

November 2010

In this issue: Medicare and the New Health Reform Law, Mary joins AGE board, Medicare Part D Renewal



Mary Joins AGE Board

Mary Koffend, President of Accountable Aging Care Management was recently asked to join the Board of Directors of Austin Groups for the

Elderly, (AGE), along with Danielle Odom Cauley (The Court at Round Rock) and Patricia Camacho-Longoria (Physicians Health Choice).

Joyce Lauck, AGE Executive Director said, "We are grateful to have the volunteer efforts of these three knowledgeable professionals help AGE as we work to meet the growing needs of caregivers and older adults in our communities."

"I was honored to be asked to participate on the Board of AGE. The resources they provide are an invaluable part of the eldercare landscape of Austin," said Mary.

AGE is a local 501(c)3 non-profit organization providing support to seniors, caregivers and their families since 1986. AGE is committed to empowering caregivers, the elderly and their families through education, advocacy, resources and support. Our programs include Elderhaven Adult Day Centers, the Caregivers Resource Center, SeniorNet Computer Learning Center, Durable Medical Equipment Lending Closet and the AGE non profit tenancy program.

How will Health Care Reform Affect Medicare?

The *Affordable Health Care for America Act* (HR 3962) as passed by the House on November 7, 2009 and the *Patient Protection and Affordable Care Act* (HR 3590) as passed by the Senate on December 24, 2009 include an individual requirement to obtain health insurance, a significant Medicaid expansion and subsidies to help low-income individuals buy coverage through a newly established health insurance exchange, among many other things.

There is a lot of controversy. There is a lot of mis-information. The bills have literally thousands of provisions covering many aspects of health care, Medicaid, Medicare, healthcare for children, health insurance requirements, physician requirements, etc. There has been a lot of media hype over whether the new health-care reform bill will bolster or undermine Medicare. As the largest payer for health care—accounting for 20 percent of U.S. national health expenditures in 2008 for its almost 45 million beneficiaries—Medicare plays a central role in the health system.

Will the next Congress amend or repeal the bill? Who knows? We did some research and would like to present here our findings – without partisan opinion – just the facts – on just the legislation's affects on MEDICARE.

Medicare provisions that start in 2010:

- Provides a \$250 rebate to Medicare beneficiaries who reach the Part D coverage gap in 2010. These checks have been mailed to eligible beneficiaries after they entered the coverage gap. (For more information on how to get your rebate check, log on to www.medicare.gov/Publications/Pubs/pdf/11464.pdf Further subsidies and discounts that ultimately close the coverage gap begin in 2011. (see below on pages 2 and 3)
- Reduces annual market basket updates (reduces the increases) for inpatient and outpatient hospital services, long-term care hospitals, inpatient rehabilitation facilities, and psychiatric hospitals and units and adjusts payments for productivity.
- Ban new physician-owned hospitals in Medicare, requiring hospitals to have a provider agreement in effect by December 31, 2010; limit the growth of certain grandfathered physician-owned hospitals.

continued

Provisions that begin in 2011:

- Requires pharmaceutical manufacturers to provide a 50% discount on brand-name prescriptions filled in the Medicare Part D coverage gap beginning in 2011 and begins phasing-in federal subsidies for generic prescriptions filled in the Medicare Part D coverage gap. *(See article on Page 3 about Part D)*
- Provides a 10% Medicare bonus payment for primary care services; also, provides a 10% Medicare bonus payment to general surgeons practicing in health professional shortage areas.
- Eliminates cost-sharing for Medicare-covered preventive services that are recommended (rated A or B) by the U.S. Preventive Services Task Force and waives the Medicare deductible for colorectal cancer screening tests; authorizes Medicare coverage for a personalized prevention plan, including a comprehensive health risk assessment. **What this means:** Medicare will cover 100% of the cost of routine annual physicals and the cost of preventative services such as glaucoma screenings for certain individuals, mammograms, pap smears and hepatitis B vaccines.
- **Freezes the income threshold for income-related Medicare Part B premiums** for 2011 through 2019 at 2010 levels resulting in more people paying income-related premiums, and reduces the Medicare Part D premium subsidy for those with incomes above \$85,000/individual and \$170,000/couple. **What this means:** Beginning in 2011, individuals earning more than \$85,000 a year (\$170,000 for couples), will pay higher premiums for Part D coverage. Beginning in 2013, individuals of any age earning more than \$200,000 will pay an additional .9% in Medicare payroll tax. The same group will pay a 3.8% Medicare tax on investment income, including interest, dividends and capital gains.
- **Restructures payments to private Medicare Advantage** plans by phasing-in payments set at increasingly smaller percentages of Medicare fee-for-service rates; freezes 2011 payments at 2010 levels; and prohibits Medicare Advantage plans from imposing higher cost-sharing requirements for some Medicare covered benefits than is required under the traditional fee-for-service program.

Provisions that begin in 2012:

- Reduces Medicare payments that would otherwise be made to hospitals, to account for excess (preventable) hospital readmissions. **(Editor's note:** We know that Care Managers involved in the care of discharged patients may help to ensure the patients are not re-admitted for preventable causes.)
- Allows providers organized as Accountable Care Organizations (ACOs) that voluntarily meet quality thresholds to share in the cost savings they achieve for the Medicare program.
- Reduces rebates paid to Medicare Advantage plans and provides bonus payments to high-quality plans.
- Creates the Independence at Home demonstration program to provide high-need Medicare beneficiaries with primary care services in their home.
- Adds a productivity adjustment to the market basket update for certain providers, resulting in lower rates than otherwise would have been paid.
- Establishes a hospital value-based purchasing program in Medicare to pay hospitals based on performance on quality measures and requires plans to be developed to implement value-based purchasing programs for skilled nursing facilities, home health agencies, and ambulatory surgical centers.

As this issue goes to press, the November elections are over and Congress has a new look. It will be interesting to see which provisions listed above come to light and which are amended or repealed. We'll keep an eye on it for you.

AACM provides Medicare Part D Consulting

**Let us help you find the right plan
for you,
your medications
and your budget!**



Medicare Part D Decision Period Starts November 15

The enrollment period to change your Advantage or Part D plan for 2011 runs from November 15 to December 31, 2010. Since many current plans are not being offered in 2011, it is important for all seniors to get their information together in order to make an informed decision.

Plan costs and coverage change each year, but this year has brought significant changes to the Part D plans, so all people with Medicare should check to make sure their plan still meets their needs and budget. There may be a Medicare health or drug plan available with better coverage or a lower deductible in 2011.

We recommend you start gathering the information you will need to make an informed decision, such as the brand name drugs you currently take. Then, review the 2011 costs and coverage of their current plans:

- Compare with other plans in your area
 - Choose a plan that meets your needs and budget
- (Editor's note: You MUST look at the premium PLUS deductible PLUS drug costs in order to get a good apples-to-apples comparison of each plan).**
- Check out the new benefits in 2011 due to the new health care law such as the 50% discount on **"preferred"** brand-name drugs in the coverage gap.

Visit www.medicare.gov and use the **Medicare Plan Finder** for a list of Prescription Drug Plans in your area. You will need to know the names of the medications you take in order to get the best information.

If you get really frustrated and confused, please call us for a consultation. We regularly help clients find the most comprehensive plan at the most affordable prices. If you are newly "joining" the system, and this is your first year to sign up, email us for some help at info@accountableaging.com. Remember, we don't sell any products, so our only interest is your best interest.

Also note, once you enroll in a Medicare Advantage plan, you are locked in until the 2012 enrollment period. The only option is to switch back to traditional Medicare coverage between January 1 and February 15, 2011.

Medicare Part D – How it Works & The Doughnut Hole and "Extra Help"

Under Part D, most participants pay monthly premiums. In return, these plans cover 75% of the cost of prescription drugs, leaving the participant to pick up 25%. But, after the total cost of a participant's drugs reach a set amount per year, generally \$2830 in 2010, he or she falls into a coverage gap known as the "doughnut hole." Once there, a participant is on the hook for 100% of the cost of his or her medications, generally up to \$6400. At that point, catastrophic coverage kicks in, limiting participant's outlays, typically to 5% of the costs over \$6400. An estimated 14% of Medicare Part D participants fall into the doughnut hole. But under the new health-care legislation, this gap will gradually disappear.

Extra Help

More Medicare beneficiaries will qualify for "Extra Help," also called the low-income subsidy (LIS) from Medicare to pay prescription drug costs, due to the new way in which income and assets are counted in 2010. When determining eligibility for "Extra Help," the Social Security Administration, who handles enrollment in the program, will no longer count life insurance policies as a resource.

In addition, help received from family and friends to pay for household expenses like food, mortgage, rent and utilities will no longer count as income.

To qualify, Medicare beneficiaries' income must be less than \$16,245 for an individual (or \$25,855 for married couples) and have resources limited to \$12,510 (or \$25,010 for married couples). Resources include bank accounts, stocks, and bonds, but do not include houses, cars or life insurance policies.

There is no cost to apply for "Extra Help." Medicare beneficiaries, family members, trusted counselors or caregivers can apply online at www.socialsecurity.gov/prescriptionhelp or call Social Security at 800-772-1213.

Medicare Advantage Plans

8 Things to Consider When Choosing or Changing Your Coverage

1. **Coverage** - Are the services you need covered?
2. **Your other coverage** - If you have other types of health or prescription drug coverage, make sure you understand how that coverage works with Medicare. If you have employment-related coverage, or get your health care from an Indian Health or Tribal Health Program, talk to your benefits administrator, insurer, or plan before making any changes.
3. **Costs** - How much are your premiums, deductibles, and other costs? How much do you pay for services like hospital stays or doctor visits? Is there a yearly limit on what you could pay out of pocket for medical services? Make sure you understand any coverage rules that may affect your costs.
4. **Doctor and hospital choice** - Do your doctors accept the coverage? Are the doctors you want to see accepting new patients? Do you have to choose your hospital and health care providers from a network? Do you need to get referrals?
5. **Prescription drugs** - What are your drug needs? Do you need to join a Medicare drug plan? Do you already have creditable prescription drug coverage? Will you pay a penalty if you join a drug plan later? What will your prescription drugs cost under each plan? Are your drugs covered under the plan's formulary (preferred drug list)?
6. **Quality of care** - The quality of care and services given by plans and other health care providers can vary. See the "[Resource Locator](#)" for more help comparing plans and providers.
7. **Convenience** - Does the plan include the doctors you see and the pharmacies you use? Can you get your prescriptions by mail? Do the doctors use electronic health records or E-prescribe?
8. **Travel** - Will the plan cover you if you travel to another state?

Fast Facts for Texas in 2011

- 33 Medicare Prescription Drug Plans (PDPs) are available.
- 85% of people with Medicare have prescription drug coverage (including 56% with Part D).
- 45% of people with Part D get Extra Help (also called the low-income subsidy, or LIS).
- 93% of people with Part D can pay a lower premium in 2011 than they did in 2010.
- 100% of people with Medicare have access to a Medicare Advantage plan.
- \$14.80 is the lowest monthly premium for a PDP.
- \$44.20 is the lowest monthly premium for a PDP with any generic coverage in the Coverage Gap.
- 12 PDPs have a premium of \$0 for people who qualify for Extra Help.

Resources

To learn more, the primary resources we used to pull the information together for this article include:

[Medicare Advantage Plans for 2011 – Comprehensive Guide from Kaiser Foundation](http://www.cms.gov/center/openenrollment.asp)
www.cms.gov/center/openenrollment.asp
www.medicare.gov
www.kff.org Kaiser Family Foundation
www.commonwealthfund.org The Commonwealth Fund

Changes to Durable Medical Equipment Payouts

Medicare is phasing in a new program called “competitive bidding” to help save you and Medicare money **when buying or renting durable medical equipment**. The changes are meant to ensure that you continue to get quality equipment, supplies, and services; and to help limit fraud and abuse. **In some areas of the country if you need certain items, you must use specific suppliers, or Medicare won't pay for the item and you likely will pay full price. It's important to see if you're affected by this new program to ensure Medicare payment and avoid any disruption of service.**

This program starts January 1, 2011, in the following states: CA, FL, IN, KS, KY, MO, NC, OH, PA, SC, TX

In certain areas in the states listed above, you need to use specific suppliers for Medicare to pay for the following items: Oxygen supplies and equipment ■ Standard power wheelchair, scooter, and related accessories ■ Certain complex rehabilitative power wheelchairs and related accessories ■ Mail-order diabetes supplies ■ Enteral nutrients, equipment, and supplies ■ Hospital beds and related accessories ■ Continuous Positive Airway Pressure (CPAP) devices ■ Respiratory Assist Devices (RADs) and related supplies and accessories ■ Walkers and related accessories ■ Support surfaces including certain mattresses and overlays.

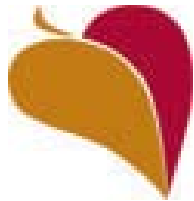
For more information, visit <http://go.usa.gov/loh> to view a copy of “Medicare Coverage of Durable Medical Equipment and Other Devices.” You can also call 1-800-MEDICARE (1-800-633-4227) to find out if a copy can be mailed to you. TTY users should call 1-877-486-2048.

Have you heard us speak lately?

Mick and Mary have been out speaking to professional, social and private organizations about Care Management and many other topics. Some of our recent speaking events included:

October 5	<i>Muddling, Surprises and Other Eldercare Issues</i>	Brentwood Oaks Church of Christ, Austin, Texas (Mick)
October 12	<i>Multi-Disciplinary Care Management: Today's Model</i>	NAIFA-Dallas Office (Mick)
October 14	<i>Medicare and the Impact of Health Care Reform</i>	Mary
October 16	<i>Normal and Abnormal Cognitive Changes of Aging</i>	Mary-Pat Smith
October 21	<i>The Three M's of Healthcare: Medicare, Medicaid and Medigap</i>	SW General Hospital (Spencer Brown)
October 21	<i>Where do you turn with eldercare issues?</i>	Austin Chapter, Financial Service Professionals (Mary)
October 22	<i>Preventing Medication-Related Problems: Targeting Sustainability in a Complex Adaptive System</i>	Seton Healthcare Network Nursing Symposium (Mick)
October 28	<i>Confrontation Skills for Helpful Change: Communication Techniques for Resolving Frustrating Issues</i>	(Mary)
November 10	<i>Mitigating the Quality and Safety Risks of Care Transitions</i>	Medical City, Dallas, (Mary)
November 13	<i>Medicare and the Impact of Health Care Reform</i>	(Mary)
November 19	<i>Mitigating the Quality and Safety Risks of Care Transitions</i>	Baylor Rehabilitation Institute, Dallas, (Mick)

Do you need a speaker for an upcoming civic or church event? We'd love to speak to your group. Please check out our presentations on our website: www.accountableaging.com/aapresentations.cfm or call us about speaking.



Accountable Partners®

AACM regularly makes recommendations to clients for services they need such as facilities, home health care, and personal assistance services. If you are not in our Accountable Aging Partners Program (it's free), you may be missing out on valuable referrals. Please go to our website now and [fill out a survey](#) . Having the most current information on your business helps us refer the right kind of clients to you. If you'd like to see what a sample Accountable Partners Report looks like, access a [Sample Profile](#) .

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Visit us online: www.accountableaging.com

Accountable Aging Care Management is an eldercare consulting and care management firm.

Accountable Aging is a single source for seniors and their families to attain knowledge, resources and on-going assistance with the challenges related to aging or caring for an elder loved one. We serve seniors in Austin, Dallas, San Antonio and the surrounding areas.

With this newsletter, our aim is to provide a trusted conduit for eldercare information and resources and to highlight the services we offer that meet the needs of senior adults and their families.

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