

# **Individuals with I/DD Who Are Dually Eligible for Both Medicare and Medicaid**

**Beverly Roberts**

Director, Mainstreaming Medical Care

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**[broberts@arcnj.org](mailto:broberts@arcnj.org)**



# The Arc of New Jersey

- Largest non-profit advocacy organization for people with intellectual and other developmental disabilities and their families
- Parent directed membership organization founded in 1946
- Chapters in all 21 counties
- Affiliated with The Arc of the United States
- Governed by a volunteer Board of Directors

# Mission Statement

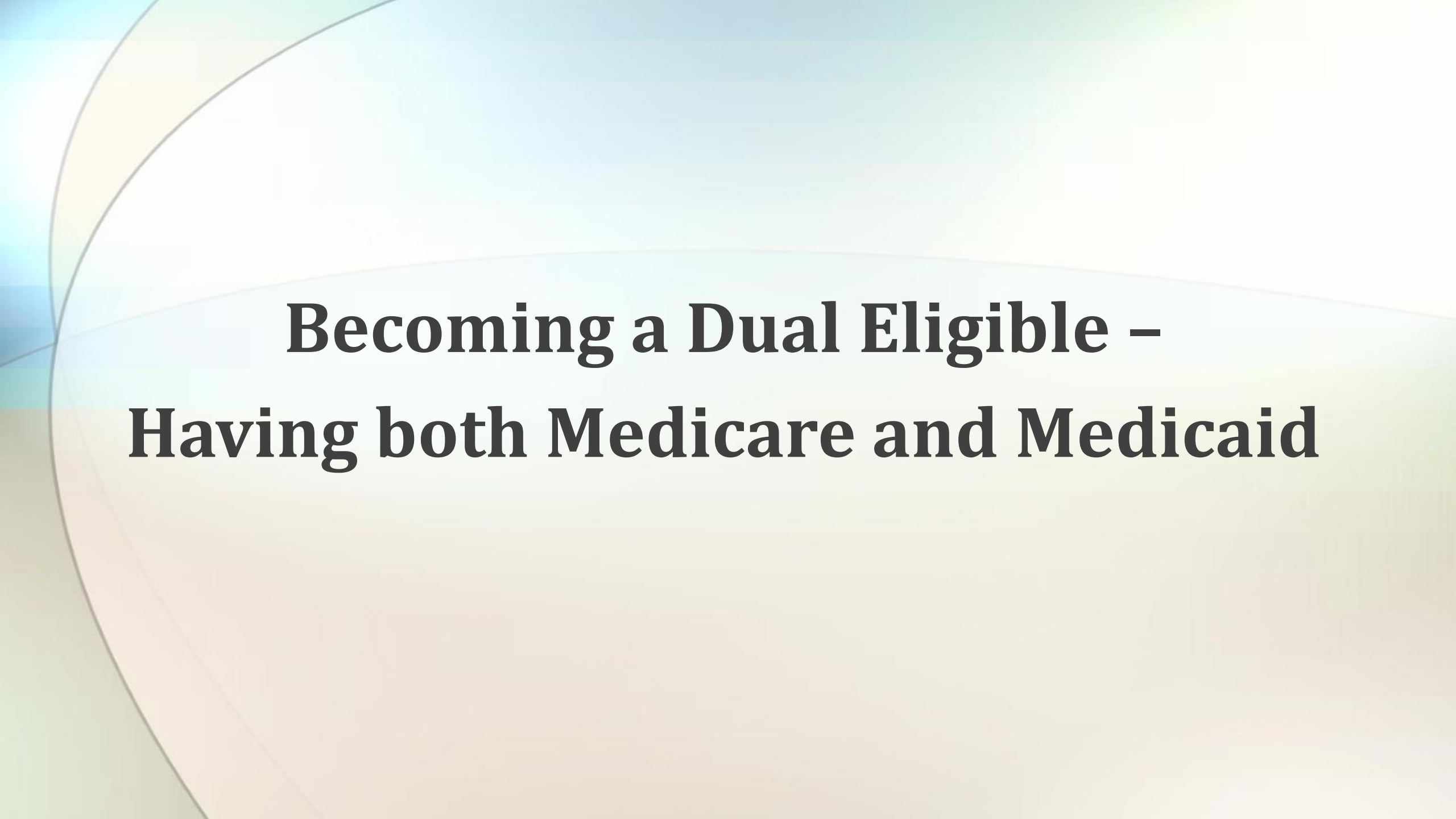
The Arc of New Jersey is committed to enhancing the quality of life of children and adults with intellectual and developmental disabilities and their families, through advocacy, empowerment, education and prevention.

# Departments of The Arc of NJ

- The Arc Family Institute
- Governmental Affairs/Public Policy
- Public Affairs/Communications

## Programs & Projects

- Mainstreaming Medical Care
- New Jersey Self-Advocacy Project
- Project HIRE
- Criminal Justice Advocacy Program
- Planning for Adult Life



# **Becoming a Dual Eligible – Having both Medicare and Medicaid**

# Important Disclaimer

- The information about dual eligibles is accurate as of today. We don't know what may happen in the future as a result of legislation, which could have a negative impact on the current Social Security, Medicare, or Medicaid benefits that persons with I/DD receive.
- Go to [www.arcnj.org](http://www.arcnj.org) to sign up The Arc of NJ's monthly e-news, Action Alerts, and other important information on legislation that could have an impact on persons with I/DD.

# Difference between SSI and SSDI

## SSI – Supplemental Security Income

- SSI is a Social Security benefit for persons with a significant disability who also have *very low income*. When a person with I/DD is age 18 or older, the parent's income is disregarded.

## SSDI – Social Security Disability Insurance

- SSDI begins due to the work record of a parent who is collecting Social Security retirement, is disabled, or has passed away. When the person receiving Social Security is a parent who has a son or daughter with I/DD, the child also receives SSDI. **OR**
- SSDI can also start from the work record of a person with I/DD, who has worked enough quarters to qualify for SSDI.

# Why do some persons have both Medicare and Medicaid?

- Most persons with I/DD already have Medicaid, often starting at age 18 when they receive SSI and Medicaid.
- Two possible reasons for having Medicare also:
- **1<sup>st</sup> - Because of parent's work record:**
  - Parent of person with I/DD retires and collects Social Security, or becomes disabled, or passes away.
    - Son/daughter with I/DD collects Social Security Disability Insurance (SSDI) from parent's work record.
  - **24 months after the start of SSDI, person with I/DD starts to receive Medicare.**



# Why do some people have both Medicare and Medicaid?

- **2<sup>nd</sup> possible reason for having Medicare (in addition to Medicaid)**
  - From the work record of the person with I/DD.
    - Receiving Social Security Disability Insurance (SSDI) from consumer's own work history.
    - **24 months after the start of SSDI, person starts to receive Medicare.**

# Section 1634 DAC Status, When Parent Collects Social Security

- When parent of person with I/DD retires, becomes disabled, or dies, the son/daughter receives a Social Security Disability (SSD) benefit on parent's work record.
- Monthly SSD on parent's work history is often over \$1,000/mo. – too high to get Medicaid.
- **But, when persons with disabilities previously had SSI, they are “Disabled Adult Children: Section 1634 DACs”, as defined by the Social Security Admin. They are eligible to get Medicaid again, after they start receiving SSD on parent's work record, from county Board of Social Services. The amount of the SSD benefit is disregarded.**

# Section 1634 DAC Status, When Parent Collects Social Security

- **DAC = Disabled Adult Child. See Section 1634 DAC flyer developed by NJ DHS.**
- Social Security Admin. (SSA) definition of a DAC:
  - A person who was receiving Supplemental Security Income (SSI) benefits (and Medicaid) and who meets the following:
    - Is at least 18 years of age;
    - Has blindness or a disability which began before the age of 22;
    - Has been receiving SSI based on blindness or disability; and
    - Has lost SSI due to the receipt of Social Security benefits on a parent's record due to the retirement, death, or disability of a parent.
- Also, the person cannot have more than \$2,000 in assets in his/her name (not including a Special Needs Trust)

# Section 1634 DAC Status, When Parent Collects Social Security



**Disabled Adult Children (§1634 DAC)**

State of New Jersey  
DHHS  
Department of Human Services


Eligibility Group Requirements\*: An individual who was receiving Supplemental Security Income (SSI) benefits and meets the following:

- Is at least 18 years of age;
- Has blindness or a disability which began before the age of 22;
- Has been receiving Supplemental Security Income (SSI) based on blindness or disability; and
- Has lost Supplemental Security Income (SSI) due to the receipt of Social Security benefits on a parent's record due to the retirement, death or disability of a parent.

\*If an individual meets all of the above criteria, they may qualify as a Disabled Adult Child under Section 1634 of the Social Security Act (regarding DAC). This designation comes from the Social Security Administration. Eligibility for Medicaid may continue as long as the person is determined blind or disabled. However, if the person receives income from another source or exceeds the resource limits, they may become ineligible for Medicaid coverage.

**What should an individual do if they lose their SSI benefits and Medicaid coverage because they are now receiving Social Security Disabled Adult Child (DAC) benefits, resulting in their income exceeding the SSI income limit?**

The individual should have received a letter from the Social Security Administration (SSA) verifying that he/she may continue to be eligible for Medicaid coverage under this eligibility group (§1634 DAC). If the individual did not receive or no longer has this letter, contact the Social Security Administration at 1-800-772-1213 (Monday–Friday from 7am–7pm) to request a Benefit Award letter verifying Social Security benefits as a Disabled Adult Child or Disabled Dependent Child who received SSI in the past.



**To obtain Medicaid Eligibility for individuals expected to be enrolled in the Community Care Waiver (CCW) Program:**

Individuals must complete and submit the Medicaid Only-Community Care Waiver Application that is sent to them. They also must submit all necessary documents, including the letter from the SSA verifying that the individual may be eligible for DAC status for consideration of Medicaid eligibility under Section 1634 of the Social Security Act (regarding DAC).

**To obtain Medicaid Eligibility for individuals expected to be enrolled in the Supports Program:**

Individuals must complete the NJ FamilyCare Aged, Blind, Disabled (ABD) Medicaid Application. They must submit the completed ABD Application and all necessary documents to the County Welfare Agency, including the letter from the SSA verifying that the individual may be eligible for DAC status for consideration of Medicaid eligibility under Section 1634 of the Social Security Act (regarding DAC). The ABD Application is available at:

[www.state.nj.us/humanservices/dmahs/clients/medicaid/abd/ABD\\_Application\\_Booklet.pdf](http://www.state.nj.us/humanservices/dmahs/clients/medicaid/abd/ABD_Application_Booklet.pdf)



If you have questions, or if you have difficulty obtaining Medicaid for an individual who may be eligible for §1634 DAC status, please contact your DDD Case Manager or Support Coordinator, or send an email to DDD's Medicaid Eligibility Help Desk: [DDD.MediElighelpdesk@dhs.state.nj.us](mailto:DDD.MediElighelpdesk@dhs.state.nj.us).

# Special Needs Trusts (SNT)

- Families need to know that the SNT will be scrutinized by Medicaid.
- If son/daughter already has Medicaid or Community Care Waiver (CCW), and it is time for a redetermination, expect that the Special Needs Trust will be examined by Medicaid staff.
- Be sure the SNT was prepared by attorney with extensive expertise in this type of trust!



# New Medicare Cards are Coming!

## **NEW MEDICARE CARDS ARE COMING!**

As you help people with Medicare, here are some key messages to share about the new Medicare card:

- Medicare will mail new cards between April 2018 – April 2019.
- To help prevent identity theft, new cards won't include Social Security numbers. Instead, each person will get a new unique Medicare Number.
- You don't need to do anything to get a new card, but you should make sure your mailing address is up to date. Visit [ssa.gov/myaccount](https://ssa.gov/myaccount) or call 1-800-772-1213 (TTY: 1-800-325-0778) to correct your mailing address, if updates are needed.
- Medicare will never call and ask for personal information before sending new cards, so don't share your Medicare Number or other personal information if someone calls and asks for it.
- Medicare will mail more information with the new cards – check [Medicare.gov](https://Medicare.gov) for the latest updates.



CMS Product No. 12003-P  
August 2017

# New Medicare Cards are Coming!

## New Medicare Cards are coming!



## Mailings start April 2018

Current Card	New Card
Medicare number based on Social Security Number	Randomly assigned number
123-45-6789-A	1EG4-TE5-MK73
Health Insurance Claim Number (HICN)	Medicare Beneficiary Identifier (MBI)
Gender and signature line	No gender, no signature line



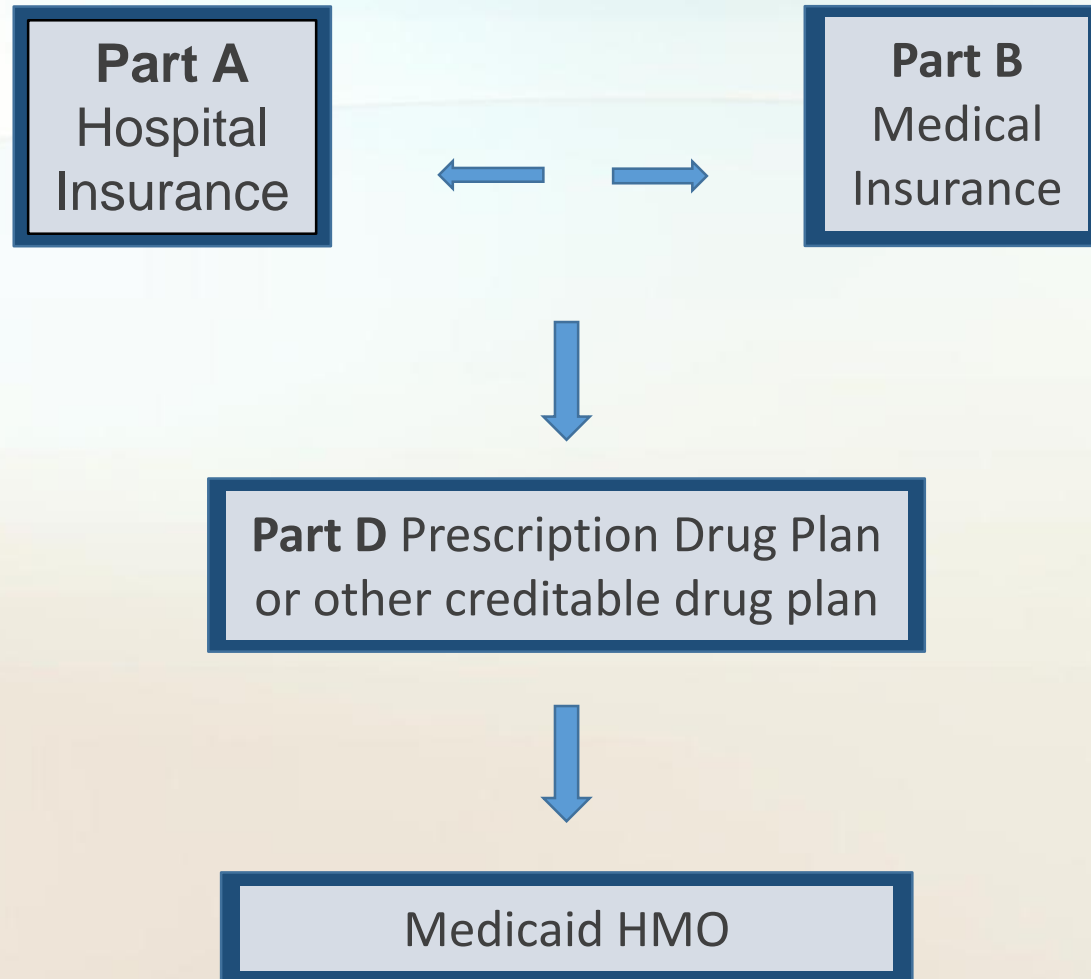
# **Dual Eligibles**

## **General Information**



# Dual Eligible's Coverage

## Original Medicare



# What is “Original” Medicare?

- When anyone is newly enrolled in Medicare, that enrollment is for “Original” Medicare.
- When enrolled in Original Medicare, the individual has access to all providers who accept Medicare.
- **If no action is taken to switch out of Original Medicare (by enrolling voluntarily into a D-SNP or Medicare Advantage managed care plan), the dual eligible will remain in Original Medicare, and will also have a Medicaid managed care plan.**

# What happens when person with I/DD on Medicaid becomes eligible for Medicare?

- If already on SSI (or MLTSS) or Medicaid for *Aged, Blind, Disabled*, the person with I/DD will automatically become a dual eligible after getting Social Security Disability Insurance (SSDI) for 24 months.
- Will automatically be enrolled into Medicare A and B.
  - **Medicare becomes PRIMARY insurance for hospital and medical.**
  - Medicare monthly premiums for A and B will be paid by Medicaid.
    - **Initially, may have \$134/month deduction from SSDI for Part B, but after a delay of 1-3 months, person should be reimbursed by SSA.**
- Will automatically be enrolled into Part D Drug Plan with Extra Help.
  - **Medicare now covers prescription drugs, NOT Medicaid (unless person also has private health insurance – then opt out of Part D).**
  - Individual with I/DD may have to pay drug copays (unless also has private health insurance).
- **Still enrolled in Medicaid HMO.**

# What does Medicaid cover for dual eligibles?

- All Medicare cost-sharing:
    - Part A and Part B monthly premiums
    - Part A, Part B deductibles and co-insurance
  - Automatic enrollment in Low Income Subsidy (Extra Help) for Part D Drug Plan costs.
  - NJ Medicaid provides many services not covered by Medicare:
    - Dental
    - Eyeglasses
    - Chiropractors
    - Podiatrist
    - Medical Day Care
    - Non-emergency medical transportation (LogistiCare)
    - Personal Care Assistance
    - Adult diapers
    - Home Health Aides
    - Care Management
- Above benefits provided thru the Medicaid HMO plan

# Cost Sharing and Balance Billing Issues

- Provider must accept Medicare payment and Medicaid payment (if any) as payment in full.
- **Important note:**
  - **Medicare provider can decide not to treat dual eligible!**
  - If provider agrees to treat, cannot bill the patient for any balances after Medicare pays.
  - Billing dual eligible patient for balance after Medicare pays is called “balance billing” and prohibited under federal and state laws.
- Medicare provider CANNOT ask dual eligible to sign “waiver” or private contract to pay privately.

# Balance Billing Issues



If a dual eligible is being billed a cost share by their doctor for a Medicare covered service

- Call provider's billing office to explain patient is dual eligible.
- Educate them that provider must accept Medicare payment as payment in full.
- **BE AWARE THAT THE PROVIDER MAY REFUSE TO TREAT THE DUAL ELIGIBLE IN THE FUTURE.**

See CMS publication on this issue: *"Prohibition on Balance Billing Dually Eligible Individuals Enrolled"*

<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/SE1128.pdf>

# What happens when someone on NJ Family Care becomes eligible for Medicare?

- If enrolled in NJ FamilyCare (not a disability Medicaid category) and has Social Security Disability (SSDI) for 24 months - **NO LONGER ELIGIBLE FOR THAT MEDICAID CATEGORY.**
  - Federal law prohibits it.
  - Will receive termination letter from NJ Dept of Human Services.
  - Usually gives 4 months warning of Medicaid termination.
- During 4 months of transition, Medicaid medical benefits continue, but Medicaid prescription benefits end.
- **PERSON WITH I/DD SHOULD BE ELIGIBLE FOR MEDICAID THROUGH DDD SUPPORTS WAIVER. CONTACT DDD.**



# What is SHIP and how can the staff help dual eligibles?

**SHIP is the State Health Insurance Assistance Program and the staff can help dual eligibles in many ways.**

SHIP is a statewide, locally-based program to help consumers navigate Medicare. SHIP is administered by the NJ Dept. of Human Services, Division of Aging Services (DoAS), and funded by the federal government. **SHIP provides free counseling for:**

- Information on all aspects of Medicare, including Part D – drug plans
- Questions about Medicare and Medicaid coverage (dual eligibility)
- Questions regarding private insurance in addition to having Medicare and Medicaid
- Dual Eligible Special Needs Plans (D-SNPs)
- Problems with claims, denials, or enrollment

SHIP counselors are trained and certified by DoAS, unbiased and do not sell or recommend any products. SHIP has 450 counselors based in local agencies throughout New Jersey. Half of the counselors are trained volunteers. For more information or to contact SHIP, please call the hotline at DoAS:

**1-800-792-8820** or NJ SHIP website: <http://www.state.nj.us/humanservices/doas/services/ship/>





# **Dual Eligibles and Prescription Medication**

# Types of prescription drug coverage

- **Medicare Part D – Stand-Alone Prescription Drug Plan (PDP)**
- **Dual Eligible Special Needs Plan (D-SNP)**
- **Creditable Coverage Drug plan, through an employer, retiree or union health insurance plan**
- **Medicare Advantage Health Plans, with prescription drug coverage**

# Important change for dual eligibles!

- The most important change: Persons who previously received prescription drugs from Medicaid HMO, now get medications through Medicare system.
- Unless on the CCW or MLTSS, (or enroll voluntarily in a D-SNP) **dual eligibles will pay small copay for each prescription drug.**
- ❖ Important Note: If dual eligible has private health insurance and receives prescription drugs through “**creditable coverage**” – no drug copay. **Will continue to receive prescription drugs from private insurance, but opt-out of Medicare Part D.**

# What is a drug formulary?

- A drug formulary is a list of drugs that are covered by the drug plan.
- If a drug is not on the formulary, then the doctor may be able to get the drug covered by submitting a strong letter of medical necessity to the drug plan, requesting an exception. But even a strong letter may not yield good result.
- Every Medicare Part D drug plan has it's own formulary.
- Formularies may change every year, in January.

# Medicare Part D – Stand-Alone Prescription Drug Plans (PDP)

- Offered by many insurance companies under contract with Medicare. Only covers prescription drugs.
- New dual eligibles are automatically, randomly, assigned to a benchmark stand-alone Medicare Prescription Drug Plan (PDP). If drugs are covered by private health insurance and creditable coverage – opt-out of Medicare drug plan.
  - **When enrolled in a benchmark drug plan - \$0 monthly premium.**
  - Can enroll in non-benchmark drug plan, but must pay a monthly cost.
- No deductibles for dual eligibles.
- Each PDP has its own formulary (list of covered drugs).
- Dual eligibles will pay small copay for each drug unless person has creditable coverage, is on the CCW or MLTSS, or enrolls voluntarily in a D-SNP.

# Medicare Part D – Stand-Alone Prescription Drug Plans (PDP) cont.

- Dual eligibles can switch Medicare Part D plans at any time – no penalty; no “lock-in.”
- To switch to another drug plan – call 1-800-Medicare.
  - The new drug plan will take effect first day of the next month.
- A small number of drugs are excluded from Medicare Part D, and Medicaid MCO will pay the full cost (e.g., prescription vitamins).
- The list of Medicare stand-alone prescription drug plans may change each year.
- Contact the State Health Insurance Assistance Program (SHIP) at 800-792-8820 for a current list.

# **Dual Eligible Special Needs Plan (D-SNP) and prescription drugs**

- Prescription drugs are covered in accordance with the specific D-SNP formulary (list of covered drugs).
- There are no medication co-pays for drugs that are on the D-SNP formulary.
- If enrolling voluntarily in a D-SNP, must abide by all of the D-SNP rules.



# **“Creditable Coverage” through employer, retiree or union health insurance plan**

- **Definition of creditable drug coverage:** having other health insurance that is as good as or better than Medicare Part D. **Having Medicaid is NOT viewed as “creditable” drug coverage.**
- **If receiving prescription drugs through private health insurance, the dual eligible needs to “opt out” of the Part D drug plan by calling 1-800-Medicare. Cannot have Part D and also receive prescription drugs from private health insurance.**
- **If person has Medicare and creditable drug coverage, and also has Medicaid, then Medicaid will assist in covering the drug copays!**



# Medicare Advantage Health Plans with prescription drug coverage (MA-PDs)

- Most dual eligibles will **not** be enrolling in a Medicare Advantage plan.
- Offered by insurance companies under contract with Medicare and structured as HMOs or PPOs with network of providers.
- These managed care plans include health services and prescription drugs. Each MA-PD has its own formulary (list of covered drugs). There may be small co-pays for each drug depending on consumer's level of extra help.

# What if a prescription drug isn't covered by Medicare Part D drug plan?

## Possible options:

- Ask drug plan if there is a similar drug that is on the formulary. If yes, ask doctor if the individual can switch to the other drug.
- Ask the doctor to **request an exception**, to have the drug covered by drug plan. If drug plan denies the request, doctor can appeal.
- Contact SHIP hotline at 1-800-792-8820 to ask if there is another Part D plan that will cover the drug. If yes, can switch to another drug plan at any time. Can also call 1-800-Medicare.

# Drug coverage restrictions

## What are drug coverage restrictions?

Drug coverage restrictions vary by plan. Plans may have these rules for covering certain drugs.

- **Quantity Limits** - Limits the number of pills the individual can get at a time.
- **Prior Authorization** - Requires approval from the plan before the individual can get the drug.
- **Step Therapy** - Requires the individual to try a less expensive drug first, before using a more expensive drug.
- **Quantity Limits and Step Therapy restrictions can be appealed.** The prescribing doctor will need to contact the Part D plan to request an exception based on the individual's medical needs.



# **Dual Eligibles and Special Needs Plans (D-SNPs)**

# What is a Dual Eligible Special Needs Plan (D-SNP)

- D-SNP is a Medicare managed care plan for persons who have both Medicare and Medicaid.
- **ENROLLMENT IN A D-SNP IS VOLUNTARY!**
- Dual eligibles will probably receive letters and/or phone calls from Medicaid HMO encouraging enrollment.
- There are advantages and disadvantages to D-SNP enrollment. This is an individual decision!

# Major disadvantages to enrolling in a D-SNP

- Must use only the health care providers and services – including the drug plan formulary – affiliated with that D-SNP.
- The D-SNP provider network is usually much more limited than Original Medicare.
- Important: If person enrolls in a D-SNP and then goes to doctor or other health care provider not in the D-SNP network, the person will be billed for the full cost of that service – and neither Medicare nor Medicaid will cover that cost.

# **Major advantages to enrolling in a D-SNP**

- No copays for visits to providers in the D-SNP network.
- No copays for prescription drugs on D-SNP formulary.
- Most D-SNPs offer a bonus – a catalog of over-the-counter items at no charge (e.g., diabetic socks, thermometer, etc.).
- A care manager who understands Medicare and Medicaid regs and should help in navigating the system.

# Questions to ask before enrolling in a D-SNP

1. Are the individual's doctors, hospitals, home care agencies, medical equipment supplier, pharmacy and lab in D-SNP network?
2. Are referrals required before seeing a specialist?
3. Are the individual's prescription drugs covered?



Questions?

