

Working with Medicare

**Medicare 101: An Introduction to Medicare
Benefits and the Roles of Medicare and
Medicaid in Serving Dually Eligible Individuals**

March 22, 2021

12:30-1:30 pm Eastern Time

The “Working with Medicare” Webinar Series

- Designed for all states interested in improving coordination of Medicare and Medicaid benefits for dually eligible individuals
- Webinars are repeated annually:
 - Medicare 101 and 201
 - Coordination of Medicare and Medicaid Behavioral Health Benefits
 - Medicare and Medicaid Nursing Facility Benefits
 - State Contracting with D-SNPs
- Supplemented by:
 - ICRC updates/e-alerts on important new Medicare information
 - ICRC technical assistance briefs and other written tools on Medicare issues of importance to states
- Sign up and view past e-alerts:
<https://www.integratedcareresourcecenter.com/about-us/e-alerts>

Agenda

- Dually Eligible Individuals: The Basics
- A Brief introduction to Medicare
- Roles of Medicare and Medicaid in Serving Dually Eligible Individuals
- Medicare and Medicaid Benefits in Practice
- Q&A

Presenters

- Dani Perra
 - Center for Health Care Strategies (CHCS)
- Ana Talamas
 - Mathematica
- Kelsey Cowen
 - Mathematica

Dually Eligible Individuals: The Basics

Dually Eligible Individuals: The Basics

Dually eligible individuals qualify for both Medicare and Medicaid

Medicare Eligibility Criteria

Federal health insurance program

Age 65 or older

OR

Under age 65 with a disability, such as:

- Intellectual/Developmental disabilities
- Cognitive disabilities
- Physical disabilities
- Behavioral health needs
- Chronic medical conditions

OR

Any age with End Stage Renal Disease



Medicaid Eligibility Criteria

State health insurance program

Meet income and asset requirements
(varies by eligibility group and state)

AND

Member of eligible group
(varies by state)

- Adults with disabilities
- Older adults
- Children and families
- People who are pregnant
- Other

Dually Eligible Individuals Are a High Need, High-Cost Population

70%

have been diagnosed with three or more chronic conditions, such as



- Diabetes
- Alzheimer's disease
- Heart disease
- Intellectual disabilities

41%

have a behavioral health disorder, such as



- Depression
- Bipolar Disorder
- Anxiety
- Schizophrenia

Over 40%

use long-term services and supports, such as



- Nursing facility services
- Home and community-based services

MEDICARE

20%



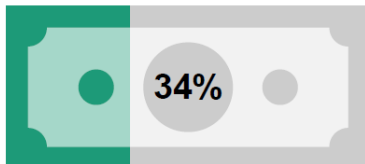
Proportion of enrollees

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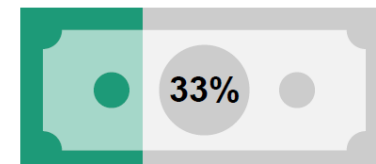
15%



Proportion of enrollees



Proportion of spending



COVID-19's Impact on Dually Eligible Individuals



- Many dually eligible individuals have key risk factors
- COVID-19 has exacerbated many existing gaps in the health care system, highlighting disparities
- CMS data snapshot: Dually eligible individuals have higher prevalence of COVID-19 infection and hospitalization
- Unique impact on different dually eligible subpopulations
 - Individuals using home and community-based services
 - Individuals with intellectual and developmental disabilities
 - Nursing facility residents
 - Individuals with serious mental illness
- Read CHCS' [Blog Series](#) to learn more

Two Types of Dually Eligible Individuals



Full-benefit dually eligible individuals

- ✓ Qualify for Medicare
- ✓ Qualify for full state Medicaid benefits
- ~ May receive financial assistance with Medicare premiums (and in many cases, cost sharing)

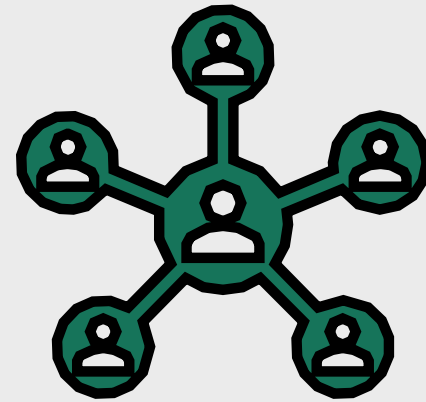


Partial-benefit dually eligible individuals

- ✓ Qualify for Medicare
- ✗ DO NOT qualify for full Medicaid benefits
- ✓ Receive financial assistance with Medicare premiums (and in many cases, cost sharing)

Within these categories, there are several subcategories. See the [CMS Dually Eligible Individuals Categories](#) for more details.

Integrated Care in Action- Carl's Story



Integration in Action- Carl's Story

Complex Socio-Clinical Needs

- Stroke with left-side paralysis
- Dementia
- Major depressive disorder
- Uncontrolled Type 2 diabetes
- Medication mismanagement due to memory loss
- Fall-related injuries from overmedication
- Housing insecurity
- Social isolation



Outcomes

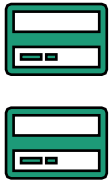
- NO utilization since direct care intervention
- Lives independently in his own apartment
- Regular social interaction
- Daily support from caregiver
- Controlled diabetes
- Improved speech and mobility
- Improved mental health

Want to learn more about the dually eligible population in your state?

- See the ICRC Guide: [How States Can Better Understand their Dually Eligible Beneficiaries: A Guide to Using CMS Data Resources](#)
- Request an ICRC [State Data Profile](#)
- Engage with the [State Data Resource Center](#) to obtain Medicare data and learn how to use it for program oversight



Key Takeaways



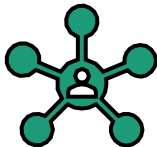
- Dually eligible individuals have both Medicare and Medicaid



- Dually eligible individuals are high need and high cost



- Dually eligible individuals have been disproportionately affected by COVID-19



- States can use integrated care programs to coordinate Medicare and Medicaid benefits, improve care, and streamline materials and processes for dually eligible individuals

A Brief Introduction to Medicare

What is Medicare?

- Medicare is a federal health insurance program
- Eligibility requirements are uniform nationwide
- People are eligible for Medicare due to age or disability
 - Age 65 and older with 40 social security or railroad retirement credits
 - Under age 65 with a qualifying disability

Note: People can receive Medicare benefits based on their own work record or the work record of a spouse or ex-spouse. Most people must receive Social Security disability benefits for two years before becoming eligible for Medicare. Those with End Stage Renal Disease (ESRD) or Amyotrophic Lateral Sclerosis (ALS) can qualify sooner.

Medicare Benefits

| Part A | Part B | Part D |
|--|--|--|
| <ul style="list-style-type: none">• Inpatient care, including hospital and skilled nursing facility (SNF) stays• Hospice care• Home health | <ul style="list-style-type: none">• Outpatient care• Home health• Durable medical equipment (DME)• Laboratory services• Emergency medical transportation | <ul style="list-style-type: none">• Prescription drug coverage |

Note: Medicare Part C is an option through which Medicare beneficiaries can receive their benefits through a managed care plan.

Medicare Costs to Beneficiaries

- Dually Eligible Individuals typically do not pay these costs

| Part A | Part B | Part C | Part D |
|---|--|---|---|
| <ul style="list-style-type: none"> • No monthly premium with 40 credits • Deductible (\$1,484 in 2021) • Coinsurance for inpatient stays | <ul style="list-style-type: none"> • \$148.50 premium • Deductible (\$203 in 2021) • Coinsurance of 20% of Medicare-approved amount for most services | <ul style="list-style-type: none"> • Part B premium • Plan premium • Plan cost-sharing <p>Note: Coinsurance/ copayments differ by service types, and different Medicare Advantage plans may charge different amounts</p> | <ul style="list-style-type: none"> • Plan premium • Plan cost-sharing • Low-income subsidy (LIS) covers premiums and most cost-sharing for dually eligible beneficiaries |

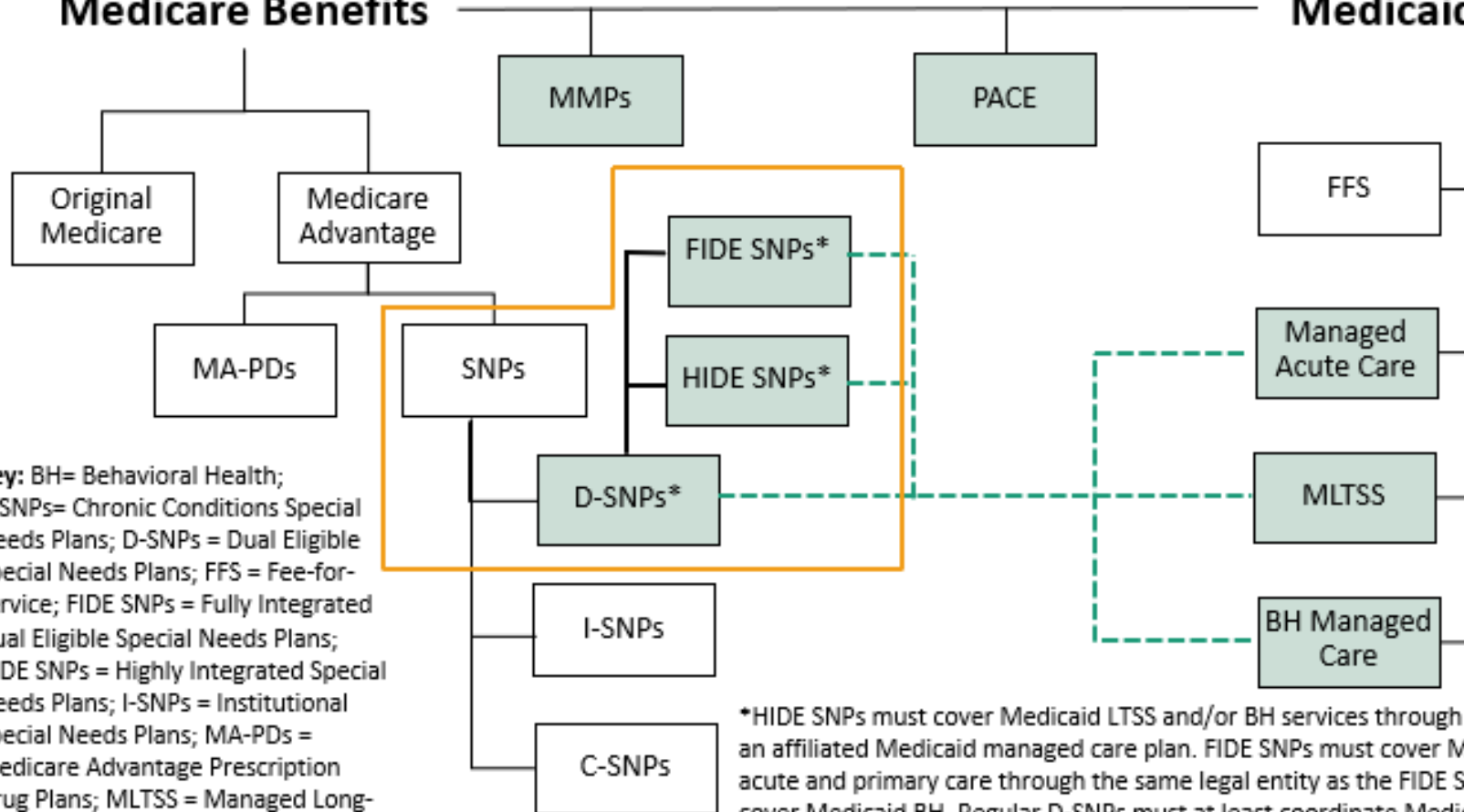
Note: Some individuals who do not qualify for premium-free Part A may purchase Part A coverage by paying a monthly premium. For more details, refer to these resources: June 2017 ICRC TA Brief, Appendix A [Medicare Basics: An Overview for States Seeking to Integrate Care for Medicare-Medicaid Enrollees](#); www.medicare.gov/your-Medicare-costs; <https://www.cms.gov/Medicare/Medicare-General-Information/MedicareGenInfo>; and <https://www.medicare.gov/your-medicare-costs/medicare-costs-at-a-glance>

Medicare and Medicaid Coverage Options for Dually Eligible Individuals

Note: Shaded boxes in the figure below represent models that coordinate and/or integrate all or some Medicare and Medicaid benefits for dually eligible beneficiaries.

Medicare Benefits

Medicaid Benefits

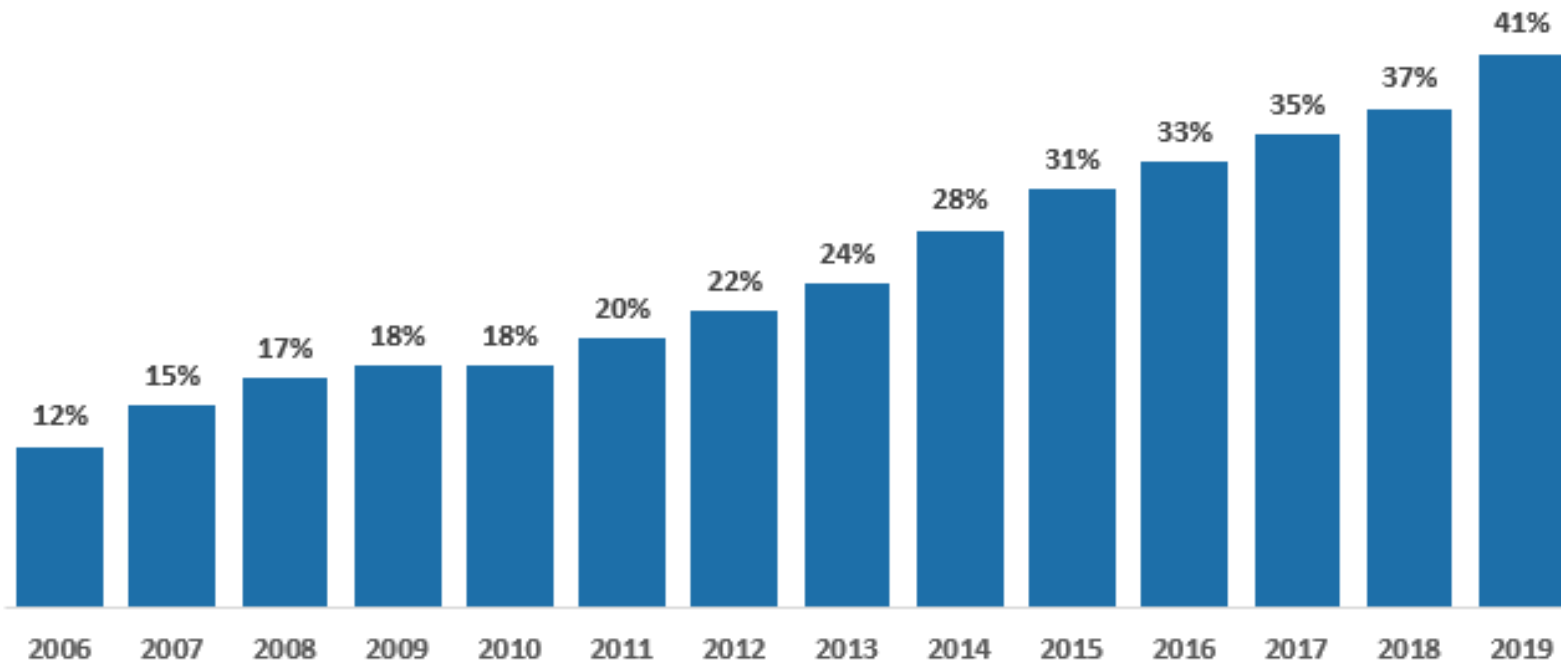


Key: BH= Behavioral Health; C-SNPs= Chronic Conditions Special Needs Plans; D-SNPs = Dual Eligible Special Needs Plans; FFS = Fee-for-service; FIDE SNPs = Fully Integrated Dual Eligible Special Needs Plans; HIDE SNPs = Highly Integrated Special Needs Plans; I-SNPs = Institutional Special Needs Plans; MA-PDs = Medicare Advantage Prescription Drug Plans; MLTSS = Managed Long-Term Services and Supports; MMPs = Medicare-Medicaid Plans; PACE = Program of All-Inclusive Care for the Elderly

*HIDE SNPs must cover Medicaid LTSS and/or BH services through the HIDE SNP or an affiliated Medicaid managed care plan. FIDE SNPs must cover Medicaid LTSS and acute and primary care through the same legal entity as the FIDE SNP, and may cover Medicaid BH. Regular D-SNPs must at least coordinate Medicaid benefits, and may cover some Medicaid benefits such as Medicaid cost sharing through the D-SNP or an affiliated Medicaid managed care plan.

Enrollment of Dually Eligible Individuals in Medicare Advantage Plans Has Increased Over Time

Percent of Dually Eligible Individuals enrolled in Medicare Advantage, 2006-2019



- This graph includes all Dually Eligible Individuals, including both Full-benefit Dually Eligible Individuals and Partial-benefit Dually Eligible Individuals

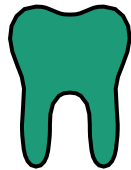
Source: MMCO. "Managed Care Enrollment Trends among Dually Eligible and Medicare-only Beneficiaries, 2006 through 2019." Available at: <https://www.cms.gov/files/document/managedcareenrollmenttrendsdatabrief.pdf>

Medicare Advantage Supplemental Benefits

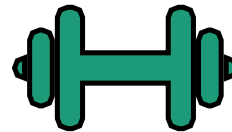
- In addition to covering the required benefits under original Medicare, Medicare Advantage plans can offer supplemental benefits
- Common benefits can include:



Vision



Dental



Gym Memberships



Transportation

- Medicare Advantage plans can also utilize supplemental benefits to help reduce member cost sharing
- Starting in 2019 and 2020, Medicare Advantage plans have new flexibilities in the kinds of supplemental benefits they can offer

Key Takeaways: Medicare Basics



- Medicare is a federal health insurance program



- Each part of Medicare offers different coverage



- Medicare beneficiaries (including dually eligible individuals) can choose to receive Medicare benefits through Medicare Advantage managed care plans (MA plans) and enrollment in these plans has steadily increased over time



- MA Plans can provide a variety of supplemental benefits in addition to Part A, B and D benefits

Roles of Medicare and Medicaid in Serving Dually Eligible Individuals

Medicare and Medicaid Coverage of Key Benefits

| | Medicare (Primary Payer) | Medicare and Medicaid Overlapping Benefits | Medicaid (Primary Payer) |
|-----------------|------------------------------------|--|---|
| Hospital Visits | Inpatient and Outpatient Care | Behavioral Health and Substance Use Disorder Treatment | |
| Provider Visits | | | |
| Long-term Care | Nursing Facility – Skilled Nursing | Home Health | Nursing Facility – Custodial Care Home and Community-Based Services (HCBS) |
| Other | Prescription Drugs* | Durable Medical Equipment | Non-Emergency Medical Transportation |

Note: Not an exhaustive list.

*Medicare covers most prescriptive drugs. However, a very small number of drugs are excluded from Medicare Part D coverage and may be covered by Medicaid.

Inpatient and Outpatient Care

Primary
Payer

Medicare

Medicaid

- **Medicare is the primary payer** for inpatient and outpatient services such hospital visits or clinic or office visits
- **Medicare-enrolled individuals are responsible** for monthly Medicare Part B premiums and Medicare cost-sharing
 - Medicaid pays for premiums and cost-sharing for dually eligible individuals

Nursing Facility Services

Primary Payer

Medicare

Medicaid

| Type of Nursing Facility Stay | 3-Day Inpatient Hospital Stay Required? | Medicare Coverage? | Medicaid Coverage? |
|--|---|--------------------|--------------------|
| Short-term, skilled care (physical, occupational, speech therapy, or skilled nursing services; up to 100 days) | Yes | Yes | Yes |
| Short-term, skilled care (physical, occupational, speech therapy, or skilled nursing services) | No | No | Yes |
| Long-term custodial care (assistance with activities of daily living – eating, bathing, dressing, etc.) | N/A | No | Yes |
| Home and community-based services (HCBS) | N/A | No | Yes |

Behavioral Health and Substance Use Disorder Treatment

Primary Payer

Medicare

Medicare Limitations

- Outpatient services must generally be provided by an eligible professional*
- Inpatient psychiatric care in a free-standing psychiatric hospital (limited to 190 days in a lifetime)
- FDA-approved, medically necessary substance use treatments**
- Opioid use disorder treatment services

Medicaid

Medicaid Coverage

- Mandatory services include inpatient/outpatient hospital services & physician services
- Most states cover several optional services, including non-medical support services***
- Substance use treatment services not covered by Medicare
- Medication-assisted treatment for opioid use disorders under section 10006(b) of the SUPPORT Act

Notes:

* MLN booklet on Medicare and Mental Health Services, January 2015: <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/Mental-Health-Services-Booklet-ICN903195.pdf>

** For a list of professionals covered as suppliers of Substance Use Treatment Services, see: <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/SE1604.pdf>

*** 2016 MACPAC comparison of behavioral health services included in states' Medicaid state plan benefits: <https://www.macpac.gov/publication/behavioral-health-state-plan-services/>

SUD Treatment: Medicare Coverage

Primary
Payer

Medicare

Medicaid

- Medicare Opioid Treatment Benefit
 - Bundled payments through Part B for opioid use disorder (OUD) treatment services provided by Opioid Treatment Programs (OTP)
 - Covers:
 - U.S. Food and Drug Administration (FDA)-approved opioid agonist and antagonist medication-assisted treatment (MAT)
 - Dispensing and administration of MAT (if applicable)
 - Substance use counseling
 - Individual and group therapy
 - Toxicology testing
 - Intake activities
 - Periodic assessments

Behavioral Health: Medicaid Coverage

Primary
Payer

Medicare

Medicaid

- Coverage of Institutions for Mental Diseases (IMD) Services
 - **IMDs:** Inpatient facilities of more than 16 beds in which 51 percent or more of patients are being treated for mental diseases
 - Includes coverage for SUD treatment services, which Medicare does not cover in non-hospital-based residential facilities
 - **IMD Exclusion:** Historically, federal law has prohibited the use of federal Medicaid matching payments for IMD services used by Medicaid beneficiaries between the ages of 22 and 64. States therefore had to fund these services with state-only dollars, limiting their availability.
 - **Resources:**
 - “State Options for Medicaid Coverage of Inpatient Behavioral Health Services” (<https://www.kff.org/report-section/state-options-for-medicaid-coverage-of-inpatient-behavioral-health-services-report/>)
 - “Report to Congress on Oversight of Institutions for Mental Diseases” (<https://www.macpac.gov/wp-content/uploads/2020/01/Report-to-Congress-on-Oversight-of-Institutions-for-Mental-Diseases-December-2019.pdf>)

Home Health

Primary
Payer

Medicare

Medicare Limitations

- Requires need for “skilled” care services
- Physical therapy, speech therapy, skilled nursing
- Must be “part-time” and “intermittent”*
- Does not require “improvement”**
- Requires beneficiaries to be homebound
- Consolidates provider payment into 60-day episodes of care

Medicaid

Medicaid Coverage

- Does not require beneficiaries to be homebound
- Most programs pay by service or by visit
- Covers non-medical home care provided through LTSS

Notes: *Medically necessary care for up to 35 hours/week may be considered on a case-by-case basis.

**For information/guidance on this, see MLN Matters: <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM8458.pdf>

Source: Medicare Benefit Policy Manual, Chapter 7: <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c07.pdf>

Durable Medical Equipment

Primary
Payer

Medicare

Medicare Limitations

- Limits DME to items used primarily in the home

Medicaid

Medicaid Coverage

- Includes medical supplies, equipment, and appliances suitable for use in any setting in which normal life activities take place

Non-Emergency Medical Transportation Services (NEMT)

Primary
Payer

Medicare

Medicaid

- **Medicaid is the primary payer** for non-emergency transportation
- Covers travel expenses for exams and treatment by any medical provider
 - Travel may be provided by ambulance, taxi, common carrier, “or other appropriate means” (42 CFR § 440.170)
- Medicare will cover emergency ambulance transportation, or non-emergency ambulance transportation if a physician states in writing it is medically necessary

Key Takeaways



- Medicare is the primary payer for most primary and acute care services a dually eligible individual may need



- Medicaid is the primary payer for most long-term supports and services and NEMT benefits



- Medicare or Medicaid may be the primary payer for several service types (behavioral health, home health, and durable medical equipment), depending on the specific services rendered, the circumstances involved, and the state's Medicaid state plan



- Medicaid covers Medicare Part A and/or B premiums (and in many cases, cost sharing) for which the individual would otherwise be responsible

Medicare and Medicaid Benefits in Practice

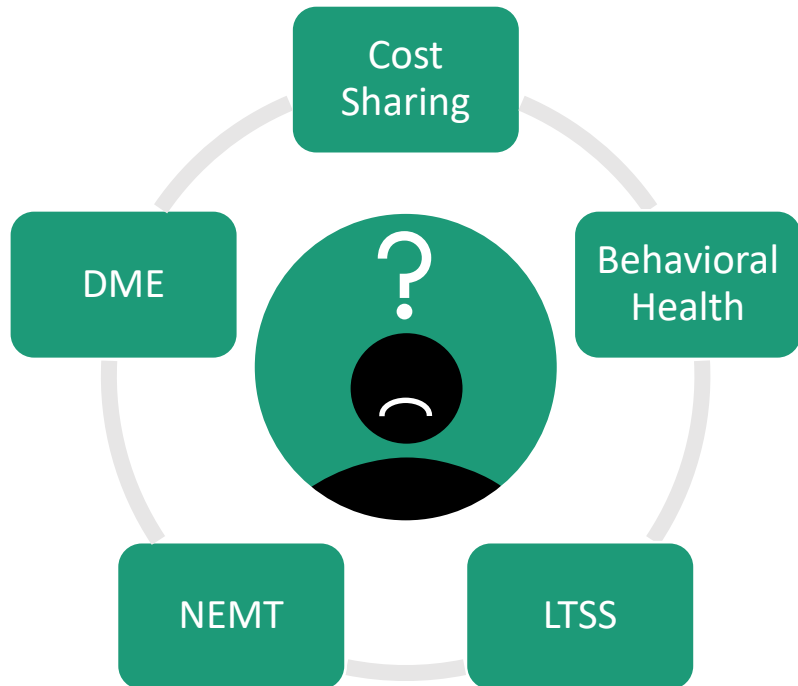
Scenario

- Sam is a dually eligible individual who is enrolled in fee-for-service Medicare and Medicaid. Sam recently experienced a car accident on the highway. In addition to sustaining severe physical injuries, which require the use of a wheelchair and extensive physical therapy, Sam is also demonstrating symptoms of post-traumatic stress disorder.
- After his accident, Sam requires:
 - Long-term physical therapy
 - Durable medical equipment (a wheelchair)
 - Mental health services
 - Transportation to and from doctor's visits
 - Prescription medication

Implications of Fragmented Services: Durable Medical Equipment (DME)

| | Fee-for-Service Medicare and Medicaid | Integrated Care |
|-------------------------|--|--|
| Sam's Experience | <ul style="list-style-type: none"> Without access to a care coordinator, Sam and Sam's physician must find a DME provider on their own Sam must call several DME providers in order to find a wheelchair <ul style="list-style-type: none"> Company A is not a Medicaid provider Company B declines Sam's request because of payment uncertainty/challenges when they serve dually eligible individuals Sam stays at the nursing facility for much longer than they'd like while they find a provider for their wheelchair | <ul style="list-style-type: none"> Sam has access to a care coordinator through their integrated care plan, who connects Sam to relevant resources for their care needs Sam's care coordinator identifies a DME provider for a wheelchair soon after Sam is ready to return home Sam returns home when they are ready |
| Cost of Care | <ul style="list-style-type: none"> Medicaid is billed for nursing facility services when Sam's Medicare coverage ends | <ul style="list-style-type: none"> Medicaid pays for only the services that are necessary based on Sam's care needs and wishes |

Medicare 201



- Learn how states can improve quality and coordination of Medicare and Medicaid benefits
- Thursday, March 25
- 12:30 – 1:30 pm ET

ICRC Is Here to Help

Interested in further integration?

ICRC is available to provide one-on-one technical assistance to states seeking to further integrate care for their dually eligible populations.

Email ICRC@chcs.org

Appendix and Additional Resources

Resources About Dually Eligible Individuals

- **CMS Dually Eligible Individuals – Categories:**
<https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/MedicareMedicaidEnrolleeCategories.pdf>
- **CMS MMCO Report to Congress, FY2019:** <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/FY-2018-Report-to-Congress.pdf>
- **ICRC Glossary of Terms:** “Glossary of Terms Related to Integrated Care for Dually Eligible Individuals.” March 2021. Available at:
<https://www.integratedcareresourcecenter.com/sites/default/files/ICRC%20Glossary%20of%20Terms%20March%202021.pdf>
- **ICRC fact sheet:** “Dually Eligible Individuals: The Basics.” March 2021. Available at:
https://www.integratedcareresourcecenter.com/sites/default/files/ICRC_Dually_Eligible_Individuals_Fact_Sheet.pdf

Medicare Resources

- **ICRC Medicare Basics for States tip sheet:** “Medicare Basics: An Overview for States Seeking to Integrate Care for Medicare-Medicaid Enrollees.” June 2017. Available at:
https://www.integratedcareresourcecenter.com/sites/default/files/ICRC_Medicare_Basics_Updated_June_2017.pdf
- **CMS Medicare page:** <https://www.cms.gov/Medicare/Medicare>
- **CMS National Medicare Training Program site:**
<https://cmsnationaltrainingprogram.cms.gov/>
- **CMS Medicare Learning Network publications and training tools for providers:** <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNGenInfo>
- **Medicare Payment Advisory Commission (MedPAC):** <http://medpac.gov/>

Resources on Integrated Care Models for Dually Eligible Individuals

- **ICRC Pathways to Integration Tool:** “State Pathways to Integrated Care: Exploring Options for Medicare-Medicaid Integration.” Available at: <https://www.integratedcareresourcecenter.com/content/state-pathways-integrated-care-exploring-options-medicare-medicaid-integration#overlay-context=content/using-value-based-purchasing-vbp-arrangements-improve-coordination-and-quality-medicare-0>
- **D-SNPs**
 - **ICRC WWM webinars on D-SNP contracting**
 - [Introduction to D-SNPs and D-SNP Contracting Basics](#)
 - [Using D-SNPs to Integrate Care for Dually Eligible Individuals](#)
 - **SMAC contract language tool:** “Sample Language for State Medicaid Agency Contracts with Dual Eligible Special Needs Plans.” May 2020. Available at: <https://www.integratedcareresourcecenter.com/resource/sample-language-state-medicaid-agency-contracts-dual-eligible-special-needs-plans>
 - **D-SNP contracting brief:** “State Contracting with Medicare Advantage Dual Eligible Special Needs Plans (D-SNPs): Issues and Options.” Nov. 2016. Available at: http://www.integratedcareresourcecenter.com/PDFs/ICRC_DSNP_Issues_Options.pdf
 - **CMS memo** with clarifications/details about HIDE/FIDE SNP requirements. Jan. 2020. Available at: <https://www.cms.gov/files/document/cy2021dsnpsmedicaremedicaidintegrationrequirements.pdf>

Resources on Integrated Care Models for Dually Eligible Individuals

- **PACE**

- CMS Medicare-Medicaid Coordination Office PACE webpage: <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/PACE/PACE.html>
- National PACE Association: <https://www.npaonline.org/>

- **Financial Alignment Initiative Demonstrations**

- CMS page: <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/FinancialModelstoSupportStatesEffortsinCareCoordination>
- MACPAC page: <https://www.macpac.gov/subtopic/financial-alignment-initiative/>
- MACPAC Issue Brief and State Fact Sheets: <https://www.macpac.gov/publication/financial-alignment-initiative-for-beneficiaries-dually-eligible-for-medicaid-and-medicare/>