

Medicare and ESRD: What You Need to Know

Presented by Contra Costa County

Health Insurance Counseling and Advocacy Program

HICAP



CONTRA COSTA COUNTY

EMPLOYMENT & HUMAN SERVICES



Navigating Medicare

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What is HICAP?

Health Insurance Counseling and Advocacy Program

- All things Medicare
 - Education, Counseling & Advocacy
- Primarily a Volunteer Organization
 - Initial and Ongoing Training
 - Registered with California Department of Aging
- Funded by California and Federal Gov't
- No affiliation with Insurance Companies
 - No Policies Sold or Endorsed
- Free to you!

After This Course You Will Know

- ESRD Medicare eligibility and enrollment rules
- ESRD Medicare costs and covered services
 - Dialysis
 - Kidney transplants
 - Immunosuppressant drugs
- ESRD Medicare and other insurance
 - 30-month coordination period
 - Strategies for when to enroll
- ESRD Medicare + Medicare Advantage Plans and Medigaps
- ESRD and the Affordable Care Act
- Medicare assistance programs
- Where to get more help

Who is Eligible for Medicare?

Medicare is individual health insurance for:

- Persons age 65 and older
 - Citizen or Legally in USA for > 5 years
 - You do not have to be retired or eligible for full Social Security retirement benefits
- Persons under age 65 if disabled
 - SSA disability (SSDI) > 24 months OR
- Persons with ESRD or ALS – Special Rules!

Note: Eligibility, enrollment and coordination of benefits work differently for ESRD Medicare than for Medicare based on age or disability. However, Medicare covers medical care for ESRD the same way as it covers care for people with Medicare due to age or disability.

The Basics of Medicare

Part A

Inpatient
Hospital

Part B

Outpatient
& Doctors



Part C

Medicare
Advantage
Plans

Part D

Prescription
Drug
Plans

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Medicare Eligibility and Enrollment for ESRD Patients (ESRD Medicare)

ESRD Medicare eligibility



Individual must

- Be under 65
- Have a diagnosis of ESRD, or permanent kidney failure that requires dialysis or transplant
- Have enough work history
 - Individual can use family member's work history to qualify for ESRD Medicare
 - Contact Social Security (800-772-1213) to learn more



Children and ESRD

- Children with ESRD can enroll in Medicare if a parent has enough work history
 - Parent earned at least 6 credits of work history within last 3 years
 - Parents is eligible for or receives Social Security or Railroad Retirement board benefits
- Someone is considered a child if they are
 - Unmarried and age 21 or younger
 - Age 22 – 25, unmarried, and received support from parents
 - Adult dependent child, a person who was determined disabled before age 22, but is now an adult



ESRD Medicare Enrollment

- Individuals must actively enroll in ESRD Medicare through Social Security Administration
- Doctor or dialysis center sends verification paperwork to Social Security
- Contact Social Security for application, form CMS-43
- Family member or other party can enroll individual on their behalf

When does ESRD Medicare eligibility start?

- Type of treatment determines when individual is eligible to enroll in ESRD Medicare



| Type of treatment | Eligible to enroll in Medicare | Notes |
|---|--|--|
| Inpatient or outpatient dialysis | Starting 1 st day of 4 th month of dialysis | 3-month waiting period starts with first month individual receives dialysis, even if individual decides not to enroll in Medicare in the 4 th month |
| Home dialysis program (also known as self-dialysis) | Starting 1 st day of the 1 st month of training program | Doctor must expect that individual can complete training program and continue dialysis once training program ends |
| Kidney transplant | Starting month individual is admitted to Medicare-approved hospital for transplant, or for health care services needed before transplant | Individual must receive transplant within 2 months following beginning of coverage |

Ending ESRD Medicare

ESRD Medicare can end in two circumstances

- Beneficiary no longer needs dialysis
 - Coverage lasts for 12 months after the month of last dialysis treatment
- Beneficiary has successful kidney transplant
 - Transplant considered successful if it lasts for 36 months without rejection
- Coverage continues if
 - Beneficiary starts receiving dialysis again within 12 months after stopping dialysis
 - Beneficiary gets a kidney transplant within 12 months of coverage ending
- Beneficiary who qualifies for ESRD Medicare again does not have a waiting period for coverage to start
 - Coverage resumes on first of month that they start dialysis again or on first of month they have kidney transplant
- If beneficiary has Medicare due to age or disability, Medicare coverage will not end if they stop dialysis or have a successful kidney transplant.

When to enroll in ESRD Medicare

- Can enroll in Part A and Part B at any time if eligible
- But**
- Individual should enroll in Part A and Part B at **the same time**
 - Part A is retroactive up to 12 months
 - Cannot start before individual was eligible for ESRD Medicare
 - Part B enrollment is connected to Part A enrollment
 - Part B can be retroactive
 - If Part A is retroactive more than 6 months, individual can choose to have Part B begin the month they submit application



Enrollment strategies

- If individual already has Medicare due to age or disability, **they do not have to enroll in ESRD Medicare**

Sometimes it is beneficial to also enroll in ESRD Medicare

1. ESRD Medicare can be retroactive up to 1 year. Individual can enroll in ESRD Medicare if they need an **earlier start date** than the one for age- or disability-related Medicare
 2. Enrolling in ESRD **eliminates a late enrollment penalty**. Individual gets a second Initial Enrollment Period to enroll in ESRD Medicare
 3. If individual is receiving Social Security Disability Insurance (SSDI) and becomes eligible for ESRD Medicare, they can enroll in ESRD Medicare and **avoid the 24-month waiting period** for Medicare due to disability
- If an individual has ESRD Medicare first they **should** enroll in age- or disability-related Medicare when they become eligible

Medicare Costs and Coverage for ESRD

Costs Related To Original Medicare Parts A & B In 2023

| | Part A | Part B |
|---------------------|---|--|
| Premium | <ul style="list-style-type: none"> Free if ≥ 40 quarters of work (your or spouse's work record) Can buy coverage if insufficient work history | <ul style="list-style-type: none"> \$164.⁹⁰ monthly premium Surcharge for higher income -2 year look back but can adjust for life changing events (e.g. retiring) |
| Cost-sharing | <ul style="list-style-type: none"> Hospital deductible: \$1,600 per benefit period Inpatient Hospital and related Skilled Nursing Care copays | <ul style="list-style-type: none"> Annual deductible = \$226 20% coinsurance for most services No 'Cap' on costs (i.e. Chemo, Dialysis) |

Assistance Programs for Low Income and Assets
Contact HICAP



Medicare coverage of ESRD treatment

- Kidney transplants
- Immunosuppressant drugs after kidney transplant (type of coverage based on whether individual had Medicare at time of transplant)
- Hospital inpatient dialysis
- Outpatient dialysis from Medicare-certified hospital or free-standing dialysis facility
- Home dialysis training and equipment from a facility
 - Training for individual and any caregivers
 - Home dialysis equipment and supplies
 - Medications related to treatment
- Medicare also covers usual Medicare-covered services and items that are unrelated to ESRD

Inpatient kidney transplant coverage

| Part of Medicare | Services covered | Beneficiary pays |
|------------------|--|---|
| Part A | <ul style="list-style-type: none"> Inpatient kidney transplant at Medicare-approved facility Inpatient dialysis if necessary | Part A hospital deductible Daily hospital coinsurance after day 60 |
| Part B | <ul style="list-style-type: none"> Physicians' fees, such as transplant surgeons and anesthesiologists | 20% coinsurance of Medicare-approved amount (as long as doctor accepts Medicare assignment) |

- If beneficiary's lower or nonfunctioning kidney needs to be removed after transplant, they should speak with provider about costs and coverage
- Medicare does not cover initial blood and tissue tests to identify a suitable donor
- Medicare covers costs once donor has been identified
 - Costs related to hospital stay and follow-up care immediately following donation surgery

Outpatient dialysis coverage

| Part of Medicare | Services covered | Beneficiary pays |
|------------------|---|---|
| Part B | <ul style="list-style-type: none">• Outpatient dialysis treatments at Medicare-approved facility• Physicians' services | 20% coinsurance of Medicare-approved amount (as long as doctor accepts Medicare assignment) |

- Dialysis treatment includes services, equipment and supplies, most lab tests, and most dialysis medications
 - All services billed together
- Separate charge for physicians' fees

Home dialysis coverage

| Part of Medicare | Services covered | Beneficiary pays |
|------------------|--|---|
| Part B | <ul style="list-style-type: none">Home dialysis training and services from Medicare-approved facility and durable medical equipment supplier | 20% coinsurance of Medicare-approved amount (as long as doctor accepts Medicare assignment) |

- Dialysis treatment includes services, equipment and supplies, most lab tests, and most dialysis medications
 - All services billed together
- Supplies often provided by durable medical equipment (DME) supplier in the area
 - Beneficiary should use a Medicare-approved DME supplier
- Medicare rarely covers non-emergency ambulance transportation

Medicare and Other Types of Insurance for People with ESRD

What to Consider Before Enrolling in Medicare

- How employer coverage coordinates with ESRD Medicare (Coordination of Benefits)
- How Medicare covers immunosuppressive drugs after someone has a kidney transplant

ESRD and Employer Coverage

- For people with ESRD Medicare, employer insurance is any combination of:
 - Insurance from beneficiary's or their spouse's current work
 - Retiree insurance
 - COBRA
 - Union coverage
- Regular Part B enrollment rules don't apply to people with ESRD
- ESRD and Medicare Coordination of benefits rules are the same for all of these!
 - 30-month coordination period applies

The 30-Month Coordination Period

| During 30-Month Coordination Period | After 30-Month Coordination Period |
|--|---|
| Coordination period begins the month someone becomes eligible for ESRD Medicare | Medicare becomes primary payer |
| Employer insurance pays primary during this period | Must be actively enrolled in Medicare then |
| Individual does not have to enroll in Medicare if they have employer coverage | This change will occur automatically, even if the individual never actually enrolled in Medicare* -Otherwise no primary coverage -Delays and penalties for Medicare |

You have anytime until the end of the 30-month coordination period to enroll in Medicare

*If individual does not enroll in ESRD Medicare by the end of the coordination period, employer plan may deny or substantially reduce payment for care

The 30-month coordination period (continued)

- If individual is enrolled in ESRD Medicare, it is the secondary payer during the 30-month coordination period
 - This means that employer insurance pays first and Medicare pays second
 - True for employer, retiree and COBRA coverage
 - 30 month clock starts when first eligible for ESRD Medicare, even if haven't enrolled
 - After the 30-month coordination period, ESRD Medicare pays primary
 - This switch is automatic and may not be noticeable. It happens even if someone never actively enrolled in Medicare

Taking Medicare if Have Employer Coverage

- Even with employer coverage, it may still be a good idea to enroll in ESRD Medicare when first eligible
 - Medicare may help with deductibles, copays, and coinsurance from employer coverage
 - Medicare will also place limits on the amount providers can charge
 - Part B coverage for immunosuppressants following a transplant
- Ask employer how costs will compare with and without Medicare as secondary

Delaying ESRD Medicare if Have Employer Coverage

Important considerations if delaying ESRD Medicare:

- Delay enrollment in both Parts A and B
- This means DO NOT enroll in Part A and decline Part B
 - If defer both, can still enroll in both parts any time within 30 month coordination period
 - If enroll in Part A only, may have gap in coverage and higher costs
 - Must wait for General Enrollment Period (Jan. 1- March 31) for Part B
 - Late enrollment penalties

Delaying Medicare if Have Employer Coverage (cont.)

- To prevent a coverage gap, apply for ESRD Medicare Parts A and B several months before the 30-month coordination period ends
 - Ask for Medicare to begin the month after the end of the 30- month period.
Remember:
 - 30-month clock begins the month a person becomes eligible for Medicare (see slide 10)
 - After 30 months, Medicare pays first and employer coverage pays second
 - Once Medicare becomes primary, employer coverage can refuse to cover someone if they failed to enroll in Medicare
 - If had a kidney transplant, should enroll in Medicare within one year of the transplant to make sure Part B will cover immunosuppressants in the future

Case example:

30-month coordination period

Francesca receives ESRD diagnosis in May 2013 and starts outpatient dialysis that same month. She has insurance based on her spouse's current work and decided to delay Medicare enrollment. The social worker at her dialysis center told her that she should enroll in Medicare before the end of her 30-month coordination period.

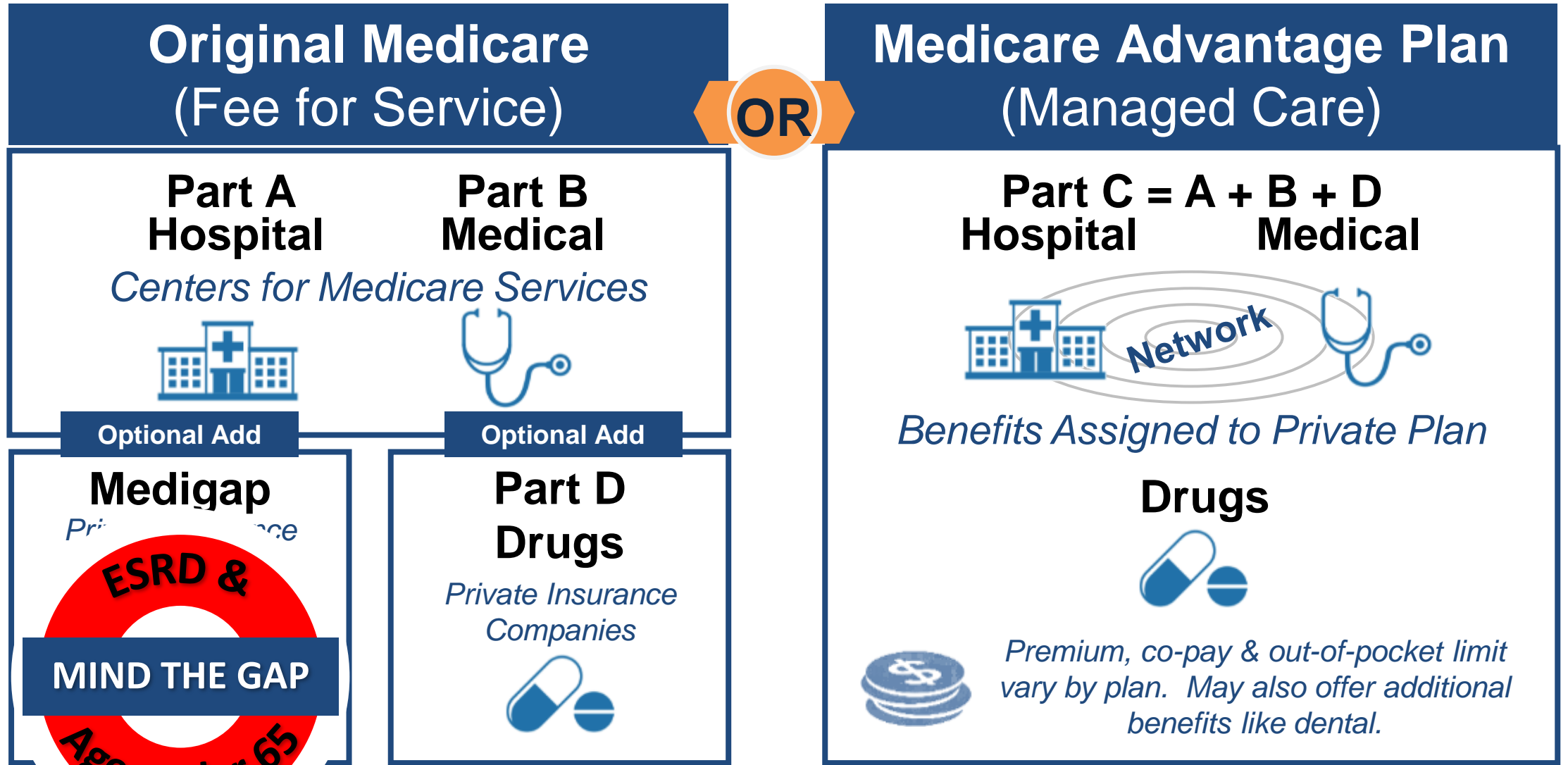
- Question
 - When does Francesca's 30-month coordination period begin?
- Answer
 - August 1, 2013, the first day of the 4th month of outpatient dialysis. Francesca should enroll in Medicare Part A and B before February 1, 2016. This is the end of her 30-month coordination period.
 - If Francesca plans to get a kidney transplant during her 30-month coordination period she should enroll in Part A and Part B before the transplant or within the 12 months after. This way, Part B covers her immunosuppressants when she reaches the end of the 20-month coordination period.

ESRD Medicare and COBRA

- COBRA = Consolidated Omnibus Reconciliation Act
 - Gives individuals the right to purchase continued health coverage under employer's plan for limited amount of time after plan coverage ends due to termination of employment, divorce, or other circumstance
- COBRA pays first during 30-month coordination period
- If individual has COBRA first and enrolls in ESRD Medicare
 - Employer can terminate COBRA
 - Individual with COBRA should speak with employer before enrolling in ESRD Medicare
- If individual has ESRD Medicare first and then qualifies for COBRA
 - COBRA becomes primary payer and continues the 30-month coordination period
 - If COBRA ends before coordination period ends, ESRD Medicare becomes primary payer

Medigaps, Medicare Advantage and Part D for People with ESRD

You have options on how to get Medicare coverage



Medigaps and ESRD

- Medigap policies supplement Original Medicare
 - Cover Part B 20% coinsurance for dialysis, etc.
 - Provide cap on out of pocket expenses
- Sold by private insurance companies
- 10 levels of plans - premiums and coverage varies by plan level
- **In CA people with ESRD under 65 are not allowed to buy a Medigap**
- Upon turning 65 those with ESRD have the same rights to a Medigap as anyone else
 - Pay attention to timing for “guaranteed issue”!

Medicare Advantage Plans

- Private Managed Care plans
 - Assign your Medicare benefits to the plan – bundles Parts A, B and usually D
 - Generally cannot use Original Medicare outside plan network
- Available to those with ESRD under 65 – can't restrict based on health
- Plans vary by County – HMOs, PPOs, etc.
 - May include special needs plans for ESRD
- Each has its own rules re: premiums, copays, Out of pocket max, provider networks, drug formulary, etc.

Medicare Part D and ESRD

- Available as either stand-alone drug plans with Original Medicare or bundled in with Advantage plans
- Covers medications unrelated to transplants, like blood pressure medications
- If beneficiary has employer-based insurance, they should speak with their employer to see how Part D would work with their coverage
 - If drug coverage is Creditable*, can delay Part D enrollment without penalty (*Creditable means at least as good as standard Medicare Part D plan)
 - If enroll in a Part D plan, may lose employer coverage
- Part D covers immunosuppressants if Part B cannot cover them
 - All Part D formularies (list of covered drugs) must include immunosuppressants
- Medicare does not usually cover post-dialysis vitamins
 - Some enhanced Part D plans may cover these vitamins
 - Enhanced plans usually have higher premium

Medicare Coverage of Immunosuppressant Drugs

Immunosuppressant drug coverage

- Medicare Part B pays for beneficiary's immunosuppressants only if
 - Beneficiary had Part A at time of transplant (including time when coverage is retroactive), and
 - Beneficiary continues to qualify for Part B
- Part B does not pay for immunosuppressant drugs ever if they did not have Part A at time of transplant*
 - *true even when age into Medicare later
- Individual should enroll in Parts A and B at the same time
 - Before transplant **OR**
 - No more than 12 months after transplant (because ESRD Medicare can be retroactive up to one year)



Immunosuppressants and ending coverage

- If beneficiary has ESRD Medicare only
 - Medicare coverage ends 36 months after successful transplant
 - Part B stops covering drugs at that time
 - Beneficiary must find another way to pay for drugs
- If beneficiary has ESRD Medicare and age- or disability-related Medicare
 - Medicare coverage of immunosuppressants continues even if ESRD Medicare ends
- Usually least expensive for Part B to cover immunosuppressant drugs
- Part D can cover these drugs if individual does not qualify for Part B to cover them

New Part B-ID for Immunosuppressant Drugs

- New Part B-ID drug benefit only for immunosuppressive drugs for those who don't have access to other forms of insurance
 - No coverage for doctors or other medical services or other drugs
 - 2023 Monthly premium for this limited benefit will be \$97.10
 - The standard Part B deductible (\$226 in 2023) and 20% coinsurance will apply for the immunosuppressants
 - Can enroll anytime. Coverage begins month Part A benefit ends
 - No Late Enrollment Penalty for enrolling in this new Part B-ID
 - Enrollees may lower costs by enrolling in the Medicare Saving Programs if eligible

ESRD and the Affordable Care Act (ACA)

Affordable Care Act (ACA)

- Aka Obamacare or Marketplace coverage
 - Covered CA
- Allows purchase of a Qualified Health Plan (QHP) for those without other insurance
- Offers individual coverage or small business plans (SHOP)
 - SHOP plans are subject to the same 30-month coordination rules for ESRD as other employer coverage
- What about individual plans and ESRD Medicare?

ESRD, Medicare and the ACA

- Anyone who has any part of Medicare already cannot purchase a QHP
 - But if under 65, can disenroll, repay Medicare and get QHP instead, including tax credits (i.e., subsidies)*
- People with ESRD who have QHPs first can keep the plan even after they've taken ESRD Medicare
 - Can still qualify for tax credits if are under age 65
- People under 65 with ESRD can forego Medicare and take or keep a QHP instead, including tax credits*

***Make sure your QHP will pay for ESRD costs if you don't enroll in Medicare!**

ESRD and the Marketplace (cont.)

Factors to consider before purchasing QHP

- QHP may pay little or nothing if individual has not enrolled in Medicare
 - If someone decides to forego ESRD Medicare in favor of a QHP, they should get **written confirmation** from the QHP that it will provide primary coverage
- There are no set coordination of benefits rules for how a QHP works with Medicare if you have both
- Part B will not cover immunosuppressants ever if they only have a QHP at the time of their transplant and do not enroll in Medicare within the year
- When someone with ESRD turns 65 or becomes eligible for disability Medicare, they should enroll in Medicare
 - Eligibility for QHP tax credits ends

Medicare Assistance Programs

Medi-Cal (Medicaid)



- Gross¹ income less than: \$1,862(S)/\$2,618(M)
- Assets² less than: \$130k(S)/\$195k(M)
- Those who currently have Medi-Cal will transition temporarily to a new program for those with Medicare:
 - Part B premium paid by California (\$164.90/mo)
 - Assigned to “Extra Help” Drug Plan with small co-pays
 - Eligible for additional medical health care options

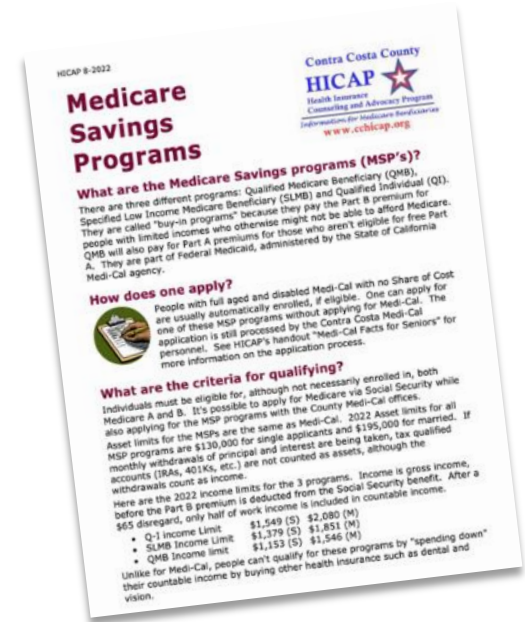
¹ 2023 income. Figures assume one has Medicare and include the Part B premium amount. Some income can be excluded. Income thresholds for some programs may be lower

² One home, one car and certain other assets excluded

Contact HICAP!

Medicare Savings Programs

- Eligibility based on income and assets:
 - Income limit varies with level of benefits (see below)
 - Assets² less than \$130k (Single) / \$195k (Married)
- Benefits vary with income limits



¹ 2023 income. Some can be excluded. Income thresholds for some programs may be lower

² One home, one car and certain other assets excluded

| Program | Income Limit ¹ | Benefits |
|---------|---------------------------|--|
| QI | \$1,650 (S) \$2,219 (M) | Part B premium |
| SLMB | \$1,478 (S) \$1,992 (M) | Extra Help |
| QMB | \$1,235 (S) \$1,663 (M) | Part A premium if <40 credits, Part B premium Parts A and B deductibles, copays and coinsurance Extra Help |

Extra Help With Medicare Part D Premiums & Drug Plan Costs

- Extra Help with Part D Premiums and Drug Copays
 - For both stand alone drug plans and Medicare Advantage Plans
 - Level of discounts and premium assistance varies depending on income
- Income and asset assistance eligibility:
 - Income¹ less than \$1,823 (Single) / \$2,465 (Married)
 - Assets² less than \$16,660 (Single) / \$33,240 (Married)
- Apply directly at SSA.gov or HICAP can help!



¹ 2023 income. Some can be excluded. ² One home, one car and certain other assets excluded

What you have learned

- ESRD eligibility and enrollment rules
- ESRD Medicare costs and covered services
 - Dialysis
 - Kidney transplants
 - Immunosuppressant drugs
- ESRD Medicare and other insurance
 - 30-month coordination period for employer-based coverage
 - Strategies for when to enroll
- ESRD Medicare + Medicare Advantage Plans and Medigaps
- ESRD and the Affordable Care Act
- Medicare assistance programs

Contact HICAP!

Contra Costa HICAP:

Website: www.cchicap.org

Email: ehsdhicap@ehsd.cccounty.us

HICAP Office: (925) 655-1393,
(800) 510-2020 or (800) 434-0222

HICAP Service is free, private and impartial

One-on-one counseling, phone or virtual appointments



Other Medicare Resources

- ❖ California Health Advocates (includes list of HICAPs in CA)
 - www.cahealthadvocates.org
- ❖ Social Security Administration 800-772-1213
 - www.ssa.gov
- ❖ Medicare 800-MEDICARE (800-633-4227)
 - www.medicare.gov
- ❖ Medicare Rights Center 800-333-4114
 - www.medicareinteractive.org
- ❖ National Council on Aging www.ncoa.org
 - www.centerforbenefits.org
 - www.mymedicarematters.org
 - www.benefitscheckup.org