



# From A to D: Understanding Medicare Programs and Terms

April 4, 2019

**Presented By:** **Michelle Weiss, CHONC**  
**President, Weiss Oncology Consulting**

# Today's Agenda

- \* Medicare Basics
- \* Medicare Coverage Options
- \* Addressing Out of Pocket Costs
- \* Some Reimbursement Rules for Oncology Care

# Medicare Basics

# What is Medicare?

- \* National health insurance program for people 65+
  - \* Also for people with certain disabilities or end-stage kidney failure
    - \* NOTE: You must be disabled for 24 months to qualify!!!
- \* Administered by the Centers for Medicare and Medicaid Services (CMS)



We Handle the Rest



**Centers for Medicare & Medicaid Services (CMS)** administers the Medicare Program

# Four Parts of Medicare

- \* Part A – Hospital Insurance
  - \* Helps cover...
    - \* Inpatient care in hospitals
    - \* Skilled nursing facility care
    - \* Home health care
    - \* Hospice care
      - \* Interdisciplinary team provides services for those with a life expectancy of 6 months or less
      - \* Sign an election statement for hospice
      - \* Focus is on comfort and pain relief and not cure
      - \* Covers many things that traditional Medicare does not cover including dietary, spiritual and grief counseling, social worker, hospice aid and homemaker services, medical equipment and supplies...
  - \* **OF NOTE: Part B Medicare pays most of your doctor visits when you are an inpatient**



# Four Parts of Medicare

- \* Part B – Medical Insurance

- \* Helps cover...
  - \* Services from doctors and other health care providers
  - \* Outpatient care
  - \* Clinical Lab Tests
  - \* Home health care
    - \* When inpatient stay doesn't precede the need for home health care
  - \* Durable medical equipment
    - \* Like wheelchairs, walkers, hospital beds, other equipment and supplies
  - \* Many preventative services like screenings, immunizations, yearly “wellness” visits



# Four Parts of Medicare

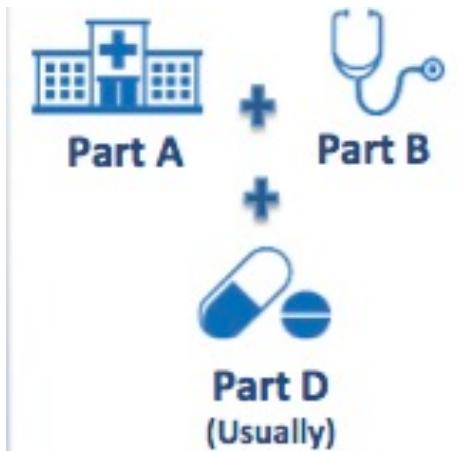
- \* Part D – Prescription Drug Coverage
  - \* Helps cover...
    - \* Cost of prescription drugs
  - \* NOTE: Part D plans are run by private insurance companies which follow rules set by Medicare



# Four Parts of Medicare

- \* What about Part C?

- \* Part C – Medicare Advantage
  - \* Provided by a private insurance company that contracts with Medicare
  - \* An “all in one” alternative to original Medicare and includes Part A, Part B, and usually Part D
  - \* Some plans offer extra benefits like vision, hearing or dental
  - \* Many different types (HMOs, PPOs, etc)
    - \* Which may require specific doctors or hospitals, prior authorizations
  - \* Costs vary by plan and have different annual deductible, coinsurance and copayment amounts



# What Doesn't Medicare Cover?

- \* Some items include...
  - \* Items or services deemed “not medically necessary”
  - \* Private hospital room (unless medically necessary)
  - \* Private-duty nursing
  - \* Television and phone in hospital room
  - \* Acupuncture
  - \* Dental (routine) or Dentures
  - \* Hearing aids
  - \* Eye exams related to prescribing glasses



# Medicare Coverage Options

# Two Main Medicare Coverage Options

## Option 1: Original Medicare

This includes Part A and/or Part B.



Part A

Hospital Insurance



Part B

Medical Insurance

You can add:



Part D

Medicare prescription drug coverage

You can also add:



Medigap

Medicare Supplement Insurance

## Option 2: Medicare Advantage (Part C)

These plans are like HMOs or PPOs and typically include Part D.



Part A

Hospital Insurance



Part B

Medical Insurance



Part D

Medicare prescription drug coverage

# Option 1: Traditional Medicare



You can also add:

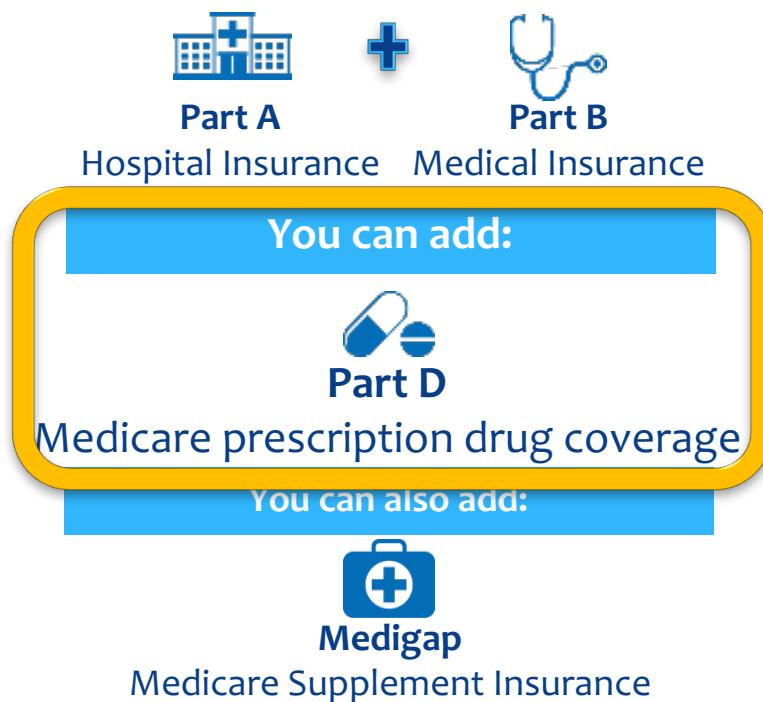


- Original Medicare is Part A (Hospital Insurance) and/or Part B (Medical Insurance)
- Medicare provides coverage
- You have your choice of doctors, hospitals, and other providers that are accepting Medicare patients
  - Costs are affected by whether or not they accept **assignment**
    - An agreement by your doctor, provider, or supplier to be paid directly by Medicare, to accept the payment amount Medicare approves for the service, and not to bill you for any more than the Medicare deductible and coinsurance

# 2019 Part A & Part B Cost

- \* Part A
  - \* Usually there is no monthly premium for Part A coverage if you or your spouse paid Medicare taxes
    - \* If you have to buy Part A - \$437 monthly in 2019
- \* Part B
  - \* Standard premium in 2019 is \$135.50
    - \* There is an additional 10% penalty if you could have had Part B but didn't sign up right away

# You Can Add Prescription Coverage Part D



- Available for all people with Medicare
- Run by private companies that contract with Medicare
- Provided through
  - Medicare Prescription Drug Plans (PDPs) (work with Original Medicare)
  - Medicare Advantage Prescription Drug Plans (MA-PDs)

# Part D, cont.,

- \* Plans have formularies (lists of certain covered drugs)
  - \* Must include range of drugs in each category
  - \* Include generic and brand-name drugs
- \* You can choose a plan and join
  - \* May pay a lifetime penalty if you join later and didn't have "creditable coverage"
    - \* No more than a 63-day gap
- \* Costs vary by plan
- \* Some programs available to help people with low incomes
  - \* No late enrollment penalty if you qualify



Part D  
Medicare  
prescription  
drug coverage

# Part D Cost

- \* Varies by plan
- \* Can range between \$15.00 to \$40.00 per month
  
- \* Watch out for...
  - \* Annual limits
  - \* Deductibles
  - \* Copay amounts
  - \* Restrictions

# You Can Add Supplemental Coverage “Medigap”



Part A



Part B

Hospital Insurance Medical Insurance

You can add:



Part D

Medicare prescription drug coverage

You can also add:



Medigap

Medicare Supplement Insurance

- \* Medigap is private health insurance that supplements Original Medicare
  - \* Helps pay your out-of-pocket costs like your deductible and 20% coinsurance
  - You must have Part A and Part B
  - Helps pay some health care costs that Original Medicare doesn't cover
  - Medicare will pay its share of the Medicare-approved amounts for covered health care costs
    - Then your Medigap policy pays its share
  - **A Medigap policy covers one person**
- \* You pay a monthly premium for the Medigap policy
- \* You pay your Medicare Part B premium

# Medigap Basic Benefits



Medigap  
Medicare  
Supplement  
Insurance

**Medicare Part A  
coinsurance and  
hospital costs (up to an  
additional 365 days  
after Medicare benefits  
are used)**

**The Part A hospice care  
coinsurance or  
copayment**

**All Medigap  
Plans Cover**

**Blood (first 3 pints)**

**Medicare Part B  
coinsurance or  
copayment**

# Medigap, cont.,

- \* Standardized plans identified by a letter
  - \* Except in MA, MN, WI (waiver states)
- \* Plans with same letter must offer all the same benefits
- \* Companies don't have to offer all plans



**Medigap**  
Medicare  
Supplement  
Insurance

| Plans Currently Sold             | Plans that Exist, But Are No Longer Sold |
|----------------------------------|--|
| A, B, C, D, F, G, K, L, M, and N | E, H, I, and J                           |

# Medigap Plans cont.,

**Important!**

Starting January 1, 2020, Medigap plans sold to new people with Medicare won't be allowed to cover the Part B deductible. Because of this, Plans C and F will no longer be available to people new to Medicare starting on January 1, 2020. If you already have either of these 2 plans (or the high deductible version of Plan F) or are covered by one of these plans before January 1, 2020, you'll be able to keep your plan. If you were eligible for Medicare before January 1, 2020, but not yet enrolled, you may be able to buy one of these plans.

# Comparing Medigap Policies

| Benefits   | Medicare Supplement Insurance (Medigap) plans |      |      |      |      |      |      |      |      |         |
|--|---|------|------|------|------|------|------|------|------|---------|
|  | A   | B    | C    | D    | F*   | G    | K    | L    | M    | N       |
| Medicare Part A<br><i>coinsurance</i> and<br>hospital costs (up<br>to an additional 365<br>days after Medicare<br>benefits are used) | 100%  | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100%    |
| Medicare Part B<br><i>coinsurance or<br/>copayment</i>   | 100%  | 100% | 100% | 100% | 100% | 100% | 50%  | 75%  | 100% | 100%*** |
| Blood (first 3 pints)  | 100%  | 100% | 100% | 100% | 100% | 100% | 50%  | 75%  | 100% | 100%    |
| Part A hospice care<br><i>coinsurance or<br/>copayment</i>   | 100%  | 100% | 100% | 100% | 100% | 100% | 50%  | 75%  | 100% | 100%    |
| Skilled nursing facility<br>care <i>coinsurance</i>  |   |      | 100% | 100% | 100% | 100% | 50%  | 75%  | 100% | 100%    |
| Part A <i>deductible</i>   |   | 100% | 100% | 100% | 100% | 100% | 50%  | 75%  | 50%  | 100%    |
| Part B deductible  |   |      | 100% |      | 100% |      |      |      |      |         |
| Part B excess charges  |   |      |      |      | 100% | 100% |      |      |      |         |
| Foreign travel<br>emergency (up to<br>plan limits)   |   |      | 80%  | 80%  | 80%  | 80%  |      |      | 80%  | 80%     |

# Medigap Cost

- \* Cost of Medigap plans vary significantly due to
  - \* Your age
  - \* Where you live
  - \* Company providing the policy
  - \* Which plan you buy
  - \* Medical underwriting
    - \* Uses your medical history to decide whether to accept your application , add a waiting period for a pre-existing condition (if allowed in your state)
  - \* Discounts offered (like non-smoking, etc)
  - \* And more....
- \* Average monthly premium is between \$68 and \$449
  - \* Plan F (High Deductible) average monthly premium is \$68
  - \* Plan B average monthly premium is \$449

# Option 2: Medicare Advantage

- \* Bundled Plan
  - \* Usually includes Part D (prescription coverage)

**Part A**



**Part B**



**Most plans include:**

**Part D**

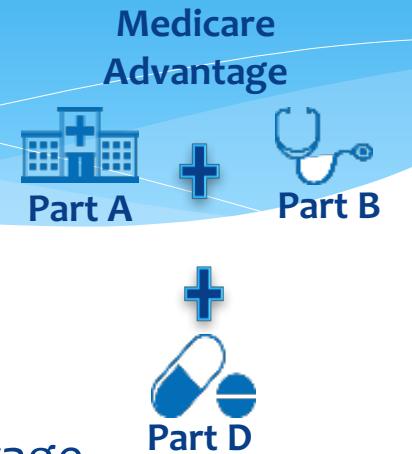


**Some plans also include:**

**Lower out-of-pocket costs**

**Extra benefits**

# Medicare Advantage



- \* If you join an MA Plan you
  - \* Are still in Medicare with all rights and protections
  - \* Still get those services covered by Part A and Part B
    - \* But the MA Plan covers those services instead
  - \* May choose a plan that includes prescription drug coverage
    - \* May have different benefits and cost-sharing
  - \* Can't charge more for certain services than Original Medicare
    - \* Includes chemotherapy!
  - \* Have a yearly limit on your out-of-pocket costs for medical services
    - Once you reach this limit, you'll pay nothing for covered services
    - 2019 Maximum limit is \$6,700 (some plans have less)
  - \* May choose a plan that includes extra benefits
    - \* Such as vision or dental offered at the plan's expense (not covered by Medicare)
  - \* Can't use a Medigap policy to supplement your coverage

# Medicare Advantage Cost

- \* Pricing vary depending on the type of plan and your state
  - \* Average premiums in 2019 is between \$0.00 to high \$300 per month
- \* **OF NOTE: You must also continue to pay your Part B premium!**
  - \* **Some plans pay your premium on your behalf**

# Traditional Medicare vs Medicare Advantage



## Doctor and hospital choice

| Original Medicare   | Medicare Advantage  |
|---|---|
| You can go to <b>any doctor that accepts Medicare</b> .             | In most cases, you'll need to use <b>doctors who are in the plan's network</b> (for non-emergency or non-urgent care). Ask your doctor if they participate in any Medicare Advantage Plans. |
| In most cases you <b>don't need</b> a referral to see a specialist. | You <b>may need</b> to get a referral to see a specialist.  |

# Traditional Medicare vs Medicare Advantage



## Cost

| Original Medicare  | Medicare Advantage  |
|--|---|
| For Part B-covered services, <b>you usually pay 20% of the Medicare-approved amount</b> after you meet your deductible.                      | <b>Out-of-pocket costs vary</b> —some plans have low or no out-of-pocket costs.   |
| You <b>pay a premium (monthly payment) for Part B</b> . If you choose to buy prescription drug coverage, you'll pay that premium separately. | You may <b>pay a premium for the plan</b> (most include prescription drug coverage) <b>and a premium for Part B</b> . Some plans have a \$0 premium or will help pay all or part of your Part B premium.                          |
| There's <b>no yearly limit</b> on what you pay out-of-pocket.  | Plans have a <b>yearly limit</b> on what you pay out-of-pocket for Medicare Part A and B covered services. Once you reach your plan's limit, you'll pay nothing for Part A- and Part B-covered services for the rest of the year. |
| You <b>can buy</b> supplemental coverage to help pay your out-of-pocket costs (like your deductible and 20% coinsurance).                    | You <b>can't buy or use</b> separate supplemental coverage—but some plans have lower out-of-pocket costs than Original Medicare.  |

# Traditional Medicare vs Medicare Advantage



## Coverage

| Original Medicare  | Medicare Advantage  |
|--|---|
| Original Medicare covers medical services and supplies in hospitals, doctors' offices, and other health care settings. | Plans must cover all of the services that Original Medicare covers. Some plans <b>offer extra benefits that Original Medicare doesn't cover</b> —like vision, hearing, or dental. |
| You can join a <b>separate Medicare Prescription Drug Plan</b> to get drug coverage.                                   | <b>Prescription drug coverage is included</b> in most plans.  |
| In most cases, you don't have to get a service or supply approved ahead of time for it to be covered.                  | In some cases, you have to get a service or supply approved ahead of time for it to be covered by the plan.   |

# Addressing Out-of-Pocket Cost

# Beyond the Monthly Premium

## What are the costs?

- \* Part A
  - \* Deductible - \$1,364
  - \* Hospital Stay -
    - \* \$341 per day for days 61 – 90
    - \* \$682 per “Lifetime Reserve Day” after day 90
      - \* \*\*Lifetime reserve days for 2019 = 60
    - \* You pay all costs for each day after you use all the lifetime reserve days
- \* Part B
  - \* Deductible - \$185.00
  - \* After deductible is met – typically you pay 20% of the approved amount
  - \* Preventive Care –Certain preventative care paid at 100%
  - \* Lab – paid at 100%
- \* Part C – Varies by plan
  - \* Maximum out of pocket limit is \$6,700 (Does not include monthly premium)
- \* Part D – Varies by plan

# Financial Navigation

- \* Many outpatient hospital facilities and doctors offices have people to help you determine and address your out of pocket costs **PRIOR TO TREATMENT!**
- \* There are many organizations that help patients with the costs
  - \* Some don't have income limitations
  - \* Some manufacturers will supply free drug for those that qualify
  - \* Some organizations also offer other assistance like housing, travel, rides to the hospital or doctor's office, babysitting and housekeeping services, so much more...

# Financial Navigation

- \* Some common organizations include;
  - \* Patient Assistance Network Foundation
  - \* CancerCare CoPayment Assistance Foundation
  - \* Cancer Financial Assistance Coalition
  - \* HealthWell Foundation
  - \* Leukemia and Lymphoma Society
  - \* NeedyMeds
  - \* Patient Advocate Foundation
  - \* AND MANY MORE.....
- \* DO NOT HESITATE TO ASK FOR SUPPORT!!!

# Some Reimbursement Rules for Oncology Care

# Medical Necessity “Clinical Evidence”

- \* Medical necessity is the concept that healthcare services and supplies must be necessary and appropriate for the evaluation and management of a given disease, condition, illness, or injury
- \* The care must be considered reasonable when judged against current medical standards of care

# FDA Drug Approvals



- \* In the United States the FDA approves drugs for use
  - \* Before a drug can be prescribed it must undergo the FDA's approval process
    - \* Companies submit evidence to the FDA
- \* FDA approves the labeling
  - \* Prescribing information
  - \* Package insert
    - \* Indications and Usage
    - \* Dosage and Administration
    - \* Dosage forms and Strengths
    - \* Contraindications and warnings
    - \* And more....

# Un-labeled Use of a Drug

- \* From the FDA perspective, once the FDA approves a drug, healthcare providers generally may prescribe the drug for an unapproved use when they judge that it is medically appropriate for their patient based on clinical evidence
  - \* Common in chemotherapy
  - \* Many, many off-label indications listed within the cancer guidelines

# Clinical Guidelines



National Comprehensive  
Cancer Network®

- \* Most common guidelines utilized in medical oncology are the National Comprehensive Cancer Network (NCCN)
  - \* The evidence-based clinical guidelines updated at least weekly
  - \* 97% of all cancers are within the guidelines
- \* Medicare recognizes NCCN for coverage
  - \* “*Indications that the NCCN Drugs and Biologics Compendium™ lists as “Recommended” will be considered medically accepted indications for the purposes of determining coverage policy*”

# Questions?



Excellent Reference:  
Medicare & You  
Located on the  
Medicare.gov Website!

