



ODI

Ohio Department
of Insurance

John R. Kasich, Governor

Mary Taylor, Lt. Governor/Director

2015 December Webinar Wrap- Up

Ohio Senior Health Insurance
Information Program

Medicare 2016

Federal health insurance program administered by the Centers for Medicare and Medicaid Services (CMS) for those who are:

1. 65 and older
2. any age and Disabled
3. diagnosed with End Stage Renal Disease (ESRD)

Option 1

Original Medicare

Part A and Part B

+

Secondary Insurance

GHI, MedSup, or Medicaid

+

Rx Coverage Part D or GHI

OR

Option 2

Medicare Advantage (Part C)

1. Hospitalization,
2. Medical
3. Rx (MA-PD)



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2016 Part A Amounts

- For inpatient hospital stays in 2016
 - Each benefit period you pay
 - \$1,288 total deductible for days 1 – 60
 - \$322 co-payment per day for days 61 – 90
 - \$644 co-payment per day for days 91 – 150 (60 lifetime reserve days)
 - All costs for each day beyond 150 days
- For Skilled Nursing Facility Care
 - \$161 per day for days 21 - 100



2016 Part B Amounts

- Part B Monthly Premium- \$104.90*
 *\$121.80 (new in 2016 and those without auto-deductions)
- Part B Annual Deductible - \$166
- Part B Coinsurance- Generally 20%

If your yearly income in 2014 was:

File individual tax return	File joint tax return	You pay
\$85,000 or less	\$170,000 or less	\$104.90/121.80
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	\$170.50
above \$107,000 up to \$160,000	above \$214,000 up to \$320,000	\$243.60
above \$160,000 up to \$214,000	above \$320,000 up to \$428,000	\$316.79
above \$214,000	above \$428,000	\$389.90



Hold Harmless

- No Cost of Living Adjustment (COLA) for SSA benefits in 2016
 - Part B increase cannot decrease SSA cash benefit to enrollees
- \$104.90
 - Enrolled in Part B 2015
 - AND
 - Premium deducted from SSA benefit
- \$121.80
 - New to Medicare in 2016
 - Part B not getting deducted from SSA benefit
 - Those affected by IRMA



Inpatient vs. Outpatient

Situation	Inpatient or Outpatient	Part A Pays	Part B Pays
In the ER & then formally admitted to hospital with Dr. order.	Inpatient	Hospital stay	Doctor Services
You visit the ER for a broken arm, get x-rays, a splint and go home	Outpatient	Nothing	Dr. services, ER visit, x-rays & splint
In the ER with chest pain & hospital keeps you in observation for 2 nights	Outpatient	Nothing	Dr. services, ER visit, observation services, lab, tests, EKG, etc.
In hospital for outpatient surgery but they keep you overnight for high blood pressure. Dr does not write an admittance letter and you go home the next day	Outpatient	Nothing	Dr. services, surgery, lap test, IV meds, etc.
Dr. writes an order for you to be admitted as an inpatient and the hospital later tells you they're changing your hospital status to outpatient. Your doctor must agree, and the hospital must tell you in writing –while you're still a hospital patient – that your hospital status changed.	Outpatient	Nothing	Dr. services and hospital outpatient services

Medicare Preventive Benefits

- “Welcome To Medicare” physical exam
- Bone mass measurement
- Annual Wellness Exam
- Cardiovascular screening
- **Colorectal cancer screening** ★
- Diabetes screening, services and supplies
- Obesity Screening
- **Lung Cancer Screening** ★
- Depression Screening
- Vaccinations
 - Flu, **Pneumococcal** ★ & Hepatitis B
- Glaucoma screening
- **Hepatitis C Screening** ★
- Pap test and pelvic exam with clinical breast exam
- Prostate cancer screening
- Screening mammogram
- Smoking cessation counseling
- Alcohol Misuse Screening

Part B Deductible and Coinsurance is waived for most preventive care services.



New Preventive Benefits

1. Multi-target stool DNA test (Cologuard™)

Covered for certain people with Medicare every 3 years if they

- Are between 50–85
- Show no signs or symptoms of colorectal disease
- Are at average risk for developing colorectal cancer



New Preventive Benefit

2. Hepatitis C Screening

Single once-in-a-lifetime screening test

- Covered for adults who don't meet the high-risk determination
- Born from 1945 through 1965

3. Lung cancer screening

Low Dose Computed Tomography once per year for certain people with Medicare



New Preventive Benefits

4. Pneumococcal vaccine update

An initial pneumococcal vaccine for all Medicare beneficiaries who've never received the vaccine under Medicare Part B

A different second pneumococcal vaccine 1 year after the first vaccine was administered (11 full months have passed following the month in which the last pneumococcal vaccine was administered)

- All people with Medicare are eligible
- No copayment or deductible for the vaccines with Original Medicare if provider accepts assignment



Part D Costs in 2016

- **Average Monthly Premiums-** \$32.50
- **Annual Deductible-** \$0-\$360
- **Copays-** 25% or flat copay amounts based on formulary
- **Coverage Gap** (doughnut hole)- \$3,310-\$7,062 in total drug costs.
- Coverage Gap discounts: 55% discount on brand name medications and 42% discount on generic medications during the coverage gap
- Discounts to increase each year until gap is closed in 2020
- **Catastrophic Coverage-** Approx. 5% copay after coverage gap

Things to Consider

- All plans have a different cost structure!
- Late enrollees may incur a 1% penalty for each month of delay
- Those with limited incomes/resources may qualify for extra help (Limited Income Subsidy-LIS) through the Social Security Administration



Standard Part D Benefit Parameters

Benefit Parameters	2015	2016
Deductible	\$320	\$360
Initial Coverage Limit	\$2,960	\$3,310
Out-of-Pocket Threshold	\$4,700	\$4,850
Total Covered Drug Spending at OOP Threshold	\$6,680	\$7,062.50
Minimum Cost-Sharing in Catastrophic Coverage	\$2.65/\$6.60	\$2.95/\$7.40
Extra Help Copayments	2015	2016
Institutionalized	\$0	\$0
Receiving Home and Community-Based Services	\$0	\$0
Up to or at 100% Federal Poverty Level (FPL)	\$1.20/\$3.60	\$1.20/\$3.60
Full Extra Help	\$2.65/\$6.65	\$2.95/\$7.40
Partial Extra Help (Deductible/Cost-Sharing)	\$66/15%	\$74/15%

Part D Coverage Gap

- If you reach the coverage gap in 2016
 - You get a 55% discount on brand-name Rx drugs
 - You get a 42% discount for generic drugs
- Additional savings in coverage gap each year
- Gap to be closed in 2020



Closing the Coverage Gap

Year	Discount on Brand-Name Drugs in the Coverage Gap	Discount on Generic Drugs in the Coverage Gap
2016	55%	42%
2017	60%	49%
2018	65%	56%
2019	70%	63%
2020	75%	75%



Pharmacy Selection

Network pharmacies

- Pharmacies that have agreed to provide members of certain Medicare plans with services and supplies at a discounted price. In some Medicare plans, your prescriptions are only covered if you get them filled at network pharmacies.

Preferred pharmacy

- A pharmacy that's part of a Medicare drug plan's network. You pay lower out-of-pocket costs if you get your prescription drugs from a preferred pharmacy instead of a non-preferred pharmacy.

Non-preferred pharmacy

- A pharmacy that's part of a Medicare drug plan's network, but isn't a preferred pharmacy. You may pay higher out-of-pocket costs if you get your prescription drugs from a non-preferred pharmacy instead of a preferred pharmacy.



Access to Preferred Cost Sharing

- Over 70% of standalone Part D plans offer preferred (lower) cost sharing
 - Must use a subset of pharmacies in a plan's network to get lower costs
 - Concern that beneficiaries may not have meaningful or convenient access to preferred pharmacies
- CMS is studying beneficiary access to preferred cost sharing
 - Based on the results, CMS may set standards for network adequacy



2016 Low Income Subsidy (Extra Help)

Anyone with Medicare can join a Part D plan but some may qualify for Extra Help to pay the out of pocket costs

- Reduced or NO Premium
- Reduced or NO Deductible
- No more than 15% copays

NO DOUGHNUT HOLE

Income:

single- \$1,471

married \$1,991

Resources:

single- \$13,640

married-\$27,250



Medicare Advantage Plan

Provider Networks

- MA Plans choose their provider networks and may make network changes at any time
- If making changes, MA Plans must continue to
 - Provide all Medicare-covered services
 - Meet access, availability and timely notice standards
 - Ensure continuity of care for enrollees
- Recent significant mid-year changes caused problems for beneficiaries and prompted CMS to reexamine current guidance



Mid-Year Provider Network Changes

- Beginning in CY 2015
 - Plans must notify CMS at least 90-days prior to significant provider network changes for no cause
 - Affected enrollees may be eligible for an SEP
- Notice to beneficiaries
 - Plans must provide enrollees at least 30 days advance notice of significant network changes
 - New language in ANOC/EOC will explain enrollee rights related to mid-year provider network changes



Low-Performing Plan (LPP) Termination

- CMS will terminate consistently low-performing plans (LPPs) effective December 31, 2016
 - If plan receives Part C **or** Part D summary score of less than 3 stars for three consecutive years
- Affected plans will be notified by CMS in February 2016
 - LPPs shown with icon on Medicare Plan Finder 



2015 Medicare Savings Programs

Qualified Medicare Beneficiary (QMB)

The QMB program acts like a free Medicare supplement policy. QMB pays: part B premium, all deductibles and coinsurance that Medicare does not pay

QMB Eligibility	Single	Married
Monthly income:	\$ 1001	\$1,348
Total resources:	\$ 7,280	\$10,930

Specified Low Income Medicare Beneficiary (SLMB)

SLMB pays the Medicare Part B premium

SLMB Eligibility	Single	Married
Monthly income:	\$ 1,197	\$ 1,613
Total resources:	\$ 7,280	\$10,930

Qualified Individual (QI) - QI pays the Medicare Part B premium

QI Eligibility	Single	Married
Monthly income:	\$ 1,345	\$ 1,813
Total resources:	\$ 7,280	\$10,930



OPERS

- Group Humana Medicare Advantage Plan with Express Scripps drug coverage terminating 12/31/15
- Members will use One Exchange to select individual Medicare product
 - Original Medicare/Medigap/Part D
 - Medicare Advantage Plan
- OPERS will provide HRA allowance to offset cost of chosen plan
 - Members must enroll in healthcare through One Exchange to receive reimbursement



Health Savings Accounts vs Health Reimbursement Accounts

HSA

- Funds pay medical expenses
 - Deductibles, copays, etc
- Employer and employee contribute funds
- Unused funds roll over
- Generally linked to High Deductible Health Plan
- Cannot **contribute** to HSA once on Medicare
 - Existing funds can be used for Medicare expenses

HRA

- Funds reimburse paid health care expenses
 - Premiums, copays, etc
- Employee cannot contribute own funds into account
- Unused funds roll over
- Spouse can use account funds for healthcare expenses
- Can use if on Medicare



MACRA:

Medicare Access and CHIP Reauthorization Act Medicare Provisions

- Extension of therapy cap exceptions process
 - Until January 1, 2018, and reforms the process of medical manual review to help support the integrity of the Medicare program
- Extension for specialized Medicare Advantage (MA) Plans for special needs individuals (Special Needs Plans)
 - This provision extends authority for SNPs through December 31, 2018
- Permanent extension of the Qualifying Individual (QI) program



MACRA con't

- Higher income thresholds starting in 2018 for determining Part B and Part D premium subsidies
- Beginning in 2020, more people will pay higher Part B and Part D premiums due to a change in the indexing of income thresholds



MACRA (con't)

Strengthening Medicare's ability to fight fraud and build on existing program integrity policies:

- Prohibiting Social Security numbers on Medicare cards (no later than 4 years after enactment)
- Preventing payments for items and services furnished to incarcerated individuals, individuals not lawfully present, and deceased individuals
- Modifying Medicare Durable Medical Equipment Face-to-Face Encounter Documentation Requirement
- Requiring Valid Prescriber National Provider Identifiers on Pharmacy Claims (starting plan year 2016)
- Option to Receive Medicare Summary Notice Electronically (starting in Fall of 2015)



Med Sup changes

Limitation on certain Medigap policies for people newly eligible for Medicare on or after January 1, 2020

- Medigap policies sold to newly eligible Medicare beneficiaries
 - Will no longer provide coverage for the Part B deductible
 - Newly eligible means an individual who, before January 1, 2020, is neither 65, nor has Part A
- Plans C and F will become Plans D and G respectively for policies sold to those newly eligible
 - Policies bought before January 1, 2020, won't be affected

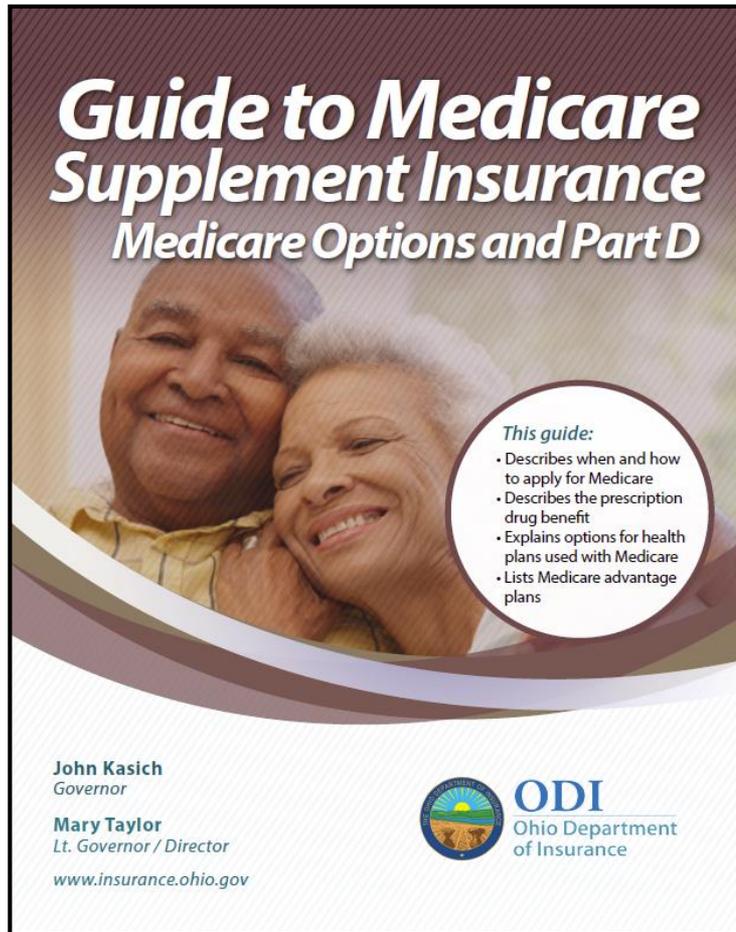


Medicare Advantage Rewards

- Expands rewards and incentive programs
- Applies to Medicare Advantage Organizations
- Focus on encouraging participation in activities that promote
 - Improved health
 - Prevention of injuries and illness
 - Efficient use of health care resources



Thank you for your time and attention.



Questions?



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