



LOS ANGELES COUNTY COMMISSION ON HIV

**Medicare
Part B**
3/12/09 Final Update

Information on Medicare Part B Program/Premiums

In December 2008 the State of California, Department of Health Care Services (DHCS) stopped paying Medicare Part B premiums for dually eligible (Medicare and Medi-Cal) beneficiaries with a Medi-Cal Share-of-Cost (SOC) over \$500.

In an effort to provide temporary relief to people impacted by this change, the Commission on HIV and the Office of AIDS Programs and Policy (OAPP) established a Medicare Part B Gap Assistance program that provided food vouchers in January/February 2009 to offset the cuts. The food vouchers were intended to help patients who would have to absorb the cost of the new premium payments through the holidays. During that time, the Commission and OAPP worked hard to find another, longer-term solution. However, in these times of economic crisis, no alternatives could be found.

The Commission and OAPP extend their thanks to the organizations that participated in this program by distributing food vouchers to eligible clients:

- **AIDS Project Los Angeles;**
- **AIDS Service Center;**
- **AltaMed Health Services;**
- **CARE Program, St. Mary's Medical Center;**
- **Northeast Valley Healthcare Corp.**

Although the food voucher program ended on February 28, 2009, the Commission and OAPP have created the following informational brief to provide information that will help people impacted by the cuts make informed decisions about their medical outpatient coverage.

What is Medicare Part B? Medicare Part B refers to the outpatient coverage you receive from Medicare. Outpatient coverage is extremely important to persons with HIV/AIDS as it pays for your doctor/clinic visits, outpatient labs, x-rays/scans and for certain types of medical equipment.

What other coverage do I receive from Medicare? Medicare separates health care coverage into various "Parts":

- **Part A** refers to inpatient or "hospital" coverage;
- **Part B** refers to outpatient coverage;
- **Part D** refers to prescription drug coverage;

or

- **Part C:** some patients opt to assign their Medicare coverage to a managed care plan such as Kaiser or Health Net. Medicare refers to these managed care plans as "Medicare Advantage" plans. When people assign their Medicare coverage to managed care plans, they have opted to receive their Medicare Part A, B, and D coverage from those plans.

How does my Medi-Cal coverage work with my Medicare? When you are dually enrolled in Medicare and Medi-Cal, Medicare is your primary coverage and Medi-Cal acts as your secondary coverage.

POLICY BRIEF

If you have a Medi-Cal SOC, you will be responsible for a portion of your healthcare costs before Medi-Cal will pay.

What happens if I drop my Part B coverage and do not pay \$96.40 for the monthly premium? In almost all cases, dropping your Part B coverage is not a good option.

The consequences of dropping your coverage will vary depending on your individual situation. It is important to be aware that dropping Part B coverage may change which providers you are allowed to visit.

Example #1: Eligible for Medicare and Medi-Cal with a SOC, not enrolled in a Medicare Advantage plan:

If you drop your Part B coverage, Medi-Cal will become your primary outpatient coverage after you incur (pay or agree to pay) your Medi-Cal SOC in any month that you receive outpatient care.

For example: Paul is enrolled in Medicare and Medi-Cal. He has a monthly SOC of \$550. Paul dropped his Medicare Part B coverage. Paul has several medical appointments in April, including a physician visit and several lab tests. The total billable cost of Paul's services is \$1600. Paul is responsible for \$550 of his \$1600 medical bill (his SOC) and Medi-Cal pays \$1050.

Example #2: Eligible for Medicare and Medi-Cal with a SOC, **enrolled** in a Medicare Advantage plan:

If you drop your Part B coverage, Medi-Cal will become your primary outpatient coverage after you incur (pay or agree to pay) your Medi-Cal SOC in any month that you receive outpatient care.

Example: Cristina opted to assign her Medicare to a managed care plan and is enrolled in Kaiser's Senior Advantage Medicare plan. Cristina decides to drop her Part B coverage. Once she drops the coverage, she is no longer eligible to receive care from Kaiser Senior Advantage and she must find new medical providers who are willing to accept Medi-Cal coverage. Just like Ken, Cristina will be responsible for her Medi-Cal SOC before Medi-Cal pays for her monthly outpatient costs.

If I drop my Part B coverage for a few months, can I re-enroll at any time?

No. Medicare typically has a specific open enrollment period each year called the "General Enrollment Period". The General Enrollment Period is from January 1-March 31st. Once you enroll, your Part B coverage will begin the following July 1st. It is important to note that in most cases, you will be charged a monthly penalty for the months that you were eligible for Part B but were not enrolled.

Are there any programs that will pay my Part B premiums? The following details several programs which might help people with their premium and other health care costs:

Medicare Savings Programs: There are three Medicare Savings programs designed to help people of limited resources with their Medicare out-of-pocket costs—including their Part B premiums. Although DHCS has instructed local Medi-Cal offices to screen for eligibility, it is recommended that people take the initiative to apply. To qualify for a Medicare Savings Program, the following criteria must be met:

- Monthly income must be below 135% of the Federal Poverty Level (\$1170 for an individual in 2008).
- Must be eligible for Medi-Cal **or** have assets below \$4,000/individual or \$6,000/couple.
- Must be enrolled in both Medicare Parts A and B.

Applications must be made at the individual's local Medi-Cal office. Specific offices can be located by calling 866.613.3777 or checking the website at <http://dpss.lacounty.gov>.

250% Working Disabled Medi-Cal Program (WDP): WDP is not a premium payment program per se, but DHCS will pay the Part B premium for people who are enrolled in this program. WDP is a Medi-Cal program designed for people who are participating in any type of work activity. Once enrolled in WDP, the individual's SOC is eliminated. Instead, the individual pays a monthly premium based on their monthly earnings. The monthly premiums range between \$20 - \$250. The WDP does not stipulate any "formal" employment requirements or minimum hourly work requirements. Because people enrolled in WDP qualify for Medi-Cal with no SOC, DHCS will continue to pay the Medicare Part B premiums. In order to apply for the WDP, an individual must contact their assigned Medi-Cal worker. As noted previously, you can find your worker's name/number by calling 866.613.3777.

Medi-Cal Share-of-Cost (SOC): DHCS will pay Part B premiums in any month that an individual's out-of-pocket medical expenses equal the amount of their Medi-Cal share-of-cost. In these instances, DHCS will refund the Part B premium amount. The refund will appear in a future Social Security check. Below is a typical scenario:

- Jim's Medi-Cal SOC is \$700.
- Jim undergoes a major dental procedure in December.
- The dental procedure costs \$2000. Joe is responsible for \$700 of the dental bill (his SOC); Medi-Cal pays the remainder of the bill.

- Because Joe incurred his Medi-Cal share-of-cost in December, Medi-Cal will pay his Part B premium in the form of a refund.
- The refund will be added to his monthly Social Security payment in a later month.

Resources:

- California DHCS, 800.952.5294
www.dhs.ca.gov
- Medicare: www.medicare.gov
- SSA, 800.772.1213
www.socialsecurity.gov

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