

MEET YOUR PRESENTER

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- Founder & President of 65 Incorporated, i65 Medicare Software Suite
- Nationally-recognized Medicare expert and educator
- Previous owner of a multi-million dollar Medicare educational company that she started from the basement of her home

[www.65incorporated.com](http://www.65incorporated.com)

[www.i65.com](http://www.i65.com)

## CRITICAL MEDICARE LESSONS FROM COVID-19



## UPDATED MEDICARE POLICIES

### General Medicare

- Coronavirus test: No copayment
- Part D prescription drug coverage:
  - Waive prescription refill limits
  - Reimburse out-of-network prescriptions
  - Waive prior authorization for COVID-19 drugs
- Original Medicare beneficiaries:
  - No extra charge for single room
  - Expansion of telehealth across the country
  - Cover check-in phone calls



## UPDATED MEDICARE POLICIES

### Medicare Advantage

- Provide telehealth services in home
- Waive referral and prior authorization requirements
- Waive or reduce cost-sharing for laboratory tests, telehealth, other services
- Cover services at out-of-network facilities with same cost-sharing as in-network



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### CASE STUDY

#### Turning 65, Needs to Enroll in Medicare

Barb, who divorced last year, will be 65 in June. She planned to visit her local Social Security office in May to enroll; however, the office closed. She tried to enroll online but was shut out. Now, she's getting nervous.



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### Medicare Enrollment

- **In normal times**, there are three methods:
  - Visit the office
  - Schedule a phone appointment
  - Enroll online
- **During COVID-19 shutdowns:**
  - All offices closed
  - Extended hold time or disconnects on phone calls



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## Online Medicare Enrollment

- Available at 5:00 AM six days a week (8:00 AM on Sunday) through at least 10:00 PM every day
- Those who can enroll online:
  - At least 64 and nine months of age
  - Not enrolled in Social Security or Part A
- Online enrollment:
  - Enroll through your *my* SSA account
  - Print the receipt, save the application number



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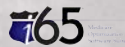
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## Barriers To Online Enrollment

- A freeze on credit:
  - Can "thaw" credit temporarily
  - Ask Equifax to lift the freeze
- Application information does not match information in the system:
  - Change in address, change in name
  - Must submit original documents



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## CASE STUDY

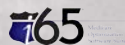
### Turning 65, Needs to Enroll in Medicare

Barb waited until almost the last minute. She never established a *my* SSA account. After her divorce, she took back her maiden name but did not notify Social Security of the change.



#### Lessons Learned:

- Start early.
- Establish a *my* SSA account before age 65.
- Log in periodically.
- Notify Social Security about changes in name, address.



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## CASE STUDY

### Over 65, Enrolling in Medicare After Job Loss

David, 68 years old, was laid off on March 15. His coverage was ending April 30. On April 15, he decided to retire so he and his wife (who has MS) could enroll in Medicare.



### Medicare Enrollment over 65

- Can start the process three months before retirement
- Special Enrollment Period for Part B: Eight months, beginning with the last day of coverage or employment (*whichever comes first*)
- Documentation to support request for Part B SEP:
  - CMS-40B, Application for Enrollment in Part B
  - CMS-L564, Request for Employment Information (one for each employer)
- If not enrolled in Part A, enroll online and submit both forms; if enrolled, just submit CMS L-564



1. Is (or was) the applicant covered under an employer group health plan?  Yes  No

2. If yes, give the date the applicant's coverage began. (mm/yyyy)  
[ ] / [ ] / [ ]

3. Has the coverage ended?  Yes  No

4. If yes, give the date the coverage ended. (mm/yyyy)  
[ ] / [ ] / [ ]

5. When did the employee work for your company?  
From: (mm/yyyy) [ ] / [ ] / [ ] To: (mm/yyyy) [ ] / [ ] / [ ] Still Employed: (mm/yyyy) [ ] / [ ] / [ ]







## CASE STUDY

### Over 65, Enrolling in Medicare After Job Loss

David should have taken action as soon as he lost his job. This was David's third job in three years. He must get documentation from all employers to establish a Part B SEP.



#### Lessons Learned:

- When circumstances dictate, make speedy decisions.
- Submit a CMS L-564 for every employer since age 65.
- Verify accuracy of dates on the CMS-L564.
- Both spouses must submit documentation.



## CASE STUDY

### Contributes to an HSA, Lost Job

Robert, 69 years old, has been contributing to a Health Savings Account (HSA) for years. He recently lost his job. He decided enough is enough and is enrolling in Medicare.



## Unexpected Job Loss and Health Savings Account (HSA)

- Those enrolled in Part A are not eligible to contribute to an HSA
- Part A enrollment more than six months after age 65 will be retroactive for six months
- Ineligible contributions are treated as excess contributions:
  - Contributions not eligible for tax deductions
  - Subject to a 6% excise tax if not removed from the account within the time allowed for corrections



## CASE STUDY

### Contributes to an HSA, Lost Job

Robert's recent HSA contributions will be in jeopardy.



#### Lessons Learned:

- Know about HSA eligibility and the retroactivity policy.
- Talk with a specialist about how to handle excess HSA funds.



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## CASE STUDY

### Losing One Job But Starting Another and Temporary Medicare



Anne lost her job February 15 but she had already agreed to join a big firm later this year. She enrolled in Medicare temporarily and plans to enroll in the new firm's group plan and HSA.



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## Temporary Medicare: Terminating Part A, Hospital Insurance

- **Problem:**
  - If terminating Part A, beneficiary would have to pay back any Medicare and Social Security benefits collected
- **Bigger problem:**
  - Terminating premium-free Part A is not allowed by law



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## Temporary Medicare: Terminating Part B, Medical Insurance

- Must make an appointment with Social Security:
  - This is a “serious decision”
  - Social Security will help complete the form
- When retiring from the next job, there will be another opportunity to re-enroll with Part B Special Enrollment Period
- **Problem:**
  - Guaranteed issue right for a Medicare supplement (Medigap policy)



## Medigap Open Enrollment Period and Guaranteed Issue Right

- A 6-month period beginning with the date a person is both over 65 and enrolled in Part B
- The supplement insurer cannot deny an application or raise premiums because of pre-existing medical conditions
- **Well-kept secret:**
  - There is only one Medigap Open Enrollment Period



**Medigap (Medicare Supplement Insurance) Policies**

• Your Medigap open enrollment period starts after you sign up for Part B.

**NOTE:** Remember, if you took Part B while you had employer coverage, you don't get another open enrollment period when your employer coverage ends.

**Enrolling in Medicare Part A & Part B**

to help you decide when you should enroll in Part B. **When you sign up for Part B, you automatically begin your Medigap Open Enrollment Period. Once your Medigap Open Enrollment Period begins, it can't be changed or restarted.** For more information



## CASE STUDY

### Losing One Job But Starting Another and Temporary Medicare



Anne did not realize the issues that temporary Medicare could present. She is rethinking her strategy.

#### Lessons Learned:

- Consider Part A enrollment carefully.
- If enrolling now, forego any future HSA opportunity.
- Know that there is one only Medigap Open Enrollment Period.



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## CASE STUDY

### Considering COBRA to Fill a Gap

Ken, a retired physician, was covered by his wife's group plan. She died April 9 and he doesn't know when the coverage ends. He's considering COBRA until next year and then will join a practice.



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## When Does Current Coverage End?

- A retirement or loss of job can occur during the middle of the month
- Medicare coverage starts on the first of a month
- **Big question:**
  - Will your health plan cover you through end of the month?



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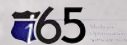
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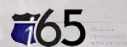
## COBRA Continuation Coverage Dangers

- COBRA may be the same coverage as the employer plan but it can be dangerous after age 65
- It could be like having no insurance:
  - By law, it is the secondary payer to Medicare
  - Part A and Part B enrollment required
- If Medicare enrollment is postponed, there could be a Part B late enrollment penalty and delayed coverage



## COBRA Continuation Coverage and Guaranteed Issue Right

- The Medigap Open Enrollment six-month period begins with Part B effective date
- A beneficiary enrolling in Medicare and COBRA will a guaranteed issue right:
  - Within the first six months
  - When COBRA ends (18 months)
- Four states (CT, MA, ME, and NY) have more generous regulations for guaranteed issue right



## CASE STUDY

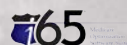
### Considering COBRA to Fill a Gap

Ken learned that the last day of his coverage was April 30. He had no idea that COBRA was treated differently and will take a different path.



#### Lessons Learned:

- Know the details about current coverage.
- Consider COBRA carefully.
- Know that the Part B SEP is based on coverage AND employment.
- If choosing COBRA, enroll in Medicare Part A, Part B.
- Protect your guaranteed issue right.



## CASE STUDY

### Not Knowing About Creditable Prescription Drug Coverage



After losing her job, Ronda enrolled in Medicare, without any problem. However, she got hit with a Part D late enrollment penalty.



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### Creditable Prescription Drug Coverage

- Creditable means that the group plan, on average, pays as much as a Medicare drug plan would pay
- By law, every October, the sponsoring entity must send to every Medicare-eligible individual a notice as to the status of the coverage
- If coverage is creditable, there's a Part D Special Enrollment Period
- If the coverage is not creditable, it's a late enrollment situation



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### Part D Late Enrollment Penalty

- Part D late enrollment penalty:
  - Penalty is 1% of the standard premium for every month without creditable coverage
  - In 2020, the amount is \$0.33
  - Penalty follows for life and the amount changes every year
- Those without creditable drug coverage should consider enrolling in a stand-alone Part D drug plan



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## Sample Creditable Drug Coverage Notice

### Important Notice from ABC Company About Your Prescription Drug Coverage and Medicare

ABC Company has determined that the prescription drug coverage offered by the ABC Drug Plan is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

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## CASE STUDY

### Not Knowing About Creditable Prescription Drug Coverage



Ronda acknowledged that she got something in the mail but didn't understand what it was and recycled it.

#### Lessons Learned:

- Get the notices — whether by mail or ask for them.
- Save the notices.
- Consider a Part D drug plan if the coverage is not creditable.



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## CASE STUDY

### Not Recognizing a Life-changing Event

Sam and Tracy closed their once successful home-based business in March. They had enrolled in Medicare at age 65 and continue to pay the same premiums.



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## IRMAA and Life-changing Events

- Income-related Monthly Adjustment Amount (IRMAA) means additional Part B and Part D premiums for higher-income beneficiaries
- Social Security recognizes eight life-changing events that can cause a drop in income and justify a premium adjustment
- Two common ones:
  - Work stoppage
  - Work reduction



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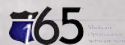
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## Know When to Take Action

- Those new to Medicare will get a notice about IRMAA a month or so after enrolling in Part B
- Those already on Medicare and paying IRMAA must initiate the life-changing process to get a reduction
- Social Security generally doesn't go back more than one calendar year
- An event can have an impact for more than one year



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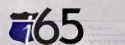
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## File a Life-changing Event Form

- Complete the SSA-44, IRMAA Life-changing Event form
- Submit documentation to support the event
- Include your best income guesstimate



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## CASE STUDY

### Not Recognizing a Life-changing Event

Sam and Tracy had no idea they were paying more. And, because they are enrolled in Medicare, they did not get a notice introducing them to IRMAA.



#### Lessons Learned:

- Know how much you are paying for Medicare and why.
- If income drops, submit the life-changing event notice with supporting documentation in a timely manner.
- Monitor the situation going forward.



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## CASE STUDY

### Unable to Get Help with Medicare Issues

Steve was hospitalized. At home, his wife, Sara, was dealing with issues about coverage and cost for his care. She could not talk with anyone because she did not have authority to do so.



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## Powers of Attorney

- A power of attorney: The authority to act for another person in specified or all legal or financial matters
- A durable power of attorney: The authority to make important and necessary healthcare decisions
- Establish these when of sound mind and able to make decisions and update, as necessary
- Neither document stands alone for Social Security or Medicare



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## Medicare Authorized Representative

- Medicare requires a beneficiary's written permission to use or provide personal medical information
- The representative can choose Medicare coverage, handle claims, and file an appeal
- A competent person can complete the "1-800-MEDICARE Authorization to Disclose Personal Health Information" form
- If not competent, a person with legal authority can complete the form



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## Social Security Representative Payee

- Representative payee has the legal authority to manage a beneficiary's Social Security payments
- Social Security may conduct interviews, home visits, financial record reviews
- Recent changes:
  - Spouses, guardians, adoptive parents do not have to complete the annual Representative Payee Report
  - A competent person can do advance designation of representative payee



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## Health Plans Authorization to Share Personal Information

- Every plan has an authorization form and it goes by many different names
- Provides authority to speak to plan representatives to get information, update contact information, and more, depending on the individual plan



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## CASE STUDY

### Unable to Get Help with Medicare Issues

Depending on his condition, Steve may be able to authorize Sara to speak to his plan and Medicare. After he's discharged, they plan to get their affairs in order.



#### Lessons Learned:

- Medicare, Social Security, and plans won't talk to another person without authority.
- Each has a different process.
- A POA can prove authority, if necessary.
- Consider advance designation, just in case.



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## COVID-19 LESSONS LEARNED

- Practices with value and benefit:

- Handwashing
- Avoiding those who are ill
- Staying home when sick
- Cleaning homes and workplaces



- But, not all of us followed these practices
- We learned some lessons that, hopefully, we will continue



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## COVID-19 LESSONS LEARNED

- Address as many issues as you can proactively
- Know some important fundamentals:
  - An up-to-date *my* Social Security Account
  - Timing and process for Medicare enrollment
  - The perils of COBRA and "temporary" Medicare
  - IRMAA basics and procedures
  - Healthcare representatives
- Get the help you need



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## COVID-19 LESSONS LEARNED

You CAN (and should)  
Help Your Clients With Medicare



[www.i65.com/demo](http://www.i65.com/demo)



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**THANK YOU.**

Diane J. Omdahl, RN, MS  
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