

2013 National Training Program

Module: 13 Medicare and Other Plans for People with Disabilities



MODULE 13: MEDICARE AND OTHER PROGRAMS FOR PEOPLE WITH DISABILITIES

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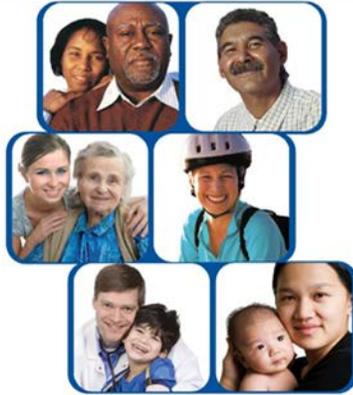
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This module can be presented in 1 hour.
 Allow approximately 30 more minutes for
 discussion, questions and answers, and the
 learning activities.



National Training Program



Module 13 Medicare and Other Programs for People with Disabilities

Module 13 explains Medicare and other programs for people with disabilities.

This training module was developed and approved by the Centers for Medicare & Medicaid Services (CMS), the Federal agency that administers Medicare, Medicaid, the Children's Health Insurance Program (CHIP), and the Health Insurance Marketplace. The information in this module was correct as of May 2013.

To check for updates on the new health care legislation, visit <http://www.healthcare.gov>

To view the Affordable Care Act, visit www.healthcare.gov/law/full/index.html

To check for an updated version of this training module, visit <http://cms.gov/Outreach-and-Education/Training/CMSNationalTrainingProgram/index.html>

This set of CMS National Training Program materials isn't a legal document. The official Medicare program provisions are contained in the relevant laws, regulations, and rulings.



Session Objectives

This session will help you to

- Recognize eligibility for Social Security programs
- Summarize eligibility and enrollment in Medicare
- Describe Medicare plan options
- Explain Medicaid
- Describe Extra Help paying health care costs
- Learn where to get more information

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This session focuses on issues related to people with disabilities and will help you:

- Recognize eligibility for Social Security programs
- Summarize eligibility and enrollment in Medicare
- Describe Medicare plan options
- Explain Medicaid
- Describe Extra Help paying health care costs
- Learn where to get more information

Background

- People with disabilities
 - The fastest growing group of Medicare population
 - About 18% of the Medicare population
 - Over 9 million have Part A and/or Part B
 - Are often uninsured before they qualify for Medicare
 - May qualify for both Medicare and Medicaid

Studies show that a 20-year-old worker has a 3-in-10 chance of becoming disabled before reaching retirement age.

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People with disabilities:

- Represent the fastest growing group of the Medicare-entitled population, consisting of mostly younger beneficiaries (65 & under) who have very little knowledge of the Medicare program
 - Constitute about 18% of the Medicare population (2013)
 - Approximately 9 million disabled people have Part A and/or Part B (2013)
- Are often uninsured before they qualify for Medicare
- May qualify for both Medicare and Medicaid
- Social Security studies show that a 20-year-old worker has a 30% chance of becoming disabled before reaching retirement age

For more information visit: <http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/CMS-Fast-Facts/index.html>, download CMS Fast Facts.



Lesson 1 - Social Security for People with Disabilities

- Social Security Disability Insurance (SSDI)
- Supplemental Security Income (SSI)
- Qualifying for these programs
- How to apply for benefits

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Lesson 1, Social Security for People with Disabilities, will provide explanations of available programs including:

- Social Security Disability Insurance (SSDI)
- Supplemental Security Income (SSI)
- Qualifying for these programs
- How to apply for benefits

How Social Security Defines Disability

- Medical (physical or mental) condition or combination of impairments
 - Prevents substantial work for at least 12 months or
 - Expected to result in death
 - Considers age, education and work experience
- To qualify for Medicare based on a disability
 - Must meet Social Security definition of disability

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To qualify for Medicare based on a disability an individual must meet the Social Security definition of disability.

Social Security defines a disability as:

- Medical (physical or mental) condition or combination of impairments (List by body system is on the Social Security website)
 - Preventing substantial gainful activity (SGA) for at least 12 months, or expected to result in death
 - For 2013, SGA of \$1,040 per month (\$1,740 per month if blind)
 - The determination also considers age, education and work experience.

All disability determinations are made by Social Security or the Railroad Retirement Board (RRB) based upon Social Security and RRB rules and regulations concerning what constitutes a disability under their programs.



NOTE: The Medicare law only states that a person becomes entitled to Medicare Part A and is eligible to enroll in Part B after receiving Social Security or RRB disability cash benefits for 24 months. (The Social Security Act §1811 and 42 CFR §407.1)

Social Security Programs for People with Disabilities

- Federal programs that provide cash benefits
 - For people with disabilities
 - Social Security Disability Insurance (SSDI)
 - Supplemental Security Income (SSI)
- Administered by Social Security

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- There are Federal programs that provide cash benefits to persons with disabilities
 - Social Security Disability Insurance (SSDI) is Title 2 of the Social Security Act
 - Supplemental Security Insurance (SSI) is Title 16 of the Social Security Act
- These programs are administered by Social Security

What is Social Security Disability Insurance?

- Pays benefits if you meet the Social Security definition of disability
 - Certain members of your family
 - If you are "insured"
 - You worked long enough and paid Social Security taxes
- Benefit amount
 - Based on average lifetime earnings

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Social Security Disability Insurance (SSDI):

- Pays benefits to you and certain members of your family if you are "insured," meaning that you worked long enough and paid Social Security taxes
- Benefit amount is based on average lifetime earnings

Who can get Social Security Disability Insurance?

Worker	Spouse	Child
<ul style="list-style-type: none"> ▪ Must have paid enough into Social Security 5 out of last 10 years (20 Working Credits) ▪ Less work is required if under age 31 	<ul style="list-style-type: none"> ▪ At age 62 ▪ At any age if caring for child who is under 16 or disabled ▪ At age 50 if a disabled widow(er) ▪ Divorced spouses may qualify 	<ul style="list-style-type: none"> ▪ Not married under age 18 (under 19 if still in high school) ▪ Not married and disabled before age 22

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The people who can get Social Security Disability Insurance (SSDI) include the following:

- The worker
 - Must have paid enough into Social Security 5 out of the last 10 years
 - Needs less work if under age 31
- A spouse
 - At age 62
 - At any age if caring for child who is under 16 or disabled
 - At age 50 if the person applying is a disabled widow(er)
 - Divorced spouses may qualify if
 - Married to the worker for at least 10 years
 - Unmarried
 - Not entitled to a higher Social Security benefit on his or her own record
- A child
 - Not married under age 18 (under 19 if still in high school)
 - Not married and disabled before age 22

Qualifying for Social Security Disability Insurance

- People who have earned enough working credits
 - Also called quarters of coverage
 - Based on your earnings
- Work history determines eligibility for
 - Social Security retirement benefits
 - Disability benefits
 - Your family's eligibility for survivor's benefits
- In 2013, you get one credit
 - For each \$1,160 of earnings (changes annually)
 - Up to the maximum of four credits per year

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Qualifying for Social Security Disability Insurance (SSDI) is determined by your Social Security working credits (also called quarters of coverage) that are based on your earnings.

Work history determines eligibility for:

- Social Security retirement benefits
- Disability benefits
- Your family's eligibility for survivor's benefits

In 2013, you get one credit:

- For each \$1,160 of earnings (changes annually)
- Up to the maximum of four credits per year

You can get your Social Security Statement online. It provides:

- Estimates of the retirement and disability benefits you may receive;
- Estimates of survivor benefits your family may receive;
- A list of your lifetime earnings according to Social Security's records;
- The estimated Social Security and Medicare taxes you've paid;
- Information about qualifying and signing up for Medicare;
- Things to consider for those age 55 and older who are thinking of retiring;
- General information about Social Security for everyone;
- The opportunity to apply online for retirement and disability benefits; and
- A printable version of your Social Security Statement.

Social Security Disability Insurance Required Work Credits

Age when disabled	Credits required
Before 24	Generally 1 ½ years of work (6 credits) in 3 years before you became disabled
24 – 30	Generally need credits for half of the time between age 21 and age you became disabled
31 or older	Must have at least 20 out of 40 credits in the 10 years immediately before you became disabled

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Work credits required for Social Security Disability Insurance (SSDI) vary by age:

- If you became disabled before age 24, you generally need 1½ years of work (6 credits) in the 3 years before you became disabled.
- If you became disabled between the ages of 24 and 30, you generally need credits for half of the time between age 21 and the age you became disabled.
 - For example, if someone age 27 becomes disabled, there are six years (from age 21 to age 17), that the individual must have worked and paid into Social Security through their payroll taxes to equal three years. Three years is half of the six years.
- If you were 31 or older when you became disabled, you must have fully insured status (paid enough into Social Security through taxes while you were working), and have at least 20 credits in the 10 years immediately before you became disabled.

Waiting Period for Disability Insurance

- 5-month SSDI waiting period
 - From time disability began until benefits begin
 - Except people eligible for childhood disability benefits
 - or
 - Some people previously entitled to disability benefits (in the past 5 years)

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In most cases, there is a waiting period of five full calendar months from the time your disability began until your Social Security Disability Insurance (SSDI) benefits can begin. If your application is approved, your first Social Security benefit will be paid starting with the sixth full month after the date your disability began.

The five-month waiting period for cash benefits does not apply to people who get childhood disability benefits or to some people who were previously entitled to disability benefits (in the past 5 years).

What is Supplemental Security Income?

- Federal “need-based program”
 - No working credits needed to qualify
 - Eligible persons may also qualify for Medicaid in most states
- Generally, to be eligible for SSI, you must:
 - Be age 65 or older, blind, or disabled; and
 - Have limited income and resources; and
 - Be a citizen or national of the United States, or qualified alien; and
 - Reside in one of the 50 states, the District of Columbia, or the Northern Mariana Islands.
- May qualify for Disability Insurance and Supplemental Income

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Supplemental Security Income (SSI) is a Federal “needs-based program”:

- No working credits are needed to qualify
- Eligible persons may also qualify for Medicaid in most states

To eligible, you must be age 65 or older, blind, or disabled and have limited income and resources.

You must be a U.S. citizen or national, or a qualified alien (lawfully present non-citizen (alien) who was lawfully residing in the United States on August 22, 1996).

A qualified alien is defined by Homeland Security criteria.

You must also reside in one of the 50 states, the District of Columbia, or the Northern Mariana Islands.

People may qualify for both Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) programs if they have enough eligible work credits and still meet the needs-based criteria.

Applying for Disability Benefits

- To apply, you will need the following:
 - Social Security Number
 - Health-care provider information
 - Medical records
 - Work history
- Don't wait to apply
 - Even if you are still gathering information

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You can shorten the application process by taking certain documents and information with you when you apply, including:

- Social Security number for you and your dependents, and dates of any prior marriages if your spouse is applying
- Names, addresses, phone numbers, fax numbers, and dates of treatment for doctors, hospitals, clinics, and institutions that have treated you
- Names of all medications you are taking
- If available, your medical records showing exams, treatments, and laboratory and other test results
- A summary of where you have worked and the kind of work you did, including your most recent W-2 form (Wage and Tax Statement), or if self-employed, your Federal tax return

IMPORTANT: You must, upon request, provide original documents or copies certified by the issuing office. Social Security will make photocopies and return the original documents.

NOTE: Neither the original Social Security card nor certified copies of medical records are needed.

You should not wait to apply, even if you don't have all of the information. The Social Security office will help you get the information you need. If you have railroad employment, call the Railroad Retirement Board (RRB) at 1-877-772-5772 or your local RRB office.

To Apply for Disability Benefits

- Apply to Social Security
 - Apply online
 - <http://www.socialsecurity.gov/pgm/disability/htm>
 - Apply in person
 - Call 1-800-772-1213 (TTY 1-800-325-0778) between 7 a.m. and 7 p.m., Monday through Friday to make an appointment
- Set up telephone/in-office appointment
 - Receive “Disability Starter Kit”
- Average processing time is 4 months

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To apply for Disability Benefits, you apply with Social Security:

- Apply online
 - <http://www.socialsecurity.gov/pgm/disability/htm>
- Apply in person
 - Call 1-800-772-1213 (TTY 1-800-325-0778) between 7 a.m. and 7 p.m., Monday through Friday to make an appointment

For SSDI – Both medical and non-medical portions can be completed online.

For SSI – Only the medical portion can be completed online. The non-medical portion must be completed in-person or by phone.

Set up a telephone or in-office appointment and you will receive a Disability Starter Kit to help you prepare.

- http://www.ssa.gov/disability/disability_starter_kits.htm

The average processing time for a disability claim is four months. (3-5 month range)

Check Your Knowledge- Lesson 1



1. The five month waiting period for Social Security Disability Insurance (SSDI) cash benefits applies to everyone except those with childhood disabilities.
 - a. True
 - b. False



Refer to page 57 to check your answers.

**Check Your Knowledge - Lesson 1
Continued**



A person may not receive both Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) benefits simultaneously.

1. True
2. False



Refer to page 58 to check your answers.



Lesson 2 - Medicare for People with Disabilities

- What is Medicare?
- Medical supplies and equipment
- Who qualifies for Medicare?
- How to enroll in Medicare

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Lesson 2 will describe the Medicare program including:

- What is Medicare?
- Medical Supplies and Equipment
- Who qualifies for Medicare?
- How to enroll in Medicare

What is Medicare?

- Health insurance for three groups of people
 - 65 and older
 - People with certain disabilities
 - Under 65 and entitled to SSDI for 24 months
 - Any age with End-Stage Renal Disease (ESRD)
 - Any age with ALS (Lou Gehrig's Disease)
- Administered by
 - Centers for Medicare & Medicaid Services (CMS)

Medicare and Other Programs for People with Disabilities

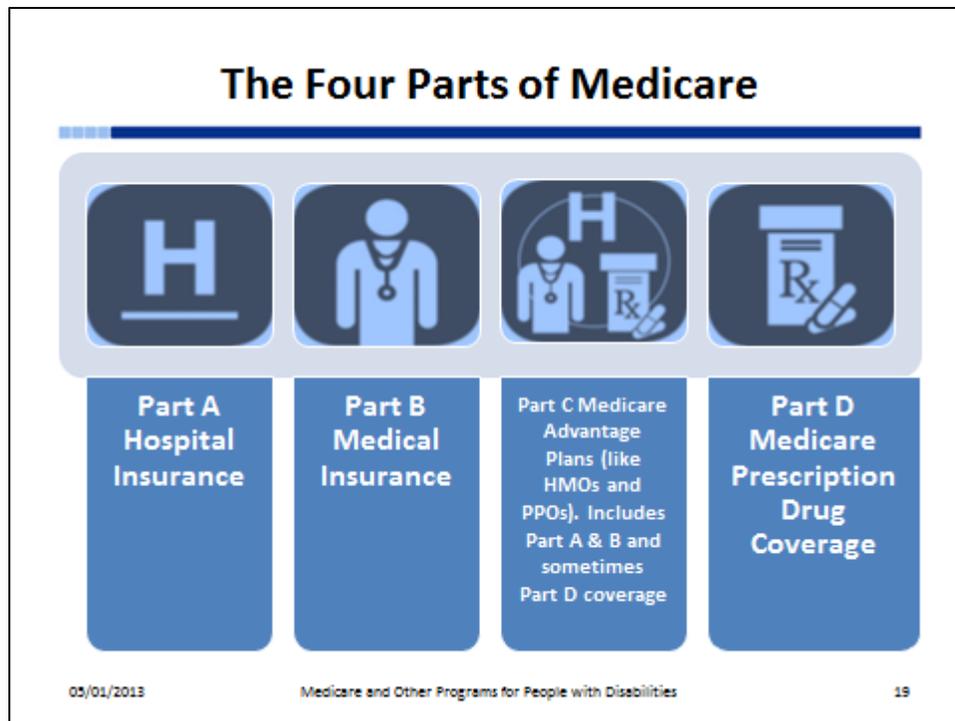
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President Lyndon Johnson signed the Medicare and Medicaid programs into law July 30, 1965. Medicaid became effective January 1, 1966, and Medicare became effective July 1, 1966. Medicare is administered by the Centers for Medicare & Medicaid Services (CMS).

Medicare is the nation's largest health insurance program, currently covering about 52 million Americans (2013).

Medicare is health insurance for three groups of people:

- Those who are age 65 and older.
- People under age 65:
 - With certain disabilities who are entitled to Social Security disability insurance (SSDI) or Railroad Retirement benefits for 24 months. The 24-month Medicare waiting period does not apply to people disabled by Amyotrophic Lateral Sclerosis (ALS, known as Lou Gehrig's Disease).
 - People of any age who have End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a transplant).
 - People with ALS get Medicare the first month they are entitled to disability benefits. This provision became effective on July 1, 2001.



Medicare has four parts:

Part A is Hospital Insurance that helps pay hospital bills and some follow-up care. The taxes you paid while you were working financed this coverage, so for most people it's premium free.

Part B is Medical Insurance that helps pay doctors' bills and other services. There is a monthly premium you must pay for Medicare Part B and you have the option to refuse this coverage.

Part C is Medicare Advantage which are plans like HMOs (Health Maintenance Organizations) and PPOs (Preferred Provider Organizations). Part C includes Part A and Part B coverage and sometimes includes Prescription Drug Coverage (Part D).

People with Medicare Parts A and B can choose to receive all of their health care services through one of these provider organizations under Part C. There might be additional premiums required for some plans.

Part D is Medicare Prescription Drug Coverage that helps pay for medications doctors prescribe for treatment. Anyone who has Medicare (Part A) or (Part B) is eligible for prescription drug coverage (Part D). Joining a Medicare prescription drug plan is voluntary, and you pay an additional monthly premium for the coverage.

Medical Supplies and Equipment

- DMEPOS stands for
 - Durable Medical Equipment
 - Prosthetics
 - Orthotics
 - Supplies
- Equipment/supplies covered under Medicare Part B
- DMEPOS Competitive Bidding Program
- You may have to use a contracted supplier

Update!

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Medicare and Other Programs for People with Disabilities

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DMEPOS is an acronym that stands for durable medical equipment, prosthetics, orthotics and supplies. These are expenses that are covered under Part B of Medicare and include items such as walkers, wheelchairs, hospital beds, and various other medical supplies and accessories.

The DMEPOS Competitive Bidding Program is a cost-saving program that is currently in effect in 9 metropolitan statistical areas or (MSAs), and will soon expand to include 91 new MSAs as of July 1, 2013.

It is important that people with Medicare know that if they need Medicare-covered equipment and supplies, they may need to use a supplier included in the Medicare DMEPOS Competitive Bidding Program.

Need More Information?

To find out more about the DMEPOS program, included product categories and items, or to view a list of contract suppliers visit

<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSCompetitiveBid/index.html?redirect=/DMEPOSCompetitiveBid/>.



Eligibility for Medicare Based on Disability

- To qualify for Medicare based on disability you must
 - Qualify for Social Security Disability Insurance (SSDI) and
 - Be entitled to Social Security disability benefits for 24 months
 - Unless you are diagnosed with End-Stage Renal Disease (ESRD) or
 - Amyotrophic Lateral Sclerosis (ALS, known as Lou Gehrig's Disease)

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Medicare and Other Programs for People with Disabilities

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The 1972 Social Security Amendments expanded Medicare to cover two additional groups:

- People under age 65 with a disability who have been entitled to Social Security benefits for 24 months.
 - You will receive Medicare after you receive disability benefits for 24 months. When you become eligible for disability benefits, you will be automatically enrolled in Medicare. Medicare will start counting the 24 months from the month you were entitled to receive disability, not the month when you received your first check.
- People with End-Stage Renal Disease (ESRD) who meet special Social Security earnings requirements.
 - Remember, people with ESRD do not need to be entitled to Social Security benefits to qualify for Medicare. However, if they are also entitled to disability benefits, they may qualify under both programs.

The 24-month Medicare waiting period does not apply to people disabled by Amyotrophic Lateral Sclerosis (ALS, known as Lou Gehrig's Disease). People with ALS get Medicare the first month they are entitled to disability benefits. This provision became effective on July 1, 2001.

U.S. citizens residing in Puerto Rico or foreign countries will not receive Part B automatically. They must actively enroll in this benefit. If you live outside the United States and its territories, contact the nearest U.S. Social Security office, U.S. Embassy or consulate.

Automatic Enrollment

- Initial Enrollment Period Package (IEP) Mailed
 - 3 months before 25th month of disability benefits
 - Those with ALS - about 4 weeks after Medicare entitlement
 - Decide whether to keep Part B
 - Decide whether to enroll in Part D
- Call Social Security if Medicare card doesn't arrive



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If you are already receiving Social Security benefits (e.g., getting Social Security disability benefits) you will be automatically enrolled in Medicare Parts A and B without an additional application. You will receive your Initial Enrollment Period package (IEP), which includes your Medicare card and other information about 3 months before your 25th month of disability benefits (coverage begins your 25th month of disability benefits). NOTE: If you live in Puerto Rico or a foreign country and you get benefits from Social Security or the RRB, you will be automatically enrolled in Part A. If you want Part B you will need to sign up for it. Your IEP package will look slightly different.

When you have Original Medicare, you use your Medicare card when you get health care. The Medicare card shows the date your Medicare coverage starts (Part A hospital coverage and/or Part B medical coverage). The card also shows your Medicare claim number. For most people, the claim number has 9 numerals and 1 letter. There also may be a number or another letter after the first letter. The 9 numerals show which Social Security record your Medicare is based and how you are related to the person. For example, if you get Medicare on your own Social Security record, you might have the letter "A," "T," or "M" depending on whether you get both Medicare and Social Security benefits or Medicare only. If you get Medicare on your spouse's record, the letter might be a B or a D (these letters and numbers don't indicate having Medicare Part A, B, C or D).

If you choose another Medicare health plan, your plan may give you a card to use when you get health care services and supplies. You should contact Social Security (or the Railroad Retirement Board if you receive railroad retirement benefits), if any information on the card is incorrect. If you don't want Part B, follow the directions and return the card. Call Social Security at 1-800-772-1213 if your card does not arrive.

Retroactive Entitlement to Medicare

- Once your disability application is accepted
 - Disability benefits may be retroactive
 - Medicare enrollment may also be retroactive
 - Your Medicare card will show effective date
 - If you received Medicare-covered services prior
 - You may request the provider submit those claims to Medicare
 - Must have been received after effective date on card

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Medicare and Other Programs for People with Disabilities

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There are times when a disability determination will be made on appeal (giving an earlier date of onset and entitlement to Social Security Disability benefits), or the application isn't processed timely, resulting in retroactive Medicare Part A entitlement. Nevertheless, the Part A entitlement date will always be the 25th month of disability benefit entitlement. The Part B entitlement date is the 25th month of disability benefit entitlement if, at the time the disability application is processed, the beneficiary owes less than six months of retroactive Part B premiums. If six or more months of premiums are owed, Medicare Part B is effective the month the disability application is processed. You will get the following information:

- The effective date of Part A coverage (the 25th month of disability benefit entitlement).
- The effective date of Part B coverage (the month of processing), and the option to elect Part B coverage effective with the 25th month of disability benefit entitlement.

To exercise this option, you must submit a written request for retroactive Part B entitlement and agree to pay all retroactive premiums due. If retroactive Part B coverage is elected, you are sent a second letter stating that you have the retroactive Part B coverage. The letter also provides instructions for the provider to file Part B claims outside the timely filing limit.

Deemed Date of Enrollment: Because of the uncertainty involved in determining the Initial Enrollment Period for an individual filing for re-entitlement to disability benefits, the Part B enrollment request is deemed to have been filed in the third month of the IEP. This assures that the enrollee has the opportunity for coverage at the earliest possible date.

How long are you entitled to Medicare?

- As long you meet SSA's definition of disability
- Social Security has work incentives
 - Medicare continues if working but still disabled
 - 8½ years premium-free Part A
 - May purchase Part A coverage afterward
- Reason for entitlement changes at age 65
 - Any penalty for late enrollment is removed at age 65

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You are entitled to Medicare as long as you continue to meet the requirements for Social Security disability benefits. If Social Security determines that your disability benefits should be stopped because your condition has improved and you are no longer considered disabled, your Medicare will end with the month in which your disability benefits ends.

Social Security has work incentives to support people who are still medically disabled but try to work in spite of their disability. Continuation of Medicare coverage is one type of work incentive.

- You may have at least 8½ years of extended Medicare coverage if you return to work. Medicare continues even if Social Security determines that you can no longer receive cash benefits because you are earning above the substantial gainful activity level (\$1,040 per month in 2013).
- If, after you have exhausted your 8 ½ years of extended Medicare coverage, you continue to work and continue to have a disabling physical or mental impairment, you may buy Part A, or Part A and Part B for as long as you continue to be disabled. We call this provision "Medicare for the Working Disabled."
- If you were paying an increased Part B premium during the time in which you were receiving premium-free Part A, but now are eligible for Part B because you are enrolling in Part A for the working disabled, your Part B premium will revert back to the standard rate.
- You will be billed for your Medicare premiums. If you are receiving Medicare benefits based on disability when you reach age 65, you have continuous coverage with no interruption. You will get Part A free, if you have been buying it. However, the reason for entitlement changes from disability to age. If you did not have Part B when you were disabled, you will automatically be enrolled in Part B when you turn age 65, but you will again be able to decide whether or not to keep it.

If you were paying an additional Part B premium (penalty for late enrollment) while you were disabled, the penalty will be removed when you reach age 65.



Lesson 3 - Medicare Health and Drug Plan Choices

- Original Medicare Part A and Part B
- Medicare Coordination of Benefits
- Medicare Supplemental Insurance Policies
- Medicare Advantage Plans (Part C)
- Medicare Prescription Drug Plans (Part D)

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Lesson 3, Medicare Health and Drug Plan Choices, will describe the different ways that people with Medicare can choose their health care coverage and how Medicare coordinates payment with other coverage including:

- Original Medicare Part A and Part B
- Medicare Coordination of Benefits
- Medicare Supplemental Insurance Policies
- Medicare Advantage Plans (Part C)
- Medicare Prescription Drug Plans (Part D)

Plan Choices for People with a Disability

- All Medicare plans are available
 - Original Medicare
 - Medigap policy (supplements Original Medicare)
 - May not be available if under 65
 - Medicare Advantage Plans
 - Other Medicare plans
 - Medicare Prescription Drug Plans
- People with ESRD have limited choices

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Medicare and Other Programs for People with Disabilities

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The same Medicare health plan choices are available to people with disabilities as those available to people age 65 and older, except for those with ESRD. You may choose Original Medicare or a Medicare Advantage Plan or other Medicare plan available in your area.

Medigap plans are available to Medicare beneficiaries including those who have Medicare based on disability, but may not always be available to people with disabilities who are under age 65. Eligibility for those under 65 varies by state. Some states require Medigap plans to cover people with disabilities who are under age 65.

You may also join a Medicare drug plan. Enrolling in a Medicare drug plan is optional but can provide substantial savings for people with chronic medical conditions who may be taking multiple prescription drugs.

Medicare beneficiaries who have End-stage Renal Disease (ESRD) may not be able to join a Medicare Advantage Plan except under certain limited exceptions.



What is Original Medicare?

- Health care option run by the Federal Government
- Provides your Part A and/or Part B coverage
- See any doctor or hospital that accepts Medicare
- You pay
 - Part B premium (Part A free for most people)
 - Deductibles, coinsurance or copayments
- Get Medicare Summary Notice (MSN)
- Can join a Part D plan to add drug coverage

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Original Medicare is one of the coverage choices in the Medicare program. You will be in Original Medicare unless you choose to join a Medicare Advantage Plan or other Medicare plan. Original Medicare is a fee-for-service program that is managed by the Federal Government.

If you have Medicare Part A, you get all the Part A-covered services. If you have Medicare Part B, you get all the Part B-covered services. As we mentioned earlier, Part A (hospital insurance) is premium-free for most people. For Medicare Part B (medical insurance) you pay a monthly premium. The standard Medicare Part B monthly premium is \$104.90 in 2013 for most people.

With Original Medicare, you can go to any doctor, supplier, hospital, or facility that accepts Medicare and is accepting new Medicare patients.

In Original Medicare, you also pay deductibles and coinsurance or copayments. After you receive health care services, you'll get a letter in the mail, called a Medicare Summary Notice (MSN) that lists the services you received, what was charged, what Medicare paid, and how much you may be billed. If you disagree with the information on the MSN or with any bill you receive, you can file an appeal. There is information on the MSN about how to ask for an appeal.

You can join a Medicare Prescription Drug Plan (Part D plan) to add drug coverage.

Paying for Medicare Part A (Hospital Insurance)

- Most people receive Part A premium free
 - If you paid FICA taxes at least 10 years
- If you paid FICA less than 10 years
 - Can pay a premium to get Part A
 - \$243 each month for 30-39 credits
 - \$441 each month less than 30 credits
 - May have penalty if not bought when first eligible



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Medicare Part A is premium free if you or your spouse paid Medicare, or Federal Insurance Contributions Act (FICA), taxes while working (10 year minimum in most cases). FICA funds the Social Security and Medicare programs. Medicare entitlement due to a disability will have different credit requirements depending on your age.

If either you or your spouse doesn't qualify for premium-free Medicare Part A, you may still be able to get Medicare Part A by paying a monthly premium. The amount of the premium depends on how long you or your spouse worked in Medicare-covered employment.

Social Security determines if you have to pay a monthly premium for Part A. In 2013, the Part A monthly premium is \$243 for a person who has 30 or more work credits, or \$441 for a person who has less than 30 work credits of Medicare-covered employment.

If you don't buy Medicare Part A when you are first eligible, you may have to pay a monthly premium penalty. The premium is subject to a 10% increase payable for twice the number of full twelve month periods you could have been but were not enrolled. For example, if you were eligible for Part A for 2 years but did not sign up, you'll have to pay the higher premium for 4 years. The 10% premium surcharge will apply only after 12 months have elapsed from the last day of your Initial Enrollment Period to the last date of the enrollment period you used to enroll. In other words, if it is less than 12 months, the penalty will not apply. This penalty also won't apply to you if you are eligible for a Special Enrollment Period. (Anytime that you or your spouse or family member, if you're disabled, are working, and you're covered by a group health plan through the employer or union based on that work or during the 8-month period that begins the month after the employment ends or the group health plan coverage ends, whichever happens first.)



For more information on Medicare Part A entitlement, enrollment, or premiums, call Social Security at 1-800-772-1213. TTY users should call 1-800-325-0778.

Paying for Part B (Medical Insurance)

- In Original Medicare you pay
 - Yearly deductible of \$147 in 2013
 - 20% coinsurance for most services
- Some programs may help pay these costs
- If you don't enroll in Part B when you are first eligible, you may have to pay a higher premium until you turn 65



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If you have Original Medicare, you pay the Part B deductible, which is the amount a person must pay for health care each calendar year before Medicare begins to pay. This amount can change every year in January. The 2013 Part B deductible is \$147 per year. This means that you must pay the first \$147 of your Medicare-approved medical bills in 2013 before Medicare Part B starts to pay for your care.

You also pay some copayments or coinsurance for Part B services. The amount depends upon the service, but is 20% in most cases.

If you can't afford to pay these costs, there are programs that may help. These programs are discussed later in this presentation.

If you don't enroll in Part B when you are first eligible, you may have to pay a higher premium until you turn 65. Any penalty assessed will be removed once you turn 65.

Monthly Part B Premium		
If your Yearly Income in 2011 was		You Pay
File Individual Tax Return	File Joint Tax Return	
\$85,000 or below	\$170,000 or below	\$104.90
\$85,001–\$107,000	\$170,001–\$214,000	\$146.90
\$107,001–\$160,000	\$214,001–\$320,000	\$209.80
\$160,001–\$214,000	\$320,001–\$428,000	\$272.70
above \$214,000	above \$428,000	\$335.70

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The standard Medicare Part B monthly premium is \$104.90 in 2013. Some people with higher annual incomes pay a higher Part B premium. These amounts can change each year and are based on the modified adjusted gross income for an individual.

- \$85,001 - \$107,000, the Part B premium is \$146.90 per month
- \$107,001 - \$160,000, the Part B premium is \$209.80 per month
- \$160,001 - \$214,000 the Part B premium is \$272.70 per month
- Greater than \$214,000, the Part B premium is \$335.70 per month

The income ranges for joint returns are double that of individual returns. Social Security uses the income reported on your tax return from two years ago to determine the Part B premium. For example, the income reported on a 2011 tax return filed in 2012 is used to determine the monthly Part B premium in 2013. Remember that this premium may be higher if you did not choose Part B when you first became eligible. The cost of Medicare Part B may go up 10% for each 12-month period that you could have had Part B but did not take it. An exception would be if you or your spouse or family member, if you're disabled, is still employed and you are covered by a group health plan through that employment. In that case, you are eligible to enroll in Part B during a Special Enrollment Period. You will not pay a penalty. Contact Social Security at 1-800-772-1213 or TTY 1-800-325-0778, if you filed an amended return or your income has gone down.

When is Medicare the Secondary Payer?

- When Medicare is based on disability **and** health coverage through current employment
 - Working and covered by large Employer Group Health Plan (EGHP) or
 - Covered by large (EGHP) of a working spouse
 - Or other family member
- Medicare is secondary payer
 - If employer has 100 or more employees or
 - Self-employed, if covered by large (EGHP) of employer with 100 or more employees

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Medicare is the secondary payer for people who are under age 65 and entitled to Medicare because of a disability if they are covered by a large Employer Group Health Plan (EGHP) through current employment, either their own or that of a family member. In this instance, the employer must have 100 or more employees.

Medicare is also secondary payer for people with Medicare who are under 65 and disabled if they are self-employed, or a family member is self-employed, and they are covered by a large (EGHP) of an employer that has 100 or more employees.

If any one employer within a multiple employer health plan has 100 or more employees, Medicare is secondary for all. This includes individuals associated with employers within the group that have less than 100 employees.

What is Current Employment Status?

- Medicare defines current employment status
 - Actively working as employee, is the employer, or associated with employer in a business relationship; or
 - Not actively working and receiving disability benefits from an employer for up to 6 months (first 6 months of benefits subject to FICA taxes); or
 - Not actively working but meet all five conditions specified by CMS

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Medicare says an individual has current employment status if the individual is:

- Actively working as an employee, is the employer (including a self-employed person), or is associated with the employer in a business relationship; or
- The individual is not actively working and is receiving disability benefits from an employer for up to 6 months (the first 6 months of employer disability benefits are subject to FICA taxes); or not actively working and meeting all of five specific conditions specified by CMS.

If someone is not actively working, Medicare will still consider an individual as having current employment status if all of the following five conditions are met:

- Retains employment rights in the industry;
- Has not had their employment terminated by the employer if the employer provides the coverage or has not had his/her membership in the employee organization terminated if the employee organization provides the coverage;
- Is not receiving disability benefits from an employer for more than 6 months;
- Is not receiving Social Security disability benefits; and
- Has employment-based GHP coverage that is not COBRA continuation coverage. (See 29 U.S.C. 1161-1168.)

A person age 65 or older and receiving disability payments from an employer is considered to have current employment status if such payments are subject to taxes under FICA. Employer disability payments are subject to FICA tax for the first six months of disability after the last calendar month in which the employee worked for that employer.

Need More Information?

To learn more visit the CMS Secondary Payer Manual, Chapter 1, Section 50.A.
<http://www.cms.gov/RegulationsandGuidance/Guidance/Manuals/Downloads/msp105c01.pdf>



Coordination of Benefits with Retiree Plans

- Medicare pays first
- Retiree health coverage pays second
 - Might offer additional benefits
 - Prescription drug coverage
 - Routine dental care
 - Refer to plan's benefits booklet
 - Coverage for spouse
 - Employer/union may change benefits, change premiums, or cancel coverage

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Generally, Medicare will pay first for health insurance claims, and the retiree coverage will be the secondary payer. Retiree coverage might fill some of the gaps in Medicare coverage and might offer additional benefits such as routine dental care. People who are not sure how their retiree coverage works with Medicare should get a copy of their plan's benefits booklet or look at the summary plan description provided by their employer or union. Workers approaching retirement should find out if employer coverage can be continued after they retire, and they should check the price and benefits, including benefits for a spouse. They should know what effect continuing coverage as a retiree will have on both their own and their spouse's insurance protections.

Retiree coverage provided by an employer or union may have limits on how much it will pay. It may also provide "stop loss coverage," a limit on out-of-pocket costs. They can also call the benefits administrator and ask how the plan pays when a person has Medicare.

Remember that the employer or union has control over the retiree insurance coverage it offers. The employer or union may change the benefits or the premiums and may also choose to cancel the insurance.

The Federal Employee Health Benefit Program (FEHBP) will be discussed later.

NOTE: For retirees with Medicare based on ESRD, Medicare may be secondary to retiree coverage for the 30-month coordination period.

What is a Medigap Policy?

- Policies sold by private companies
- Fill the gaps in Original Medicare
 - Deductibles, coinsurance, copayments
- Standardized plans in all but three states
 - Minnesota, Massachusetts, Wisconsin
- All plans of same letter have same coverage
 - Only costs are different

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Medigap (Medicare Supplement Insurance) policies are private health insurance that covers only the policyholder, not the spouse. They are sold by private insurance companies to supplement Original Medicare coverage for costs like deductibles, coinsurance and copayments.

- They pay for Medicare-covered services provided by any doctor, hospital, or provider that accepts Medicare (the exception is Medigap SELECT policies that require you use specific hospitals, and in some cases, specific doctors to get full benefits).
- Medigap may cover certain things Medicare doesn't depending on the Medigap plan.
- They must follow Federal and state laws that protect people with Medicare.

In all states except Massachusetts, Minnesota, and Wisconsin, Medigap policies must be one of the standardized plans A, B, C, D, F, G, K, L, M or N so they can be easily compared. Each plan has a different set of benefits that are the same for any insurance company. It's important to compare Medigap policies, because costs can vary. (Note: Each company decides which Medigap policies it will sell and the price for each plan, with state review and approval).

A Medigap policy only works with Original Medicare (not with Medicare Advantage (MA) or other Medicare plans). It is illegal for anyone to sell you a Medigap policy if you:

- Are in a Medicare Advantage Plan (unless your enrollment is ending).
- Have Medicaid (unless Medicaid pays for your Medigap policy or only pays your Medicare Part B premium).
- Already have a Medigap policy (unless you cancel your old Medigap policy).

You may want to drop your Medigap policy if you join a Medicare Advantage Plan or other Medicare plan. Even though you are entitled to keep it, it can't pay for benefits that you get under your MA or other Medicare plan and can't pay any cost-sharing under these plans.

Medigap for People with Disabilities

- If you are under 65 and have a disability
 - Federal law doesn't require insurance companies to sell you a Medigap policy
 - If available, choice of plans may be limited
 - Or you may have to wait until you turn 65
- Some states require Medigap insurance companies to sell you a Medigap policy
 - Even if you're under 65

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At the time of printing this module, the following states required insurance companies to offer at least one kind of Medigap policy to people with Medicare under 65: California*, Colorado, Connecticut, Delaware**, Florida, Georgia, Hawaii, Illinois, Kansas, Louisiana, Maine, Maryland, Massachusetts*, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Vermont*, and Wisconsin.

*A Medigap policy isn't available to people with ESRD under 65.

** A Medigap policy is only available to people with ESRD.

Even if your state isn't on the list above, some insurance companies may voluntarily sell Medigap policies to people under 65. They will probably cost you more than Medigap policies sold to people over 65, and they can use medical underwriting. Check with your state about what rights you might have under state law.

Remember, if you're already enrolled in Medicare Part B, you will get a Medigap Open Enrollment Period when you turn 65. You will probably have a wider choice of Medigap policies and be able to get a lower premium at that time. During the Medigap Open Enrollment Period, insurance companies can't refuse to sell you any Medigap policy due to a disability or other health problem, or charge you a higher premium (based on health status) than they charge other people who are 65.

There are no provisions in the Affordable Care Act (ACA) that change rules for issuance of private Medicare Supplemental Policies.

Medicare (Part A and/or Part B) is creditable coverage. If you had Medicare for more than 6 months before you turned 65, you may not have a pre-existing condition waiting period.

 **Part C – Medicare Advantage**

- Health plan options approved by Medicare
- Run by private companies
- Medicare pays plan amount for each member’s care
- Another way to get Medicare coverage
- Part of the Medicare program
- You must have Part A and Part B to join
- May have to use network doctors or hospitals
- Can’t join if you have ESRD (few exceptions)



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Medicare Advantage is also called Part C. Medicare Advantage Plans are health plan options approved by Medicare and run by private companies.

Medicare pays amount for each member’s care.

They are another way to get Medicare coverage.

They are part of the Medicare program.

You must have Medicare Part A and Medicare Part B to join a Medicare Advantage Plan.

If you join you may have to use network doctors or hospitals.

You cannot join a Medicare Advantage Plan if you have ESRD (there are a few exceptions).

Part D – Medicare Prescription Drug Coverage

- Available for **all** people with Medicare
- Provided through
 - Medicare Prescription Drug Plans
 - Medicare Advantage Plans
 - Other Medicare plans
- Must include range of drugs in each category



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Medicare Part D is Medicare Prescription Drug Coverage. It is available for all people with Medicare. The coverage is provided through Medicare Prescription Drug Plans, Medicare Advantage Plans, or other Medicare plans.

Part D plans must cover a range of drugs in each category.

Who Can Join Part D?

- You must have Medicare Part A and/or Part B
- You must live in the plan's service area
- You can't live outside the U.S.
- You can't be incarcerated
- You must enroll in a Medicare Part D plan
 - In most cases no automatic enrollment
 - You must fill out an application

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Part D is available for all people with Medicare. You can just have Part A, just have Part B, or have both.

As with Medicare Advantage Plans -

- You must live in the plan's service area.
- You can't live outside the U.S.
- You can't be incarcerated.
- You must enroll in the plan yourself.
 - Some people with limited income and resources are automatically enrolled.
 - In most cases you must complete an application.

When Can You Join or Switch Medicare Advantage and Prescription Drug Plans?

- Initial Enrollment Period Package Mailed (IEP)
 - 3 months before 25th month of disability benefits
 - Those with ALS - about 4 weeks after Medicare entitlement
 - Another IEP when you turn 65
- Annual Enrollment Period
 - October 15 – December 7
 - Coverage begins January 1st of the following year
- Special Enrollment Periods
 - Other special situations
 - Remember, if you have a disability you may not be able to get a Medigap policy
 - 5-Star Special Enrollment Period

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People with disabilities can join a Medicare Prescription Drug Plan or Medicare Advantage Plan when they first become eligible for Medicare, i.e., during their Initial Enrollment Period (IEP), which begins 3 months immediately before their first entitlement to both Medicare Part A and Part B. After you enroll in a plan you must remain with that plan for the rest of the calendar year.

People with Medicare can also enroll in a Medicare Part D or Medicare Advantage Plan from October 15 – December 7 each year. You can also change plans.

Between January 1 and February 14, you can leave an MA plan and return to Original Medicare. If you make this change, you may also join a Medicare Part D plan to add drug coverage. Coverage begins the first of the month after the plan receives the enrollment form.

In certain situations, you may be able to join, switch, or drop a Medicare Advantage Plan during a Special Enrollment Period (e.g., if you move out of your plan's service area, if you lose employer group coverage, or become eligible or lose Extra Help or Medicaid).

Medicare plans that have a current year overall 5 star quality rating from CMS are allowed to enroll beneficiaries from December 8 through November 30 at any time. Beneficiaries may use the 5-Star Special Enrollment Period one time during this period provided that they meet the plan's eligibility criteria (e.g. living within the service area). See Section 3204 of the Affordable Care Act.

What is Extra Help?

- Help paying Medicare prescription drug costs
- Social Security or state makes determination
- Some groups automatically qualify
 - People with Medicare and Medicaid
 - Supplemental Security Income (SSI) only
 - Medicare Savings Programs
- You or someone on your behalf can apply

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People with Medicare who have limited income and resources may be able to get Extra Help with the costs of Medicare prescription drug coverage, such as the drug plan's monthly premiums, annual deductible, coinsurance, and copayments. You must be enrolled in a Medicare prescription drug plan to get Extra Help. You can apply with either Social Security or your state's Medical Assistance office. When you apply, you will be asked for information about your income and resources, and you will be asked to sign a statement that your answers are true. Social Security will check your information from computer records at the Internal Revenue Service and other sources. You may be contacted if more information is needed.

When you apply, you'll get a letter telling you if you qualify for Extra Help.

Certain groups of people automatically qualify for Extra Help and do not have to apply:

- People with Medicare and full Medicaid benefits (including prescription drug coverage)
- People with Medicare who get Supplemental Security Income (SSI) only
- People who get help from Medicaid paying their Medicare premiums (Medicare Savings Programs)

All other people with Medicare must file an application to get Extra Help. You may fill out a paper application, apply on the internet at socialsecurity.gov, call 1-800-772-1213, or apply through your State Medical Assistance office or a local organization. You or someone on your behalf can apply.

See Appendix A and B for details about 2013 Low Income Subsidy (LIS), or Extra Help.

To Apply for Extra Help

- Apply if you might qualify
 - Collect your personal documents
 - Contact local agencies for more information
 - Social Security
 - State Medical Assistance office
 - Local State Health Insurance Program (SHIP) office
 - Complete application

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Here are some steps you can take to find out if you qualify for help with your Medicare prescription drug out-of-pocket expenses:

- If you think you may qualify, collect the personal documents the agency requires for the application process. You will need:
 - Medicare card
 - Proof of identity
 - Proof of residence
 - Proof of any income, including pension checks, Social Security payments, etc.
 - Recent bank statements
 - Property deeds
 - Insurance policies
 - Financial statements for bonds or stocks
 - Proof of funeral or burial policies
- You can get more information by contacting your State Medical Assistance office, your local State Health Insurance Assistance Program (SHIP), or your local Area Agency on Aging. You can get their contact information by calling 1-800-MEDICARE (1-800-633-4227), Medicare TTY 1-877-486-2048.
- Finally, complete an application with your State Medical Assistance office, or online at <http://www.medicare.gov/your-medicare-costs/help-paying-costs/save-on-drug-costs/save-on-drug-costs.html>. The link will direct you to the application with Social Security. Completing this application will also start the process for the Medicare Savings Program.

Check Your Knowledge - Lesson 3



1. All people with Medicare as a result of disability are able to purchase private Medigap policies at any time.
 - a. True
 - b. False



Refer to page 59 to check your answers.

Check Your Knowledge - Lesson 3



1. Original Medicare (Part A and Part B) does not coordinate billing or payment of claims with retiree health plans.
 - a. True
 - b. False



Refer to page 60 to check your answers.



Lesson 4 - Other Programs

- Medicaid and Medicaid Waivers
- Medicare Savings Programs
- Qualified Disabled Working Individual (QDWI)

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In Lesson 4 describes the additional programs that help people with disabilities pay for health and prescription drug care. They include:

- Medicaid, including Medicaid Waivers
- Medicare Savings Programs
- Qualified Disabled and Working Individual or QDWI

How are Medicare and Medicaid different?	
Medicare	Medicaid
National program that is consistent across the country	Statewide programs that vary among states
Administered by the Federal government	Administered by state governments within Federal rules (Federal/state partnership)
Eligibility based on age, disability, or End-Stage Renal Disease (ESRD)	Eligibility based on need; financial and non-financial requirements
Nation's primary payer of inpatient hospital services to the elderly and people with ESRD	Nation's primary public payer of acute health, mental health, and long-term care services

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Medicare and Medicaid are different in the following ways:

- While Medicare is a national program that is consistent across the country, Medicaid consists of statewide programs that vary among states.
- While Medicare is administered by the Federal government, Medicaid is administered by state governments within Federal rules (Federal/state partnership).
- While Medicare eligibility is based on age, disability, or End-Stage Renal Disease (ESRD), Medicaid eligibility is based on income and resources.
- While Medicare is the nation's primary payer of inpatient hospital services to the elderly and people with ESRD, Medicaid is the nation's primary public payer of acute health, mental health, and long-term care services.

Medicaid Waivers

- Allow states to test alternative delivery of care
 - Certain Federal laws “waived”
- Types of waivers
 - Section 1915(b) managed care waiver
 - Section 1915(c) home and community-based services waiver
 - Section 1115 Demonstration waiver
 - Concurrent Section 1915(b) and 1915(c) waivers

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Waivers are vehicles states can use to test new or existing ways to deliver and pay for health care services in Medicaid and the Children’s Health Insurance Program (CHIP). There are four primary types of waivers and demonstration projects:

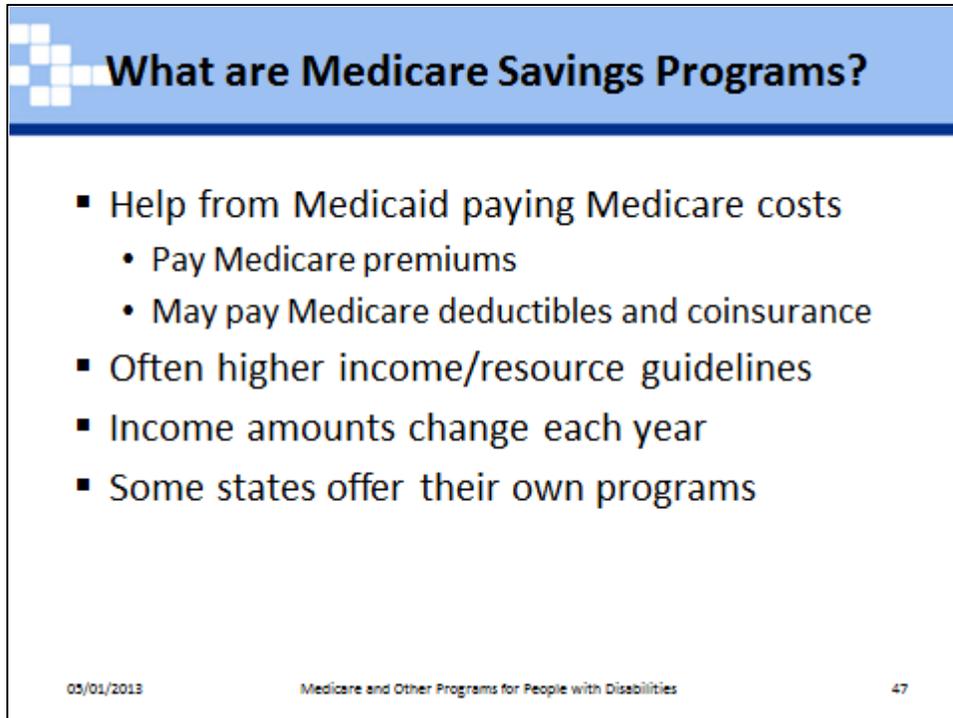
- Section 1915(b) Managed Care Waivers: States can apply for waivers to provide services through managed care delivery systems or otherwise limit people’s choice of providers.
- Section 1915(c) Home and Community-Based Services Waivers: States can apply for waivers to provide long-term care services in home and community settings rather than institutional settings.
- Section 1115 Research & Demonstration Projects: States can apply for program flexibility to test new or existing approaches to financing and delivering Medicaid and CHIP.
- Concurrent Section 1915(b) and 1915(c) Waivers: States can apply to simultaneously implement two types of waivers to provide a continuum of services.



Need More Information?

To learn more about Medicaid Waivers, please visit:

<http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/Waivers.html>



What are Medicare Savings Programs?

- Help from Medicaid paying Medicare costs
 - Pay Medicare premiums
 - May pay Medicare deductibles and coinsurance
- Often higher income/resource guidelines
- Income amounts change each year
- Some states offer their own programs

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Medicare Savings Programs provide help from state Medicaid programs with paying for Medicare costs. These programs can help pay Medicare premiums, deductibles, and/or coinsurance.

- These programs often have higher income/resource guidelines.
- Income amounts can change each year.
- Some states offer their own programs.

Medicare Savings Programs 2013			
Medicare Savings Program	Individual Monthly Income Limit*	Married Couple Monthly Income Limit*	Helps Pay Your
Qualified Medicare Beneficiary (QMB)	\$978	\$1,313	Part A and Part B premiums, and other cost-sharing (like deductibles, coinsurance, and copayments)
Specified Low-Income Medicare Beneficiary (SLMB)	\$1,169	\$1,571	Part B premiums only
Qualifying Individual (QI)	\$1,313	\$1,765	Part B premiums only

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The Qualified Medicare Beneficiary (QMB) program was established by the Medicare Catastrophic Coverage Act of 1988. To qualify for QMB you must be eligible for Medicare Part A, and have an income not exceeding 100% of the Federal Poverty Level (FPL). This will be effective the first month following the month QMB eligibility is approved. Eligibility cannot be retroactive. If you qualify for QMB, you get help paying your Part A and Part B premiums, deductibles, co-insurance, and co-pays.

The Specified Low-income Medicare Beneficiary (SLMB) program was established by OBRA law of 1990 and became effective January 1, 1993. To qualify for SLMB, you must be eligible for Medicare Part A and have an income that is at least 100%, but does not exceed 120% of the FPL. If you qualify for SLMB, you get help paying for your Part B premium.

The Qualified Individual (QI) program was established by the BBA of 1997. It is fully federally funded. Congress only appropriated a limited amount of funds to each state. To qualify for QI, you must be eligible for Medicare Part A, and have an income not exceeding 135% of the Federal Poverty Level (FPL). If you qualify for QI, and there are still funds available in your state, you get help paying your Part B premium.

*In 2013, the resource limits for the QMB, SLMB and QI programs are \$7,080 for a single person and \$10,620 for a married person living with a spouse and no other dependents. These resource limits are adjusted on January 1 of each year. Many states may figure your income and resources differently when determining eligibility for these programs in their state.

Qualified Disabled Working Individual (QDWI) Program

- State may pay Part A premiums if disabled and under 65
 - Part A no longer free because you returned to work
 - Income less than 200% of the FPL
 - Have resources worth less than \$4,000
 - \$6,000 for a couple
 - Some states have different limits
 - Can't already be eligible for Medicaid
- Contact your local, county, or state social service agency or medical assistance office

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The Qualified Disabled Working Individual (QDWI) program was established by the OBRA law of 1989 to help certain people pay for their Medicare Part A premiums.

- If you are under age 65, disabled and no longer entitled to free Medicare Hospital Insurance (Part A) because you successfully returned to work and your earnings exceed the Substantial Gainful Activity (SGA) limit, you may be eligible for a state program that helps pay your Medicare Part A monthly premium.
- To be eligible for this help, you must:
 - Continue to have a disabling impairment;
 - Sign up for premium Hospital Insurance (Part A);
 - Have limited monthly income not higher than 200% of the FPL (in 2013, \$3,915 for individual and \$5,255 for a couple);
 - Not have resources exceeding twice the maximum for SSI (\$4,000 for an individual and \$6,000 for a couple in 2013). Your state will not count the home where you live, usually one car and \$1,500 in burial expenses (per person) as resources.
 - Some states have different limits. If you qualify you get help paying your Part A premium, states can charge premiums if your income is between 150% and 200% FPL; and
 - Not already be eligible for Medicaid.
- To find out more about the QDWI program, contact your local, county, or state social service agency or medical assistance office.

To Apply for Medicare Savings Programs

- If you might qualify for a Medicare Savings Program
 - Review your local guidelines
 - Collect your personal documents
 - Contact local agencies for more information
 - Complete application with your State's Medicaid Program
 - May be called the State Medical Assistance office, or may have another name

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Medicare and Other Programs for People with Disabilities

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Here are some steps you can take to find out if you qualify for help with your Medicare out-of-pocket expenses:

- First, review the income and resource (or asset) guidelines for your area. Your State Medical Assistance office can help.
- If you think you may qualify, collect the personal documents the agency requires for the application process. You will need:
 - Medicare card
 - Proof of identity
 - Proof of residence
 - Proof of any income, including pension checks, Social Security payments, etc.
 - Recent bank statements
 - Property deeds
 - Insurance policies
 - Financial statements for bonds or stocks
 - Proof of funeral or burial policies
- You can get more information by contacting your State Medical Assistance office, your local SHIP program, or your local Area Agency on Aging. Call 1-800-MEDICARE for their contact information.
- Finally, complete an application with your State Medical Assistance office.

Check Your Knowledge- Lesson 4

1. People who are eligible for the Qualified Individual (QI) program can enroll and receive help paying for their Medicare Part B premium at any time in the year if funds are still available.
 - a. True
 - b. False



Refer to page 61 to check your answers.

**Check Your Knowledge- Lesson 4
Continued**

2. Which of the following is true about Medicare Savings Programs?
- a. QMB, SLMB, and QI programs were all established under the Medicare Coverage Act of 1988.
 - b. Eligibility cannot be retroactive.
 - c. They all cover Part A and Part B premiums.
 - d. The income amounts for these programs are frozen until 2020.



Refer to page 62 to check your answers.

Disability Resources

Government and Industry Resources	Medicare Products
<p>Medicare.gov www.socialsecurity.gov www.HHS.gov/od Centers for Medicare & Medicaid Services (CMS) 1-800-MEDICARE (1-800-633-4227) (TTY 1-877-486-2048)</p> <p>Social Security Administration 1-800-772-1213 (TTY 1-800-325-0778)</p> <p>U.S. Railroad Retirement Board www.rrb.gov</p>	<p>Medicare & You Handbook CMS Product No. 10050)</p> <p>Your Medicare Benefits CMS Product No. 10116</p> <p>To access these products: View and order single copies at Medicare.gov Order multiple copies (partners only) at http://productordering.com.hhs.gov/. You must register your organization.</p>
<p>www.Disability.gov www.HHS.gov http://www.hhs.gov/ocr/civilrights/understanding/disability/index.html www.hcbs.org (Clearinghouse for Home and Community Based Services) www.Ready.gov www.healthcare.gov State Health Insurance Assistance Programs (SHIPs)* Contact 1-800-MEDICARE for local information.</p>	

Medicare Drug Plan Costs if You Automatically Qualify for Extra Help

If you have Medicare and...	Your monthly premium	Your yearly deductible	Your cost per prescription at the pharmacy (until \$4,750*)	Your cost per prescription at the pharmacy (after \$4,750*)
Full Medicaid coverage for each full month you live in an institution, like a nursing home	\$0	\$0	\$0	\$0
Full Medicaid coverage and have a yearly income at or below \$11,490 (single) \$15,510 (married)	\$0	\$0	Generic and certain preferred drugs: no more than \$1.15 Brand-name drugs: no more than \$3.50	\$0
Full Medicaid coverage and have a yearly income above \$11,490 (single) \$15,510 (married)	\$0	\$0	Generic and certain preferred drugs: no more than \$2.65 Brand-name drugs: no more than \$6.60	\$0
Help from Medicaid paying your Medicare Part B premiums	\$0	\$0	Generic and certain preferred drugs: no more than \$2.65 Brand-name drugs: no more than \$6.60	\$0
Supplemental Security Income (SSI)	\$0	\$0	Generic and certain preferred drugs: no more than \$2.65 Brand-name drugs: no more than \$6.60	\$0

Medicare Drug Plan Costs if You Apply and Qualify for Extra Help

If you have Medicare and...	Your monthly premium	Your yearly deductible	Your cost per prescription at the pharmacy (until \$4,750*)	Your cost per prescription at the pharmacy (after \$4,750*)
A yearly income below \$15,511.50 (single) \$20,938.50 (married) with resources of no more than \$8,580 (single) \$13,620 (married)	\$0	\$0	Generic and certain preferred drugs: no more than \$2.65 Brand-name drugs: no more than \$6.60	\$0
A yearly income below \$15,511.50 (single) \$20,938.50 (married) with resources between \$8,580 and \$13,330 (single) \$13,620 and \$26,580 (married)	\$0	\$66	up to 15% of the cost of each prescription	Generic and certain preferred drugs: no more than \$2.65 Brand-name drugs: no more than \$6.60
A yearly income between \$15,511.50 and \$16,086 (single) \$20,938.50 and \$21,714 (married) with resources up to \$13,330 (single) \$26,580 (married)	25%	\$66	up to 15% of the cost of each prescription	Generic and certain preferred drugs: no more than \$2.65 Brand-name drugs: no more than \$6.60
A yearly income between \$15,638 and \$16,660.50 (single) \$21,182 and \$22,489.50 (married) with resources up to \$13,330 (single) \$26,580 (married)	50%	\$66	up to 15% of the cost of each prescription	Generic and certain preferred drugs: no more than \$2.65 Brand-name drugs: no more than \$6.60
A yearly income between \$16,660.50 and \$17,235 (single) \$21,938.50 and \$23,265 (married) with resources up to \$13,330 (single) \$26,580 (married)	75%	\$66	up to 15% of the cost of each prescription	Generic and certain preferred drugs: no more than \$2.65 Brand-name drugs: no more than \$6.60



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Answer Key

Check Your Knowledge- Lesson 1 (from page 15)



1. The five month waiting period for Social Security Disability Insurance (SSDI) cash benefits applies to everyone except those with childhood disabilities.
 - a. True
 - b. False

Answer: b. False

Some people, who were previously entitled to disability benefits within the past five years, may not be required to wait five months before receiving Social Security Disability Insurance (SSDI) cash benefits.

If you become disabled a second time within five years after your previous disability benefits stopped, there is no waiting period before benefits start. If your claim is approved, you can receive benefits for the first full month of disability.

However, it can take from three to five months to get a decision on a disability claim, depending on how long it takes to obtain your medical records and any other information needed by Social Security to decide whether you are disabled. You can help shorten this time by providing as much information as possible when you apply for benefits.

For more information about applying for benefits, Social Security suggests that you review their booklet, Disability (Publication No. 05-10029), or you can file a claim online with Social Security. (See page 11.)

Answer Key

Check Your Knowledge- Lesson 1 Continued (from page 16)



2. A person may not receive both Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) benefits simultaneously.
 - a. True
 - b. False

Answer: b. False.

Some people may qualify for both Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) if they have enough eligible work credits and still meet the needs-based criteria.(See page 12.)

Answer Key

Check Your Knowledge - Lesson 3 (from page 42)



1. All people with Medicare as a result of disability are able to purchase private Medigap policies at any time.
 - a. True
 - b. False

Answer: b. False.

Medicare beneficiaries under age 65 may not be able to buy a Medigap policy. You may buy a Medigap policy any time an insurance company agrees to sell you one. However, depending on when you purchase the policy, you may have to go through the underwriting process or abide by certain coverage stipulations, waiting periods, or restrictions. (See page 26.)

Answer Key

Check Your Knowledge - Lesson 3 Continued (from page 43)



2. Original Medicare (Part A and Part B) does not coordinate billing or payment of claims with retiree health plans.
- a. True
 - b. False

Answer: b. False

Generally, Medicare will pay first for health insurance claims, and retiree coverage will be the secondary payer. (See page 33.)

Answer Key

Check Your Knowledge- Lesson 4 (from page 51)



1. People who are eligible for the Qualified Individual (QI) program can enroll and receive help paying for their Medicare Part B premium at any time in the year if funds are still available.
 - a. True
 - b. False

Answer: a. True

The Qualified Individual (QI) program is part of the Medicare Savings Program and helps pay for the Medicare Part B monthly premium. However, it is fully federally funded. Congress only appropriated a limited amount of funds to each state. To qualify for QI, you must be eligible for Medicare Part A, and have an income not exceeding 135% of the Federal Poverty Level (FPL). If you qualify for the QI program you may join at any time of the year provided that there are still funds available in your state. (See page 48.)

Answer Key

Check Your Knowledge- Lesson 4 Continued (from page 52)



3. Which of the following is true about Medicare Savings Programs?
- a. QMB, SLMB, and QI programs were all established under the Medicare Coverage Act of 1988.
 - b. Eligibility cannot be retroactive.
 - c. They all cover Part A and Part B premiums.
 - d. The income amounts for these programs are frozen until 2020.

Answer: b. Eligibility for Medicare Savings Programs cannot be retroactive. (See page 48.)

Acronyms

ACA	Affordable Care Act
ALS	Amyotrophic Lateral Sclerosis
CHIP	Children’s Health Insurance Program
CMS	Centers for Medicare and Medicaid Services
COBRA	Consolidated Omnibus Budget Reconciliation Act
DMEPOS	Durable Medical Equipment, Prosthetics, Orthotics and Supplies
EGHP	Employer Group Health Plan
ESRD	End-Stage Renal Disease
FEHBP	Federal Employee Health Benefit Program
FICA	Federal Insurance Contributions Act
FPL	Federal Poverty Level
GHP	Group Health Plan
HCBS	Home and Community Based Services
HHS	Health and Human Services
HMO	Health Maintenance Organization
IEP	Initial Enrollment Period
LIS	Low Income Subsidy
MA	Medicare Advantage
MSA	Metropolitan Statistical Area
MSN	Medicare Summary Notice
OD	Office on Disability
PPO	Preferred Provider Organization
QDWI	Qualified Disabled and Working Individual
QI	Qualified Individual
QMB	Qualified Medicare Beneficiary
RRB	Railroad Retirement Board
SGA	Substantial Gainful Activity
SHIP	State Health Insurance Assistance Program
SLMB	Specified Low-Income Medicare Beneficiary
SS	Social Security
SSDI	Social Security Disability Insurance
SSI	Supplemental Security Income
TTY	Teletypewriter
U.S	United States

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Website: [cms.gov/www.cms.gov/Outreach-and-Education/Training/CMSNationalTrainingProgram](https://www.cms.gov/Outreach-and-Education/Training/CMSNationalTrainingProgram)

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