmit application data directly to states
  - To coordinate outreach with states
  - Ensure data transmitted to states is considered an application for benefits under MSP

# 8. Late Enrollment Penalty Elimination

- Eliminates penalty for those qualifying for extra help
  - Automatically qualified or
  - Applied and qualified
- Can join Part D drug plan without penalty
  - MMSEA extended until end of CY 2008
- Permanently waives Part D late enrollment penalty for individuals with extra help
- Effective January 2009

# 9. Eliminating Application of Estate Recovery

- Exempts from estate recovery any Medicare cost-sharing benefits paid under the MSP
  - Applies to benefits paid under the following groups
    - QMB
    - SLMB
    - QI
    - QDWI
- Effective January 1, 2010

# 15. Extension of Exception Process for Therapy Caps

- Mandated by Balanced Budget Act of 1997
- Exceptions enacted by DRA of 2005
- Was due to expire on December 13, 2007
- MIPPA extended through December 31, 2009
- Limits for January 1, 2008
  - \$1,810 for physical therapy and speech-language pathology services combined
  - \$1,810 for occupational therapy services

# 16. Improved Access to Ambulance Services

- Increases payments for ground ambulance services
  - Effective July 1, 2008, through December 31, 2009
- Establishes a 1½ year “hold harmless” period for air ambulance services
  - Effective July 1, 2008, through December 31, 2009
- Revises standard for rural air ambulance service
  - Presumed to be “reasonable and necessary”

# 17. Delay and Reform of DMEPOS

- Delays DME Competitive Bidding Program
  - Terminates Round 1 contracts already signed.
- May use **any** Medicare-approved supplier
- If a beneficiary changed suppliers
  - Can continue to use the new supplier or
  - Can choose another supplier
- Original DME payment rates in effect prior to July 1, 2008 reinstated retroactively

# 18. Coverage of Barbiturates and Benzodiazepines

- Part D drug exclusions removed
  - Barbiturates
    - when used for epilepsy, cancer or mental health
  - Benzodiazepines
- Effective January 1, 2013

# Questions?

- 1-800-MEDICARE (1-800-633-4227), TTY users should call 1-877-486-2048.
- [www.medicare.gov](http://www.medicare.gov)
  - Supplier Locator Tool
  - Consumer fact sheets
- Your physician or supplier
- Medicare's local information resources
  - SHIPs
  - AoA
  - Other assistance organizations

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