

Who Pays First?

Understanding Medicare, Medicaid, and Spenddowns

Medicare

Spend Down

Medicaid

Primary

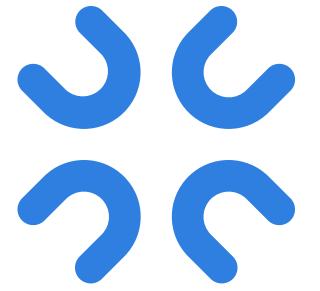
Waiver Obligation

MSC+/MSHO

INSURANCE

Part C

Dual Eligible



Secondary

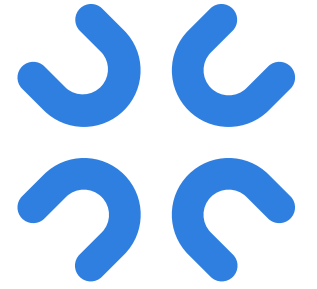
MCO

SNBC

Medical Assistance



Objectives



1

Participants will understand a brief history of Medicare and Medical Assistance programs.

2

Participants will be able to state basic qualifications for Medicare and Medical Assistance programs.

3

Participants will be able to identify the different Medicare programs (A, B, C, D) and what they are used for.

4

Participants will gain knowledge about the differences in Spend Downs, Waiver Obligations and how MCO enrollment is impacted.

5

The Good Part: Participants will be able to determine what insurance is responsible to pay member claims!

Jane's Story



Jane is a 67-year-old with Medicare and Medical Assistance. She enrolls in UCare MSC+ and Original Medicare. Jane is not on a waiver and chose a part D plan for pharmacy benefits.

Jane's care coordinator ordered her a walker to meet her mobility needs.



Who does the DME provider bill first?

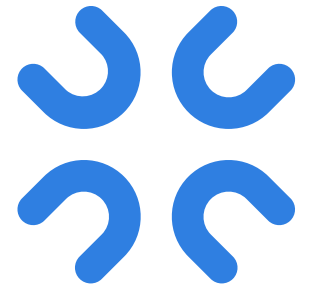


Test Your Knowledge



Federal Insurance
Contributions Act!

A Brief History



The Federal Government:

Federal Insurance
Contributions Act
(1935/1965)

Social Security Act 1965

FMAP (Medicaid Matching
Funds)

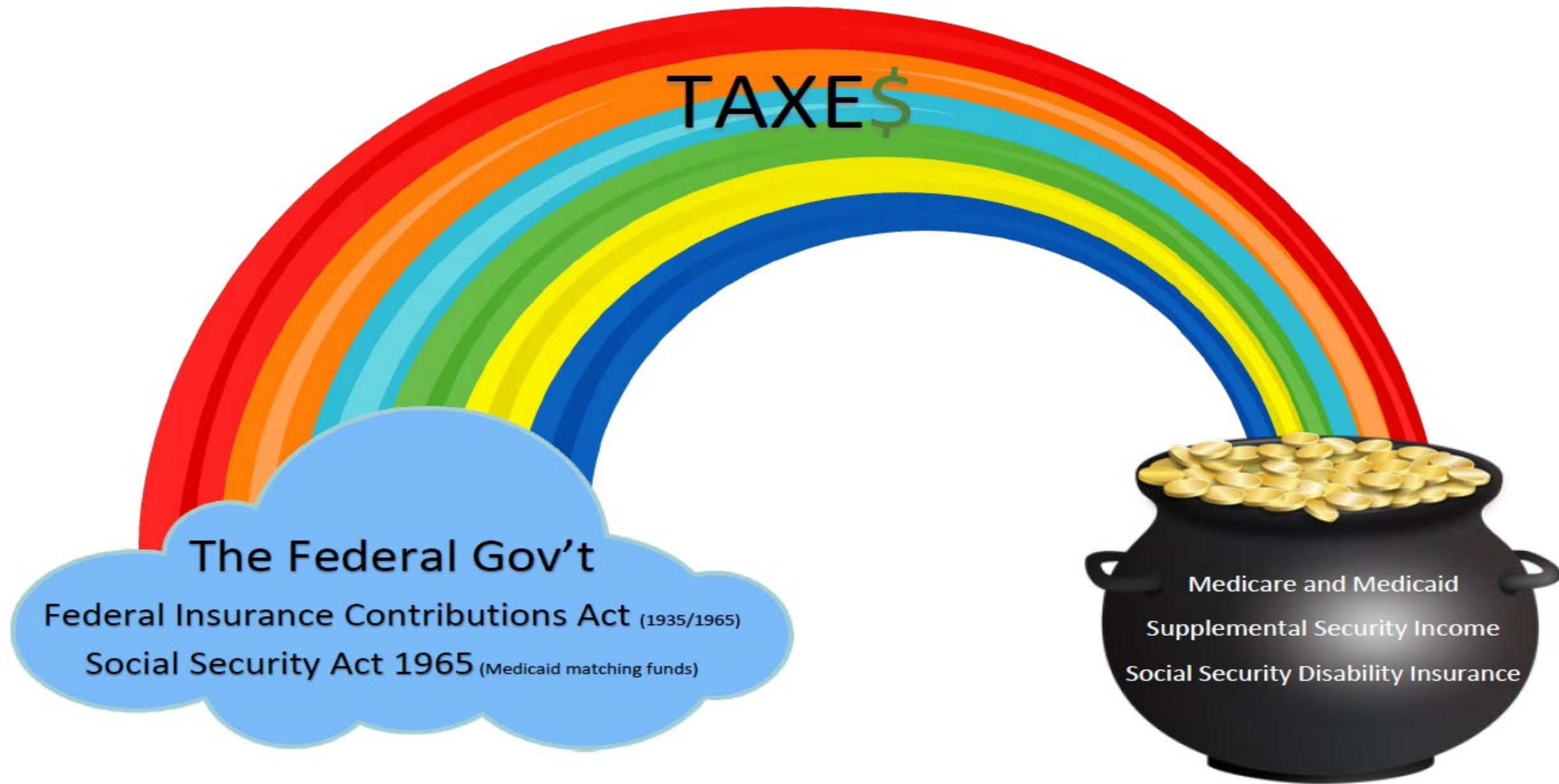
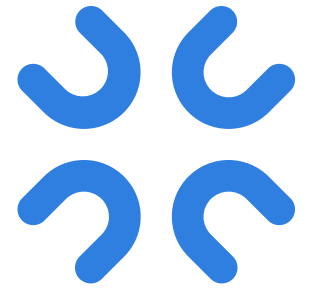
Taxe\$

Medicare & Medicaid
Supplemental Security
Income

Social Security Disability
Insurance

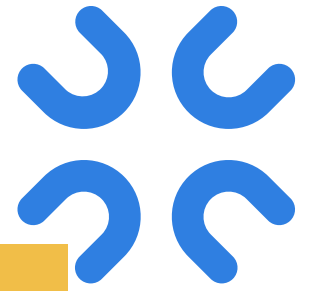
To Learn More: [FICA](#) | [FMAP](#)

A Brief History!



To Learn More: [Social Security Amendment](#)

What is Original Medicare?



It's an "entitlement" Program

A federal system of health insurance administered by the Centers for Medicare and Medicaid (CMS) that pays for **SOME** of the medical and hospital expenses for people over 65 years of age and for certain younger people with disabilities.

Common Terminology

Copay: A set fee paid at a doctor visit or when filling a prescription.

Coinsurance: Member and health plan share the cost for some services. Coinsurance is the percentage of the cost paid for a covered health care service.

Deductible: The amount paid for health care services before the health plan begins to pay.

Monthly premium: The amount paid each month for health plan coverage.

ABC & D's of Medicare

Four Parts of Medicare:

Part A (Inpatient hospital, skilled nursing, hospice and HHC) is premium free when you qualify for Medicare benefits.

Part B (doctor visits and preventative services) most people pay a monthly premium.

Part C (Medicare Advantage) Medicare plans managed by private companies that combines Medicare A, B, and D. (UCare's MSHO and Connect + Medicare are Part C Medicare Advantage Plans).

Part D (Prescription Drug) Medicare approved (formulary) medication.



Original
Medicare (CMS*)

Partial Coverage for:
Inpatient Hospital Stay
Skilled Nursing Care
Hospice
Home Care



Original
Medicare (CMS*)

Partial Coverage for:
Doctor Visits
Surgery
Lab Tests
Medical Equipment
Preventive Exams



Private Insurers
and Health Plans

Similar to **Parts A & B** with predictable out-of-pocket costs and more coverage.

Often fully covers:
Wellness Services
Vision Exams
Hearing Exams

Often partially covers:
Eye Glasses
Hearing Aids



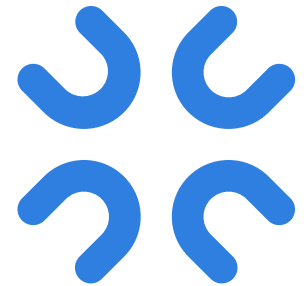
Helps with the cost of prescription drugs not covered by Original Medicare.

Covers some:
Prescription Drugs



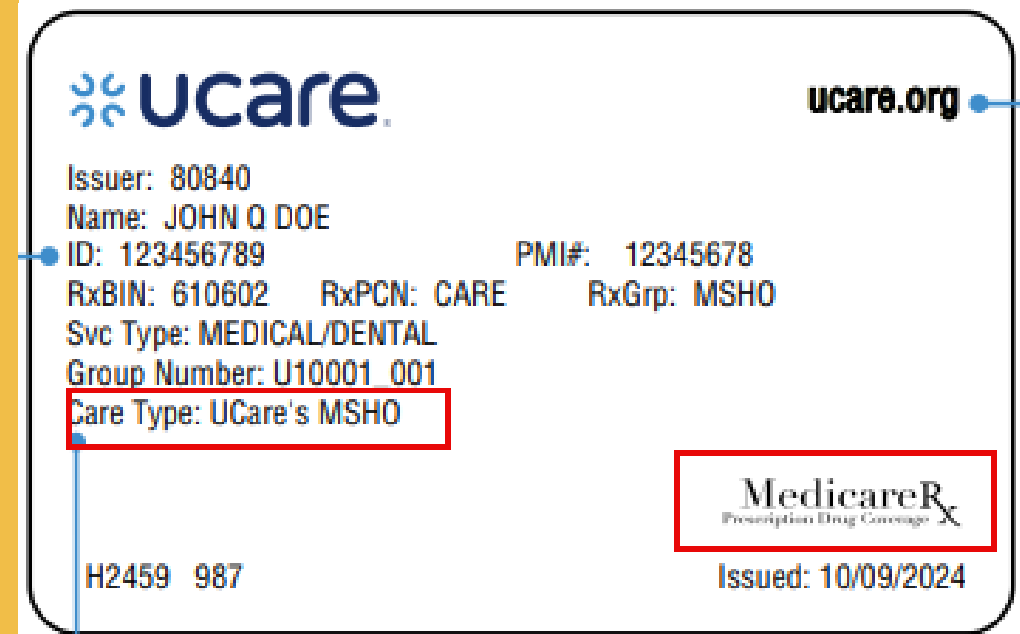
To Learn More: [What you need to know about Medicare](#) | [What Original Medicare Covers](#)

Medicare Advantage Plans (Part C)



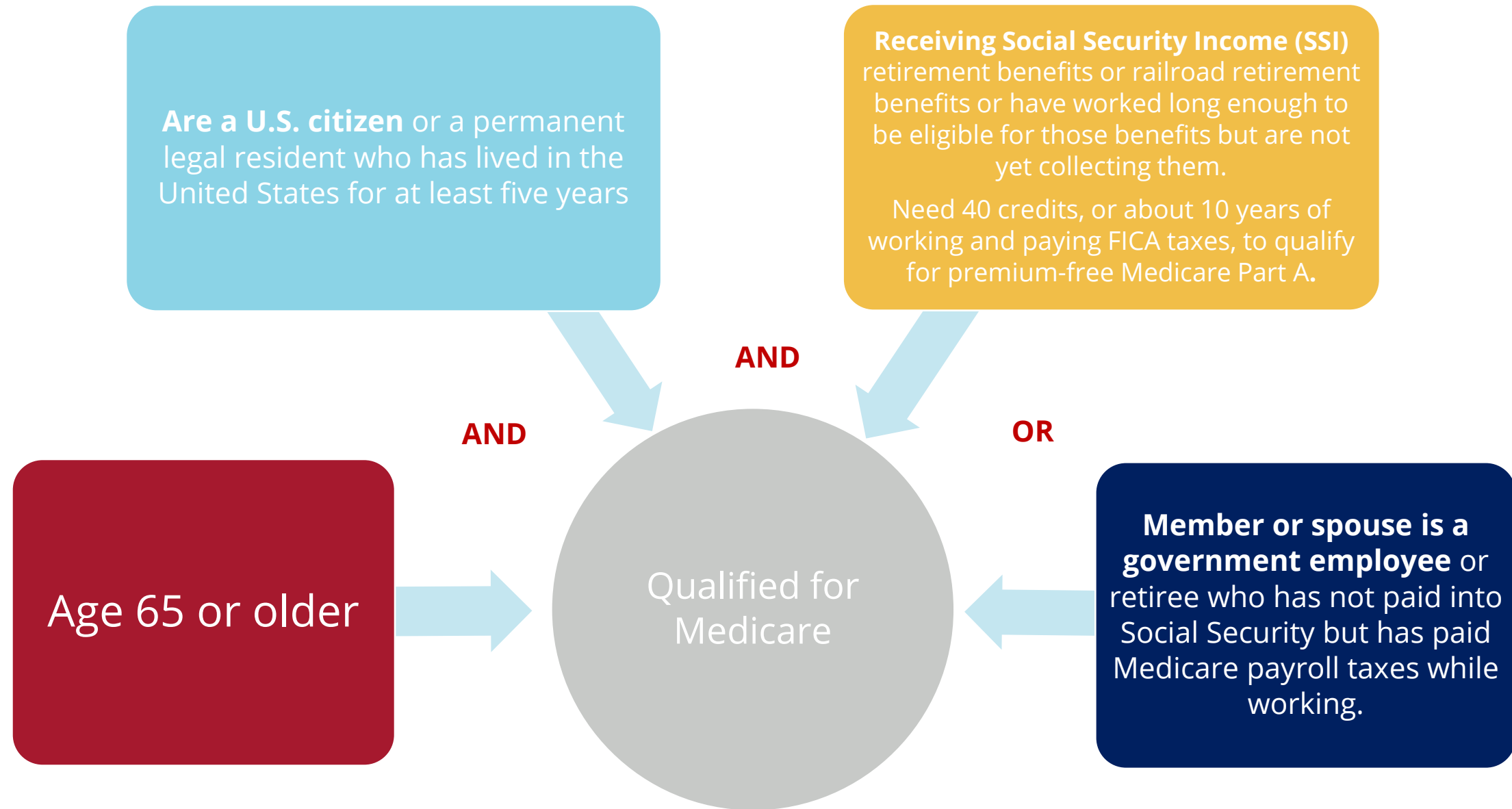
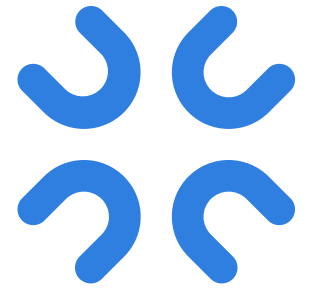
There are four types of Medicare Advantage plans:

- HMO (Health Maintenance Organization)
- PPO (Preferred Provider Organization)
- PFFS (Private Fee-For-Service)
- SNP (Special Needs Plan e.g. Connect + Med, MSHO)
 - DSNP-Dual eligible
- Part D is included in all UCare Medicare Advantage plans
- May have premiums if they have a spenddown (acquired while enrolled)
 - Premiums do not come out of the spenddown
 - Co-pay and deductibles do come out of spenddown



Medicare Solicitations: If a member enrolls in a new Original Medicare plan, the UCare plan will default to a non-integrated plan (MSC+/CT). The member must actively choose MSHO or CT + MED.

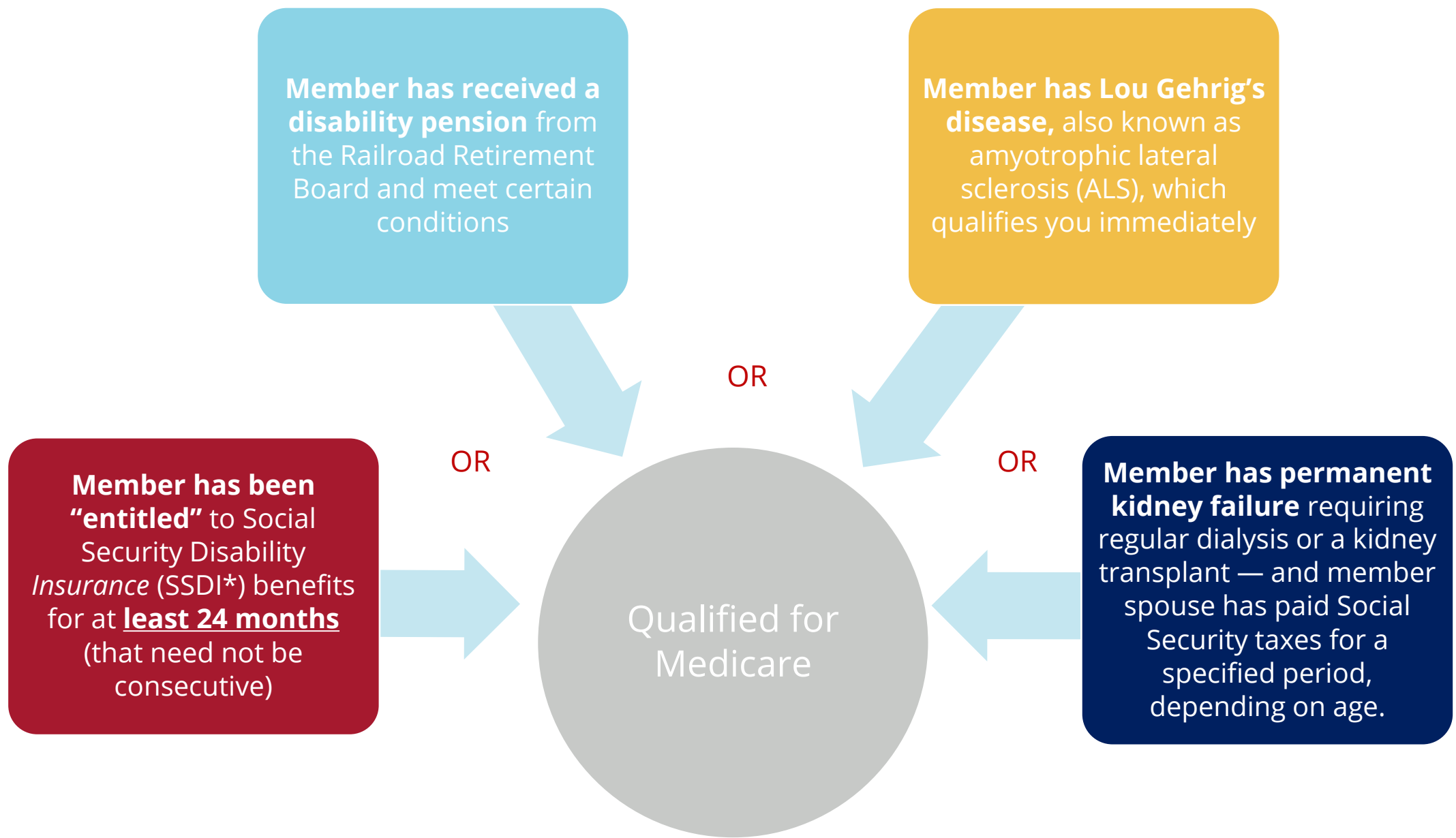
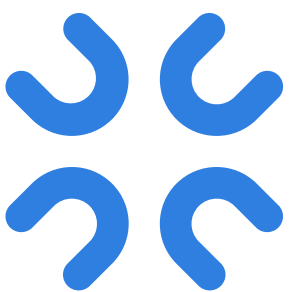
Qualifying for Medicare Age 65 and Up



NOTE: To enroll in Medicare Part D you must have enrolled in a Medicare A and/or B.

Source: [AARP](https://www.aarp.org/health/medicare)

Qualifying for Medicare Under age 65



SSDI

Social Security Disability INSURANCE



A pathway to Medicare!

	SSDI*	SSI
Basis?	Contributions to Social Security	Need-based
Who qualifies?	A person who meets Social Security's standard for disability AND has a history of earnings from which deductions were made for Social Security	A person who meets Social Security's standard for disability AND has limited income and resources
Health Coverage Provided?	Medicare, after two years ←	Medical Assistance
State supplement available?	No	Yes
How are payments determined?	Based on the worker's average lifetime earnings covered by Social Security	Based on the Federal Benefit Rate
What reduces payments?	Other disability payments (such as worker's compensation or state disability benefits)	Any income above and beyond the allowed deductions
Is there a waiting period for payment eligibility?	Five months from onset of disability	No waiting period
*in some circumstances, spouses and children may qualify under a nondisabled worker's earnings record		

*SSDI is not the same as [SSI or Social Security Benefits](#)

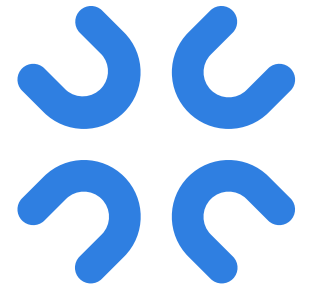
To Learn More: [SSI vs SSDI](#) Source: [AARP](#)



Questions?

Now's your chance to ask questions about Medicare!

What is Medicaid?



Medicaid

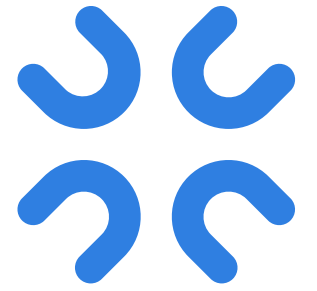
- A joint federal and state system of health insurance for people with low income, elderly or with disabilities
- An **assistance program**. It serves low-income people of every age. Recipients usually pay no part of costs for covered medical expenses. A small co-payment is sometimes required. Medicaid is a federal-state program, meaning funding comes from both federal and state taxes. Coverage and benefits vary from state to state.

Did U Know?

People “entitled” to Medicare benefits and eligible for Medicaid are required to enroll in Medicare!

To Learn More: [US Dept of Health and Human Services](#)

Do U Know?



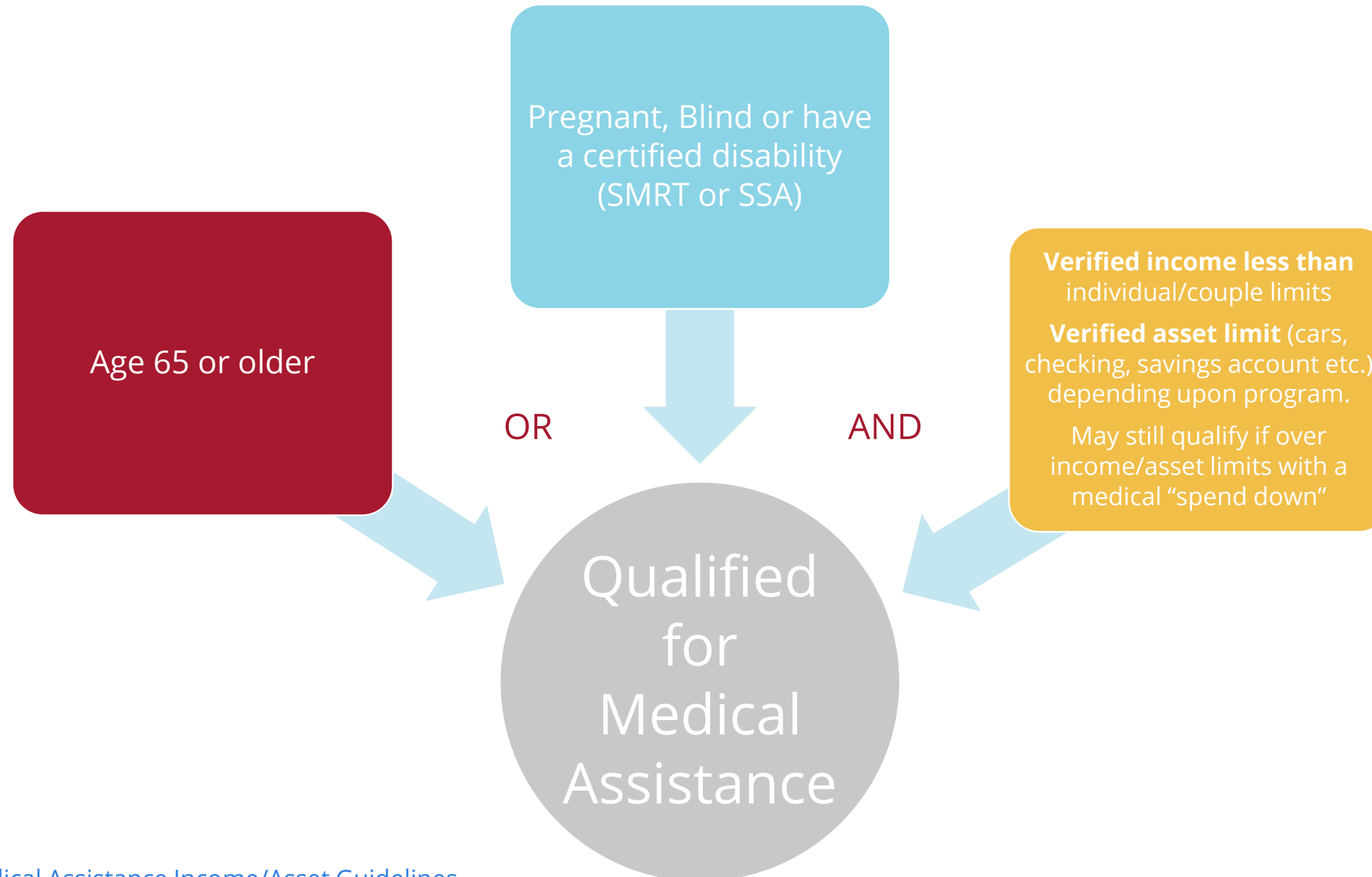
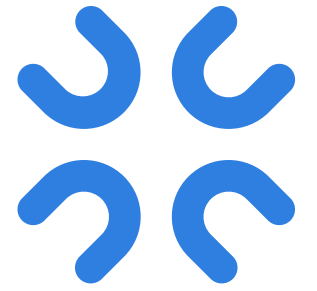
MN: Medical Assistance



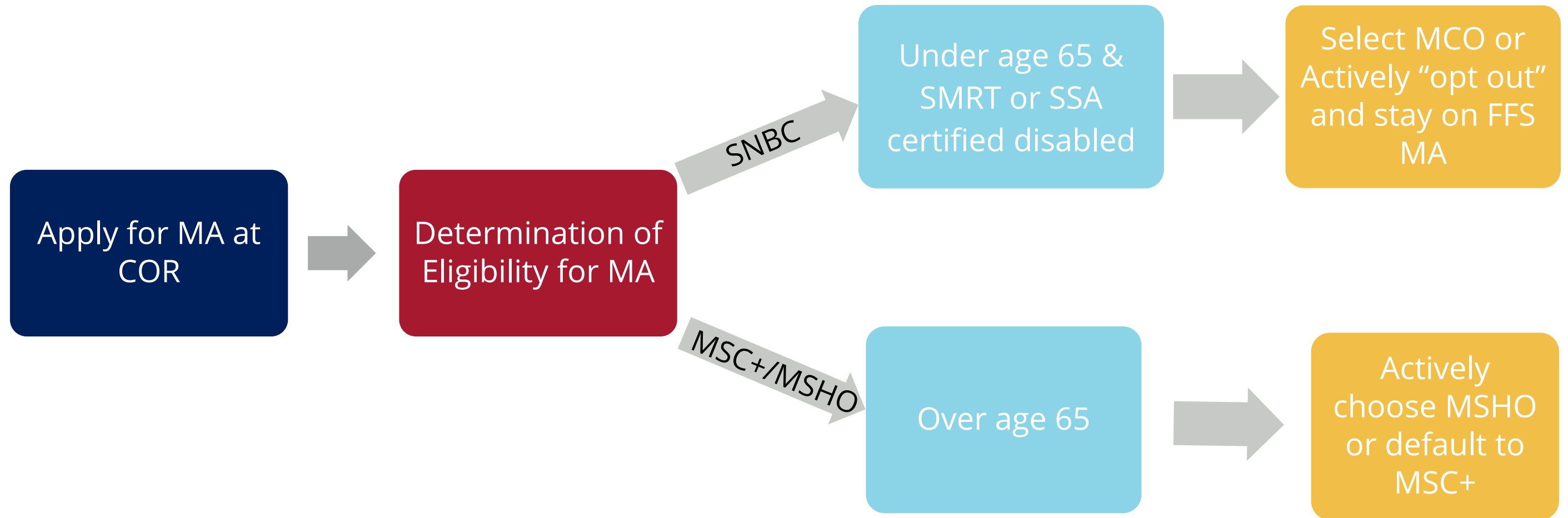
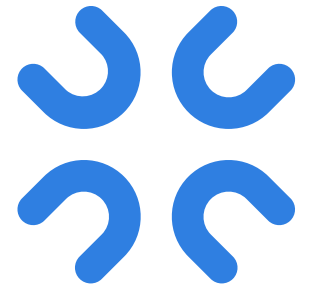
WI: Badger Care!



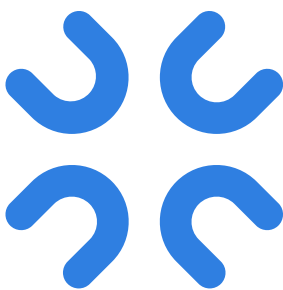
Qualifying for Medical Assistance



Medical Assistance and Managed Care



Non-Integrated Medicare

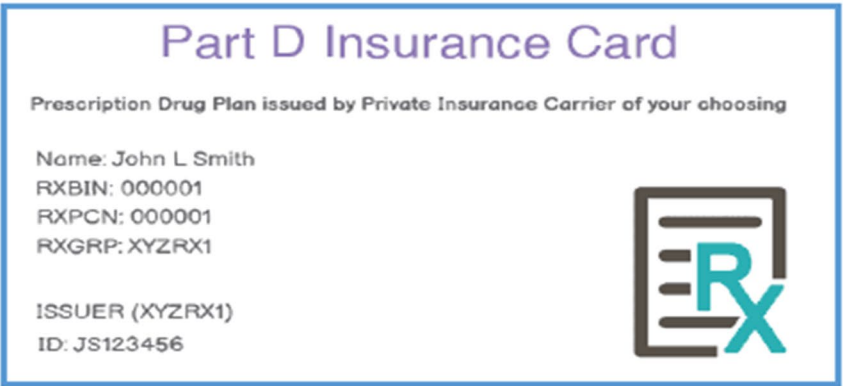
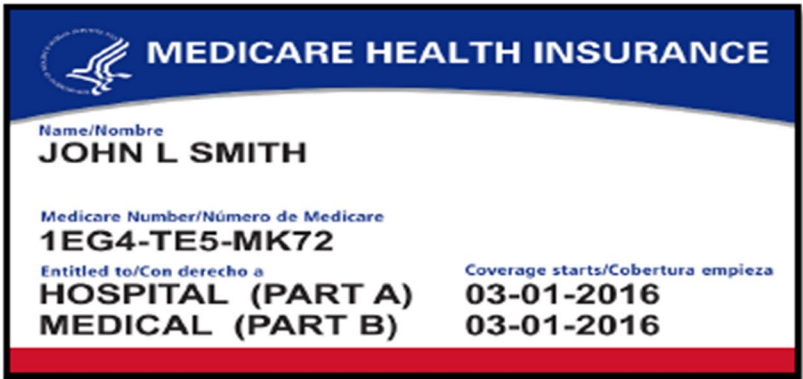
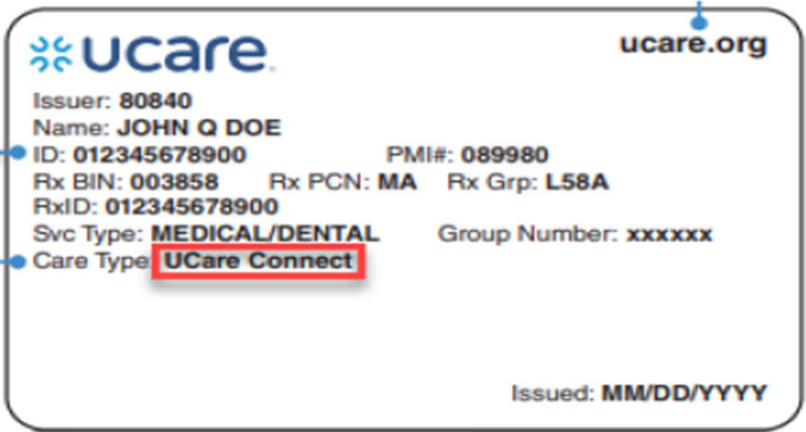


John qualifies Medical Assistance. Because John is also certified disabled he may choose a health plan to replace his MA. John chooses UCare Connect.

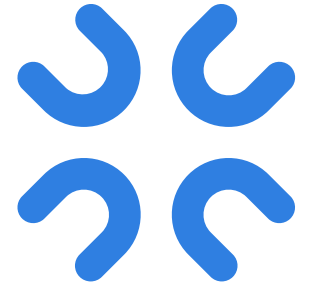
UCare Connect pays the claims for health care services covered by medical assistance (IE: clinic/doctor/specialty care visits, ER, hospitalization, medications, DME) and some additional benefits. Must use UCare in network provider.

John is disabled for 2 years and now qualifies for Medicare (SSDI).

He chooses to remain on fee for service Medicare. Medicare is the “Primary Insurance”. Medical care is covered by Medicare guidelines using Medicare enrolled providers. Co-payments and deductibles are paid for by John’s UCare Connect for health care services first covered by Medicare. Because his Medicare is separate from his MA, he needs a Medicare Part D plan for his medications as per DHS guidelines MA covers OTC applicable medications only. Medicare Part D co-payments are based on income and are not paid for by MA/UCare Connect. In addition to his UCare Connect card, John will need a Medicare A/B and Part D card.



John Turns 65 (MSHO or MSC+)



ucare.org

Issuer: 80840

Name: JOHN Q DOE

ID: 12345678900

RxBIN: 003858

RxPCN: A4

RxGrp: L4NA

SVC Type: MEDICAL

Care Type: UCare

Issued: MM/DD/YYYY

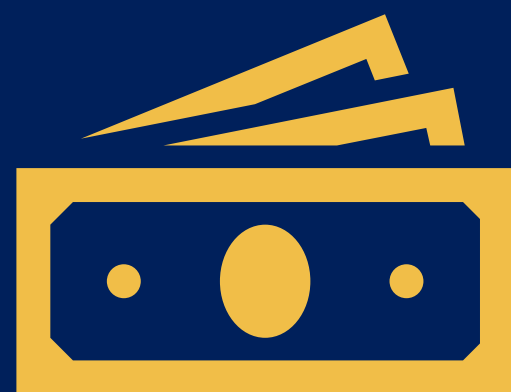
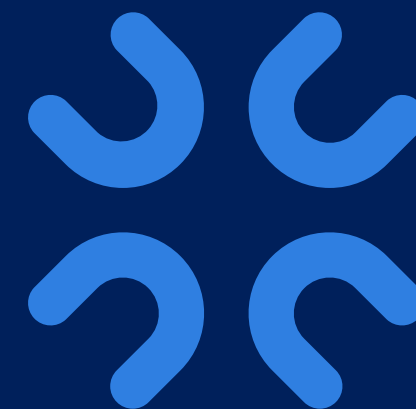
John's care coordinator educates him about the additional supplemental benefits included with MSHO. If he selects MSHO, he will receive ONE card for all his medical insurance (Medicare A, B, D and MA). Medicare Part D co-payments remain the same. All claims for health care and medications are paid by UCare's MSHO. They also explain how John needs to actively choose MSHO or he will automatically be enrolled into one of the MCO's MSC+ plans available in his COR.

John chooses to enroll in UCare's MSHO.



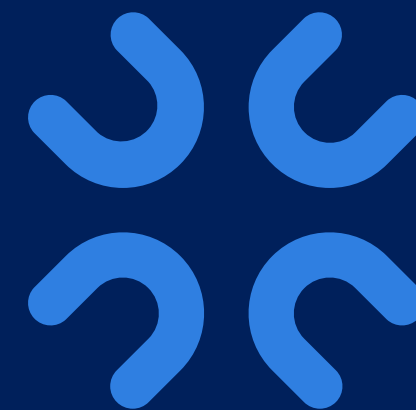
Questions?

Now's your chance to ask questions about Medical Assistance!



Let's Get to the Good Part!

Who Pays First?



Spenddowns & Waiver Obligations Do!

Test Your Knowledge



A square can be
a rectangle, but
a rectangle is
not a square.

What is a Spenddown?

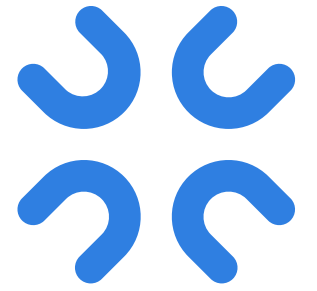
A spenddown may occur when a person's income/assets are above the criteria to qualify for MA.

Spenddowns may be incurred by:

- People requesting HCBS through a disability waiver (CAC, CADI, DD and BI)
- People requesting HCBS through EW when their income is above the Special Income Standard (SIS) and they do not have a community spouse.



Managed Care with a Medical Spenddown – Who's eligible?

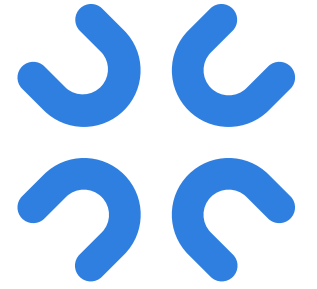


MSC+: MSC+ members with a spenddown are not permitted to enroll in an MCO. If a spenddown is incurred while on UCare/MCO, DHS will disenroll the member from the health plan and move to FFS MA.

MSHO and CT/CT+MED: Members who are enrolled in UCare MSHO or Connect/Connect + Medicare (excluding MSC+) and incur a Medical Spenddown may stay enrolled in the UCare plan as long as the member pays the spenddown each month.

Did U Know? UCare members pay spenddowns directly to DHS via monthly invoices from DHS. If a member does not pay the spenddown for three consecutive months, DHS will disenroll the member from UCare.

Of course, there are always exceptions



Nursing home residents on Hospice and coded with a Medical Spenddown may enroll in CT+MED or MSHO

Nursing home residents using an Institutional Spenddown Payment Option are allowed to enroll in CT+MED or MSHO



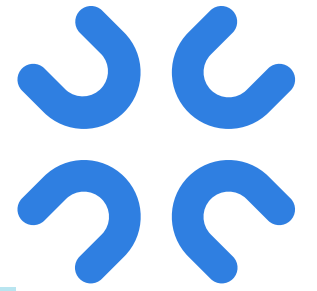


Spenddown Payments and Managed Care Enrollment

If it has been more than **90 days** since a member was disenrolled from SNBC or MSHO, a member **cannot enroll** until he or she no longer has an ongoing medical spenddown and has paid the outstanding balance of the previous spenddown.

For more information: [Spenddowns and Managed Care](#)

Spenddown Example: MSHO



Thomas is on UCare's MSHO and lives in the community. Thomas has a **\$400 monthly spenddown** which he must pay to DHS at the beginning of every month maintain eligibility for UCare's MSHO.

- In May, Thomas's **medical expenses were \$500** for a primary care visit and lab work.
 - Thomas paid his \$400 spenddown to DHS
 - UCare's MSHO pays \$500 in claims
- In June, Thomas had **no medical visits** and did not fill any prescriptions
 - Thomas paid his \$400 spenddown directly to DHS
 - UCare's MSHO did not pay any claims



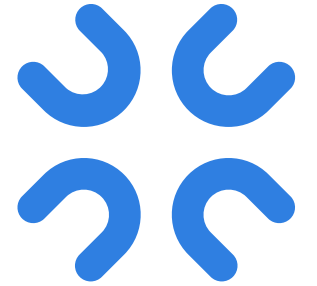
Questions?

Now's your chance to ask questions about Spenddowns!



Types of Spenddown Payment Options

Spenddown Payments Options

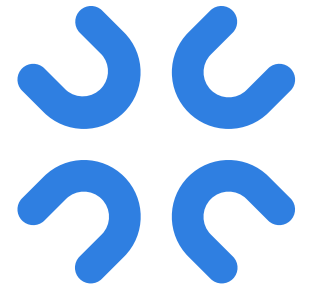


1. **Connect, Connect + Medicare or MSHO living in the community:** DHS Spenddown. Spenddowns are paid directly to DHS in advance.
2. **Medical Assistance Fee For Service (FFS) or Connect/Connect + Medicare:** Designated Provider Spenddown* Payment Option. Available to pay a spenddown to a specific provider if the provider renders a consistent monthly service that applies the spenddown to claims. (e.g., CT and CADI waiver member in Customized Living/Home Care Nursing or CFSS)
3. **Medical Assistance FFS:** Potluck Spenddown. The provider (or providers) who bill first deducts all or a part of the medical spenddown from their claims. The provider then bills the member for the spenddown amount that was deducted from the claims.
4. **Institutional Members:** Institutional Spenddown Payment Option. Pay spenddowns directly to the nursing home. This arrangement is similar to the Designated Provider Spenddown Option, with the nursing home assigned as the designated provider.

Did U Know?

Typically, MSC+ and MSHO members on Elderly Waiver typically have a waiver obligation instead of a medical spenddown. The waiver obligation is paid to EW service providers.

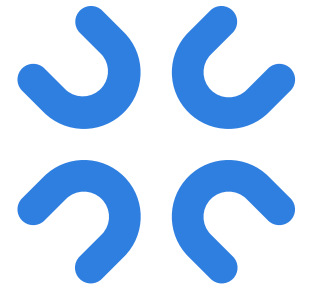
Spenddown Example MSHO: The story continues!



By October, Thomas **missed three of his \$400 monthly spenddown** payments because he couldn't afford to pay them.

- DHS disenrolled him from MSHO for non-payment of spenddown.
- Thomas is now on FFS Medical Assistance, Original Medicare, a stand-alone Part D plan.
- He still has a \$400 spenddown but may choose a different payment option because he's not enrolled with an MCO.
- He is also not able to re-enroll with UCare unless he no longer has a spenddown.

Spenddown Quick Facts

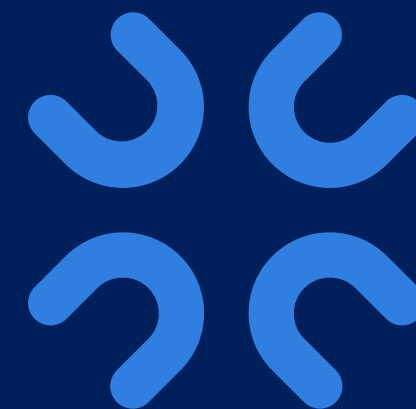


Individuals with a spenddown cannot enroll in MSC+, MSHO, Connect or Connect + Medicare

If an enrolled MSHO member incurs a spenddown after enrollment, they may stay on the plan if they pay their spenddown to DHS, in full, at the beginning of every month (Option 1, a DHS Spenddown).

SNBC members who incur a spenddown after enrollment may choose the Designated Provider spenddown if the provider is rendering HCBS services that are not paid by UCare (e.g. CADI).

If a UCare member with a spenddown fails to pay three months of medical spenddowns to DHS they will be disenrolled from the plan.



Waiver Obligations (MSC+/MSHO)



Jane's Story

Jane has decided to integrate her Medical Assistance and Medicare coverage by enrolling in UCare MSHO. The care coordinator reaches out to discuss the product change and learns that Jane's needs have increased since enrolling in MSHO, and her assets have increased. Jane now has a medical spenddown.

The care coordinator completes a new assessment and opens Jane to the Elderly Waiver. Jane's financial worker has determined that her medical spenddown has now changed to a waiver obligation.

Jane's care coordinator sets up adult day services and homemaking. Additionally, Jane has started taking a daily blood pressure medication.



Who do the waiver service providers bill for payment?

Who does the pharmacy bill for payment?

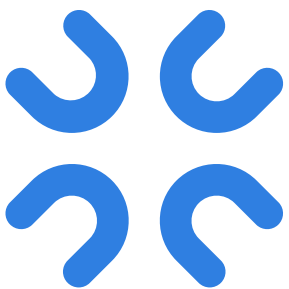
What is a Waiver Obligation?

A waiver obligation is a type of payment obligation that Elderly Waiver enrollees may have to pay toward the cost of their care.

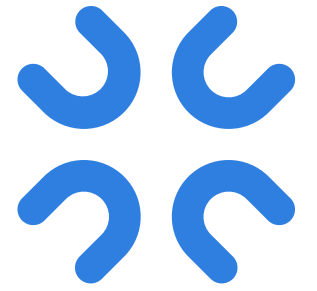
The amount of the waiver obligation is determined by the member's county financial worker after they review the member's finances.



Waiver Obligation vs. Spenddown?



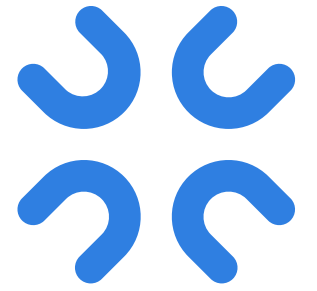
Waiver Obligation	Spenddown
Incomes equal to or less than the Special Income Standard (SIS) are eligible for EW without an MA spenddown.	Income/assets are above the criteria to qualify for MA.
UCare MSC+/MSHO and open to Elderly Waiver	MSC+ is ineligible for MCO enrollment UCare MSHO or Connect/Connect + Medicare
Applies to EW authorized services/supports	Applies to all Medical Assistance claims
Cannot use designated provider	UCare CT/CT+ MED may use a designated provider if they meet criteria
Paid to EW service provider	Paid to DHS
MN-ITS: Under Waiver	MN-ITS: under Major Programs, may be inconsistent on MN-ITS
<div><u>Waivers</u><ul style="list-style-type: none">This subscriber is eligible for the Elderly Waiver. Elderly Waiver services are the responsibility of the Health Plan. This subscriber has a waiver obligation which will be applied to waiver claims.</div>	<div><u>Major Programs</u><ul style="list-style-type: none">This subscriber will be eligible for MA: Medical Assistance after a spenddown has been satisfied. Please submit all bills for this subscriber to apply them to this subscribers spenddown and for possible payment to you.</div>



Waiver Obligation Quick Facts

- For members enrolled in MSC+ or MSHO
- For members with incomes equal to or less than the [Special Income Standard \(SIS\)](#) are eligible for EW without an MA spenddown.
 - People with incomes greater than the Special Income Standard (SIS) may still be eligible for EW, but they will have an MA spenddown. WO's are deducted from the claim paid to the EW service provider for services received under EW.
- The full amount of the waiver obligation does not have to be met each month if the services rendered do not reach the obligation amount
- Members cannot use a designated provider for waiver obligations

Waiver Obligation Payment – How it works...

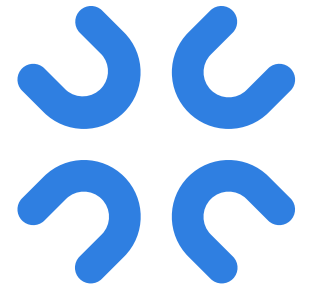


It's a timing thing!

To demonstrate, let's review John's waiver obligation and billing in January and February!

A Remittance Advice and/or [UCare explanation of payment](#) shows the member's co-insurance responsibility.

Waiver Obligation Payment Obligations



John has a monthly waiver obligation of \$100.

John receives specialized equipment and supplies under EW. The DME provider submitted a claim on **January 3rd** for \$45 for EW-authorized Ensure. The DME claim was adjusted due to the outstanding waiver obligation, and John had to pay \$45 to the DME provider for their Ensure.

- The member now has \$55 remaining of their \$100 monthly waiver obligation.

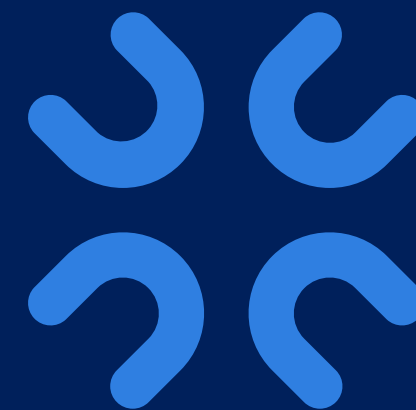
On **January 5th**, the assisted living facility submits a claim totaling \$2000 to UCare for John's EW customized living services, which is adjusted by \$55 due to his outstanding waiver obligation and receive payment from UCare for \$1945.

- Since the facility has been notified by UCare of the balance owed, the member is billed by the facility for **January's \$55 remaining waiver obligation**.



Questions?

Now's your chance to ask questions about Waiver Obligations!



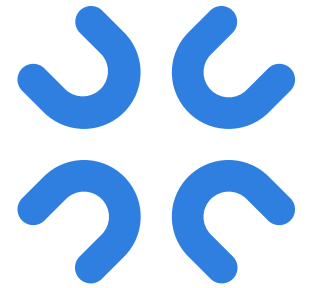
Who pays next?

It Depends on the Insurance!

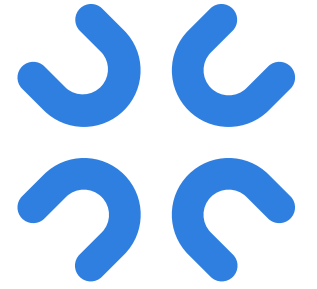
Situation: Member goes to the clinic for an office visit and receives a new prescription

Medical Assistance Only (no Medicare):

- Enrolled in [UCare's MSC+](#) or [UCare Connect](#)
 - Covered services/DME/prescriptions paid by UCare (including DHS formulary prescriptions and OTC's)
 - Must use UCare network providers



It Depends on the Insurance!



Situation: Member goes to the clinic for an office visit and receives a new prescription

Dual Eligible Integrated Insurance:

- Enrolled in [MSHO](#) or [Connect + Medicare](#) (Medicare Advantage)
 - All covered Medicare A, B & D claims submitted to UCare for payment
 - UCare formulary Part D co-payments apply
 - Must use UCare network providers



It Depends on the Insurance!

Situation: Member goes to the clinic for an office visit and receives a new prescription



Medicare Eligible:

Primary Insurance: Medicare A,B, & D

Secondary Insurance: Enrolled in MSC+ or Connect

Medicare Primary Insurance: Pays 1st - A & B covered claims

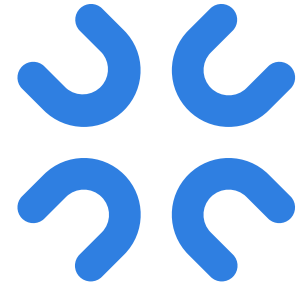
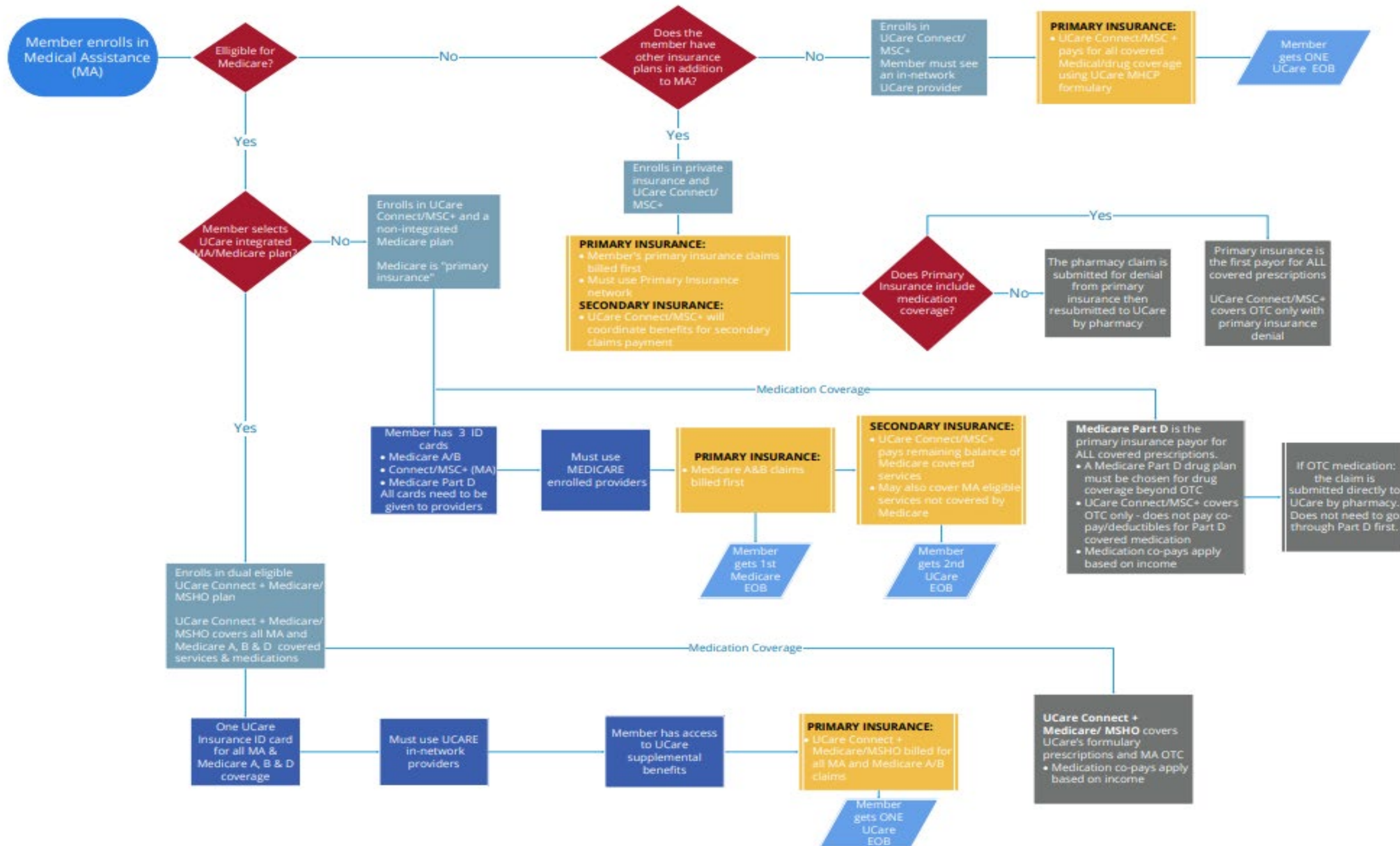
- Must use Medicare eligible providers

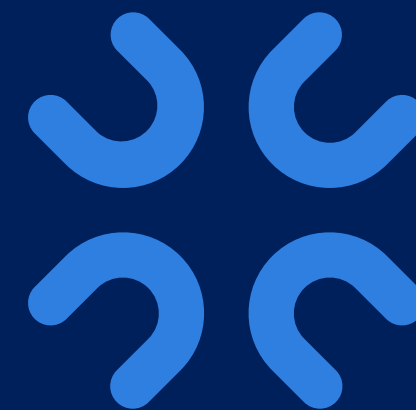
UCare MSC+ & Connect Secondary Insurance: Medicare coordinates benefits with UCare to provide co-payment for Medicare A & B covered services.

Medicare Part D: covers Medicare formulary prescriptions

- Members continue to pay Part D co-payments
- UCare covers OTC's covered by MA







Frequently Asked Questions

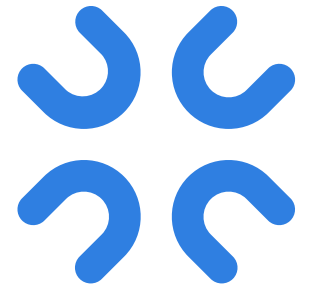
Payment Issues

When a member has a claim payment issue, the following information is needed for UCare to investigate:

- Date of service
- Service type or CPT/HCPC code
- Provider name
- Explanation of Benefits (EOB) information
- Claim number
- Provider Assistance Center #



Do U Know?



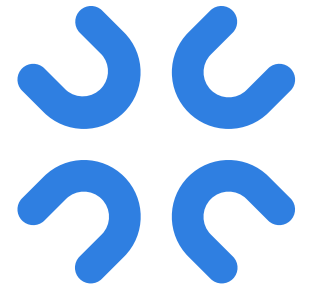
Claim is denied

Possible issues:

- Is MA active at the time of the service?
- Was it submitted to the right payor first?
- Was it covered by another party, like a third-party insurance?
- Was the correct code used on the claim by the provider?
- Is it an eligible/covered service?



Do U Know?



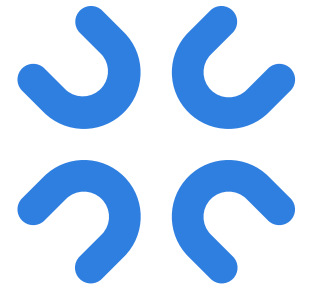
Medicare primary (e.g. non-integrated CT/MSC+)

Using non-Medicare providers

Before scheduling care, members need to know:

- If their provider is in the Medicare network
- Medicare will coordinate secondary benefit payments
- Members may receive multiple EOB

Do U Know?



MSHO, CT + Med and CT/MSC+ no Medicare

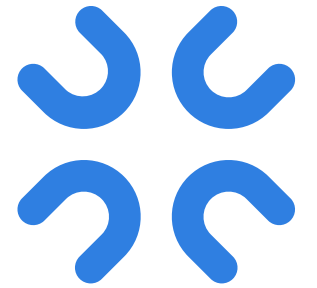
Using out of network providers

Before scheduling care, members need to know:

- A prior authorization needs to be in place, and the provider needs to be willing to bill UCare.
- Authorization needs to be 14 days in advance



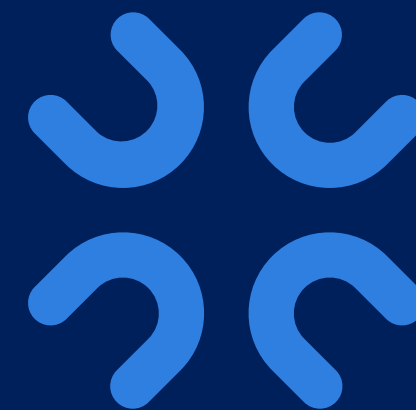
Do U Know?



OTC meds

Members need to know:

- Medicare Part D does not cover OTC medications.
- Medical Assistance (MSHO, MSC+, CT/CT + MED) do cover some OTC meds
- When a member has Medicare and MA, they need to present ALL insurance cards to the pharmacy to ensure proper billing



Time for final thoughts and Questions

Who Pays First: Understanding
Medicare, MA, Spenddowns and
Waiver Obligations



[Feedback Survey](#) and CEU Form

Clinical Liaison Contacts



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