

Dual Eligibility in Pennsylvania: What Happens When I Am Newly Eligible for Medicare and Medicaid?



Each month through our Helpline, PHLP talks to individuals (or to their family members, advocates or providers) who are new dual eligibles. New dual eligibles can be people who have been on Medicaid and then also become eligible for Medicare, or people who have been on Medicare who then also qualify for Medicaid. Also, individuals can be **full dual eligibles** (people that have Medicare and get full coverage through Medicaid) or **partial dual eligibles** (people who have Medicare and then get only limited coverage through Medicaid such as having Medicaid pay for the Medicare Part B premium). In this guidebook, we'll review what happens when someone becomes a dual eligible and what, if any, actions they need to take regarding their coverage.

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Individuals who Have Full Medicaid Coverage and then get Medicare

Individuals become entitled to Medicare when they turn 65, after they've received Social Security Disability Insurance (SSDI) cash benefits for 24 months, or if they have End-Stage Renal Disease. If someone is on full Medicaid when Medicare starts, here's what she needs to know:

- **Medicaid coverage will be through the fee-for-service system (ACCESS card)** — If someone was getting their Medicaid benefits through a managed care plan, they will be disenrolled from that plan shortly after Medicare starts and moved to the fee-for-service system. Medicare will be her primary insurance and Medicaid will become her secondary coverage.
 - **Action needed:** She will need to start showing both her ACCESS card **and** her Medicare card when she gets health care services. If someone does not have an ACCESS card, she needs to contact her caseworker at the local County Assistance Office or contact the Customer Service Center at 1-877-395-8930 to request a new card. Please note that if someone is also getting food stamps, they will use the greenish-blue EBT ACCESS card for medical coverage. If someone is not getting food stamp benefits, they will use a yellow ACCESS card for medical coverage.

- **Medicaid will no longer cover most prescription drugs** — Dual eligibles have to get their prescription drug coverage through Medicare Part D. The ACCESS card will only cover limited types of medication (classes of drugs that are now excluded from coverage under Part D such as barbiturates not used to treat cancer, epilepsy, or chronic mental health conditions and some over-the-counter medications).
 - **Action needed:** She will need to join a Medicare Part D plan. Each Part D plan differs in terms of costs, drug coverage and pharmacy network. To be sure that someone is in the best plan for them, she should join a plan that she can afford and that covers most, if not all of her medications. Individuals can join a stand-alone drug plan or a Medicare Advantage Plan with prescription coverage (including Special Needs Plans for dual eligibles). Individuals joining a Medicare Advantage Plan also need to be sure all of their health care providers (both physical health and mental health) are in the plan's network. Individuals who need help with Part D plan choices can contact MEDICARE (1-800-633-4227), the APPRISE program (1-800-783-7067), or PHLIP (1-800-274-3258).

Dual eligibles who do not take action to join a Part D plan will be auto-enrolled into a plan randomly by Medicare (Medicare sends the consumer a notice about this printed on yellow paper). The plan they are enrolled in will then send them a Welcome Letter and membership information (including an ID card). Individuals should take the letter or ID card to the pharmacy when they get medications so the pharmacy has the new Part D plan information.

New dual eligibles who go to the pharmacy to get their drugs but who are not able to get them because they do not yet have active Part D prescription coverage should ask their pharmacy to bill LI NET (the back-up Part D plan for dual eligibles). The pharmacy can call 1-800-783-1307 for billing help from LI NET.

Individuals can call 1-800-MEDICARE to find out if they have any current Part D coverage. It is important to remember that if dual eligibles find themselves in a Part D plan that does not meet their needs, they can change their plan at any time during the year! Coverage starts the first of the month after enrolling in the new plan.

- **Dual eligibles receive the full amount of “Extra Help” with Part D costs (this is also called the full low-income subsidy):** All dual eligibles **automatically** qualify for the full subsidy from Medicare to help with Part D plan premiums and co-pays at the pharmacy. In 2013, there are 14 stand-alone drug plans whose premium will be completely covered by the full subsidy (for a list of these plans, see our website at www.phlp.org). With the full subsidy dual eligibles will not have to meet a deductible and they are not subject to the Part D “donut hole”. Instead, they will only pay small co-pays at the pharmacy of either \$1.15/\$2.65 for generic medications and \$3.50/\$6.60 for brand name medications. The amount charged depends on someone’s income. Dual eligibles who are in a long-term care facility (i.e., nursing home) or who receive long-term care services at home through a Waiver program do not have **any** Part D co-pays.
 - **Action Needed:** None. Duals should automatically receive this extra help from Medicare without needing to do anything; however, dual eligibles who are being charged higher amounts than those listed above at the pharmacy should contact 1-800-MEDICARE or PHLP because there might be a problem that needs to be fixed before someone can get the the subsidy.

Individuals who Have Medicare Coverage and then qualify for Full Medicaid

Older adults and people with disabilities on Medicare may also qualify for Medicaid if they have limited income and resources. The most common categories of Medicaid for individuals with Medicare are: Healthy Horizons, Medical Assistance for Workers with Disabilities, or those who need long-term care services through either a home and community-based services Waiver program or in a nursing home. In addition to providing full health care coverage, individuals in these categories may also qualify for the state to pay their Part B premium (depending on their income and resources).

Medicare beneficiaries who apply and are found to qualify for full Medicaid benefits receive a notice from the County Assistance Office saying they're approved for Medicaid benefits. They also receive an ACCESS card (yellow if they only qualify for MA benefits; greenish-blue if they also qualify for food stamps) that acts as secondary insurance to their Medicare.

➤ **Medicare beneficiaries who qualify for full benefits through Medicaid now have coverage for their Medicare deductibles and coinsurance plus coverage for benefits Medicare doesn't offer.**

- **Action Needed:** When they are making their medical appointments, dual eligibles need to let their providers know that they now have Medicaid coverage through the ACCESS card in addition to their Medicare and any other insurance they have. They should always show their ACCESS card along with their Medicare and other health insurance cards when getting **any** health care services. The ACCESS card should cover Medicare deductibles and coinsurance; individuals should only receive bills from their medical providers for very small Medicaid co-pays.

Any dual eligible who has been paying for a Medicare Advantage Plan or a Medigap policy may want to consider dropping that coverage because they now have comprehensive secondary insurance through Medicaid/ACCESS. Before making this decision, however, these consumers should check with their doctors and other health care providers to make sure that the provider will continue to treat them with only Medicare and the ACCESS card.

- One option these individuals have is to enroll in a Medicare Special Needs Plan (SNP) for dual eligibles (not available in every county in PA) or to join a zero-premium stand-alone Medicare drug plan. Before

joining a SNP, individuals should check that their providers are in the plan's network since the SNP becomes their Medicare coverage.

- Individuals who choose to drop their Medigap policy may want to ask to have their policy suspended because they now qualify for Medicaid. Suspending Medigap policies allows individuals to get the coverage back if for some reason they lose Medicaid within 24 months. Individuals should talk to Medicare (1-800-633-4227) or APPRISE (1-800-783-7067) to learn more about this option.

In addition to helping with Medicare cost-sharing, Medicaid covers certain services not covered by Medicare. This includes dental care, eye exams, and Medical Assistance transportation services. Full dual eligibles can get these services through their ACCESS card. Medicaid also covers long-term care services for qualified individuals; Medicare doesn't cover ongoing long-term care.

➤ **New dual eligibles will automatically qualify for the full LIS to help with their Medicare Prescription Drug Plan (Part D) costs.**

- **Action Needed:** Individuals don't need to take any action to get the full LIS. Once someone qualifies for MA benefits, they automatically qualify for the full LIS to help with their Medicare Part D costs. The state regularly sends data to Medicare to identify full dual eligibles; Medicare then updates their systems to show the LIS and notifies the individuals' Part D plan. The full subsidy helps cover the Part D plan's premium, eliminates the deductible, and limits someone's Part D co-pays to \$0 (if she receives Medicaid covered long-term care services in a nursing home or through a waiver program) or \$1.15/\$2.65 for generic drugs and \$3.50/\$6.60 for brand name drugs, depending on their income.

➤ **Full dual eligibles have to get their drug coverage through Medicare Part D, but Medicaid provides limited drug coverage through the ACCESS card.**

- **Action Needed:** Medicare beneficiaries who are new to full Medicaid can join a Part D plan if they do not currently have one, or they can change their Part D plan. As a dual eligible, individuals qualify for an ongoing Special Enrollment Period and can therefore enroll in a Part D plan or change Part D plans any time during the year. Because full dual eligibles qualify for the LIS, they are not subject to any Part D late enrollment penalty that might apply.

Dual eligibles who do not yet have active Medicare Part D coverage (and who are not in a Medicare Advantage medical only plan) can use LI NET to get their medications until their Part D enrollment becomes active (the first of the month after enrolling). If any new dual does not take action to join a Part D plan, Medicare will randomly assign them to a zero-premium prescription drug plan. If that plan doesn't meet someone's needs, he can change to a different plan.

Full duals can use their ACCESS card at the pharmacy to get certain medications excluded from Part D coverage. This currently includes barbiturates (when not used to treat cancer, epilepsy, or chronic mental health conditions), and certain over the counter medications.

➤ **Individuals who had been getting prescription coverage through PACE or PACENET will no longer qualify for that coverage.**

- **Action Needed:** New full duals who have been getting their medications through PACE or PACENET should join a Medicare Part D plan if they do not already have one. This is especially true if someone is in a Medicare Advantage medical only plan and using PACE/NET as their drug coverage because Medicare will not enroll them in a separate drug plan nor can they use the back-up LI NET plan to get their medications. These individuals need to switch to a Medicare Advantage plan that includes Part D coverage (could be a Special Needs Plan for duals), or join a stand-alone drug plan in which case they'd switch back to Original Medicare. Individuals can contact the PHLP Helpline for advice about their plan options or for help selecting a Part D plan, or they can contact APPRISE or Medicare for help.

➤ **Individuals may receive a HealthChoices Packet instructing them to enroll in a Medicaid managed care plan.**

- **Action Needed:** Individuals should pick a Medicaid plan that allows them to see their doctors (it will still be secondary coverage to their Medicare); however, they will soon be taken out of the plan and go back to using their ACCESS card. DPW's computer system typically requires Medicare beneficiaries new to MA to initially enroll in a Medicaid managed care plan. Though these duals must join a plan, they will only be in the plan for a short 1-2 month period until the state's systems are fully updated to show that they have active Part D coverage.

Partial Dual Eligibles

This final section discusses **partial dual eligibles**. Partial dual eligibles are people that have Medicare and who receive limited benefits through Medicaid (called Medical Assistance or “MA” in Pennsylvania). Often, the only benefit partial dual eligibles get is MA payment of their monthly Part B premium-known as the Medicare Savings Programs or “buy-in”. The MA programs that provide only this help are called Specified Low-Income Medicare Beneficiary (SLMB) and Qualified Individual (QI-1). Individuals receiving the buy-in no longer have their Medicare Part B premium deducted from their Social Security benefit check which gives them approximately \$104 more in their monthly checks.

Other partial duals could have **limited** coverage through an MA ACCESS card; however, this ACCESS card does **not** provide full MA coverage. It might only cover Medicare Parts A and B cost-sharing (if someone is a Qualified Medicare Beneficiary or QMB) or some other limited benefits (for example, those eligible for a 6 month spend-down). Here is what partial duals need to know:

- **Most partial dual eligibles who only have coverage through Original Medicare are responsible for paying Medicare cost-sharing**—All Medicare beneficiaries have a choice about how they receive their Medicare benefits (Original Medicare or a Medicare Advantage Plan). Individuals who receive their Medicare coverage through Original Medicare (red, white, and blue card) and have no other health coverage could have significant out of pocket costs for the services they receive. There are Part A and B deductibles. After the deductibles are met, Medicare only covers physical health services at 80% and Outpatient behavioral health treatment at 65% (this coverage will increase to 80% in 2014).
 - **Action Needed:** Since her MA coverage is limited, unless a partial dual eligible is receiving QMB benefits which covers the cost-sharing for services covered by Medicare Parts A and B, she should consider buying a Medigap or Medicare Supplemental Insurance plan that will provide secondary coverage to Medicare. An alternative would be joining a Medicare Advantage Plan as a way to try and control out-of-pocket costs for services. Another reason partial dual eligibles may want to consider joining a Medicare Advantage plan is to obtain supplemental benefits such as dental or vision coverage.
- **Partial dual eligibles receive the full amount of “Extra Help” with Part D costs (this is also called the full low-income subsidy):** All partial dual eligibles automatically qualify for the **full subsidy** from Medicare to help with Part D plan

premiums and co-pays at the pharmacy. In 2013, there are 14 stand-alone drug plans whose premium will be completely covered by the full subsidy (for a list of these plans, see our website at www.phlp.org). With the full subsidy, dual eligibles will not have to meet a deductible and they are not subject to the Part D “doughnut hole”. Instead, they will only pay small co-pays at the pharmacy of either \$1.15/\$2.65 for generic medications and \$3.50/\$6.60 for brand name medications. The amount charged depends on someone’s income.

- **Action Needed:** None. Partial duals should automatically receive this extra help from Medicare without needing to do anything; however, dual eligibles who are being charged higher amounts at the pharmacy than those listed should contact 1-800-MEDICARE or PHLP’s Helpline for help because there may be a problem that needs to be fixed before someone can get the subsidy.
- **Partial dual eligibles should join a Medicare Part D plan:** Since partial dual eligibles automatically qualify for the full low-income subsidy, they should join a Part D plan so that they can benefit from that subsidy.

- **Action Needed:** Partial dual eligibles should join a Medicare Part D plan (either a stand-alone drug plan if they have Original Medicare or a Medicare Advantage Plan with drug coverage) unless they are receiving creditable coverage through a current employer or a retiree plan that does not allow members to join Part D. Individuals who need help with Part D plan choices can contact MEDICARE (1-800-633-4227), the APPRISE program (1-800-783-7067), or PHLP’s Helpline.

Even if partial dual eligibles have coverage through PACE/PACENET or the VA, they should consider joining a Part D plan since their co-pays with the full subsidy will be lower than the co-pays charged by these programs. Partial dual eligibles who are over 65, should also apply to PACE/PACENET as a back-up drug coverage in case some of their medications are not covered through Part D.

Partial dual eligibles who are currently in Original Medicare and who do not take action to join a plan on their own will be enrolled into a zero-premium stand-alone drug plan by Medicare. These individuals will receive a notice on green paper from Medicare telling them which plan they are being enrolled into and when coverage will start. Partial dual eligibles in Original Medicare who need to have their prescriptions refilled before their Part D coverage begins can use LI NET (the back-up Part D plan for all dual eligibles and others

who qualify for a low-income subsidy). The pharmacy can call 1-800-783-1307 for information about how to bill LI NET.

Note: Partial dual eligibles enrolled in a Medicare Advantage plan without drug coverage are supposed to be enrolled into a Medicare Advantage Plan with drug coverage through the same organization. These individuals should receive written notice from their Medicare Advantage plan telling them about the change in coverage and when the new coverage will start.

Partial dual eligibles can opt out of these auto-enrollments by Medicare or their Medicare Advantage plan **or** choose to join a different plan. **All** dual eligibles can change their Medicare health or drug plan at any time during the year because they qualify for an ongoing Special Enrollment Period. If a partial dual eligible changes plans, the new plan will be effective the first of the month after they enroll.



Pennsylvania Health Law Project

Helpline: 1-800-274-3258

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This publication is intended to provide general legal information, not legal advice. Each person's situation is different. If you have questions about how the law applies to your particular situation, please consult a lawyer or call PHLP's Helpline at 1-800-274-3258.