

# Managing Medicare's Cost Shifting: Coordinating Medicare Parts A, B and D

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# About Health Decisions, Inc.

***Pioneering Specialists in***

***Group Health Care***

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**Customer Philosophy**

**Respect** for Existing Procedures

**Emphasis** on Customization

**FOCUS** on Solutions

## Medicare: The “800 lb. Gorilla”

- Medicare’s impact on provider payment and profitability is widely recognized.
- Less noticed, but equally important, is Medicare’s impact on Group Health Plans (GHP).
  - For plans with retirees, Medicare is invariably the largest source of claim recovery.
  - Even plans with no retirees have significant Medicare claim recoveries.
  - Most plans can expect to receive Medicare Secondary Payer Demand Letters.
  - All plans are now impacted by Medicare enrollment reporting requirements.

# Today's Webinar

## Today's Session Covers:

Common problems employers and plans face.  
How to respond effectively.

## Today's Session Will:

Lay out a strategy for compliance that balances  
Medicare's one-way cost shift.

# Medicare Realities

## The Bad News

- Medicare is not trying to be fair.
- Medicare is trying to shift costs.
- Medicare invests heavily in this.

# Medicare Realities

## The Good News

- ❑ GHPs can respond effectively.
- ❑ Getting & keeping facts straight is a must.
- ❑ Using regulations to your advantage is key.

## Medicare & GHP: Legislative History

- 1965: Medicare established
- 1984: Medicare claims secondary status
- 1989: Medicare/IRS Data Match begins
- 1993: GHP enrollment reporting mandate
- 1996: GHP reporting mandate repealed
- 1997: Medicare Secondary Payer made permanent
- 2003: Part D & Retiree Drug Subsidy (RDS)
- 2007: Section 111 enrollment reporting mandate on all health-related plans
- 2010: Early retiree special fund

# Medicare & GHP: Administrative Efforts

## Regulations

- Medicare Secondary Payer (MSP)
- MSP Demand Letter Process
- Third-party notice of Mistaken Medicare Primary Payment
- End-stage Renal Disease
- Disability
- Part D Retiree Drug Subsidy (RDS)

## Contractors

- COB Contractor
- MSP Contractor
- Recovery Audit Contractor

## Data

- CMS/IRS Data Match
- Voluntary Data Sharing Arrangement
- Section 111 Mandatory Enrollment Data Reporting
- 2006 Electronic Claims Processing Manual
- Part D web-based filing



# GHP Response

- **Step 1: Analyze Globally**
  - Do not simply replicate Medicare
  - Find the contradictions, inconsistencies, gaps and errors
- **Step 2: Investigate Strategically**
  - Group common cases
  - Use specialized expertise
- **Step 3: Recover Aggressively**
  - Time is not on your side
  - Support re-introduction of the Indirect Payment Procedure (IPP)

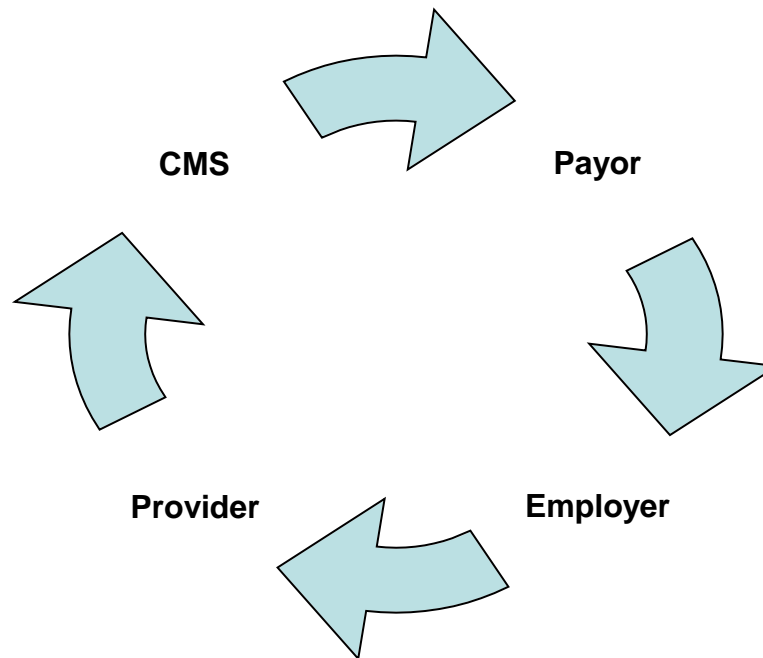
# Step 1: Analyze Globally: Get ALL Facts Together

<b>Source</b>	<b>Aged</b>	<b>Disabled</b>	<b>ESRD</b>	<b>COBRA</b>	<b>Part D RDS</b>
<b>Payor</b>	Birth date	Diagnoses/ Procedures	Diagnoses/ Procedures	Enrollment	RX claims
	Internal Indicators in claim, enrollment and administrative records.				
<b>CMS</b>	<b>Medicare Part A &amp; B Entitlement, Enrollment and Effective Dates</b> •VDSA/Section 111 Response Files/Part D Response Files •Case Specific Verifications •MSP Demands				
<b>Employer</b>	Active/Inactive status Active/Inactive group enrollment			Election Status	Creditable coverage
<b>Enrollee</b>	Medicare Part A & B Entitlement Status, Part B Enrollment				Not in PDP
<b>Provider</b>	Diagnoses/Procedures, Disability History, First Date of Dialysis, Billing History				Part B vs. Part D

# Step 1: Analyze Globally: Put Facts to Use

ALL Facts must be the same.

ALL Parties must agree.



## Step 2: Investigate Strategically

<b>Challenges Change by Type of Medicare Eligibility</b>	
<b>Aged (and all others)</b>	<ul style="list-style-type: none"><li>• Incorrect classification by GHP</li><li>• Incomplete enrollment by retiree</li><li>• Incorrect billing by provider</li></ul>
<b>Disabled</b>	<ul style="list-style-type: none"><li>• Aggressive denial by Medicare</li><li>• Daunting appeals process</li></ul>
<b>ESRD</b>	<ul style="list-style-type: none"><li>• Incorrect first date of dialysis</li><li>• Erroneous advice from Medicare</li></ul>
<b>COBRA</b>	<ul style="list-style-type: none"><li>• Lack of GHP documentation</li><li>• Lack of retiree awareness</li><li>• Lack of payer enforcement</li></ul>
<b>Part D RDS</b>	<ul style="list-style-type: none"><li>• Incorrect eligibility denials</li><li>• Incomplete claim identification</li><li>• Reluctance to re-open</li></ul>

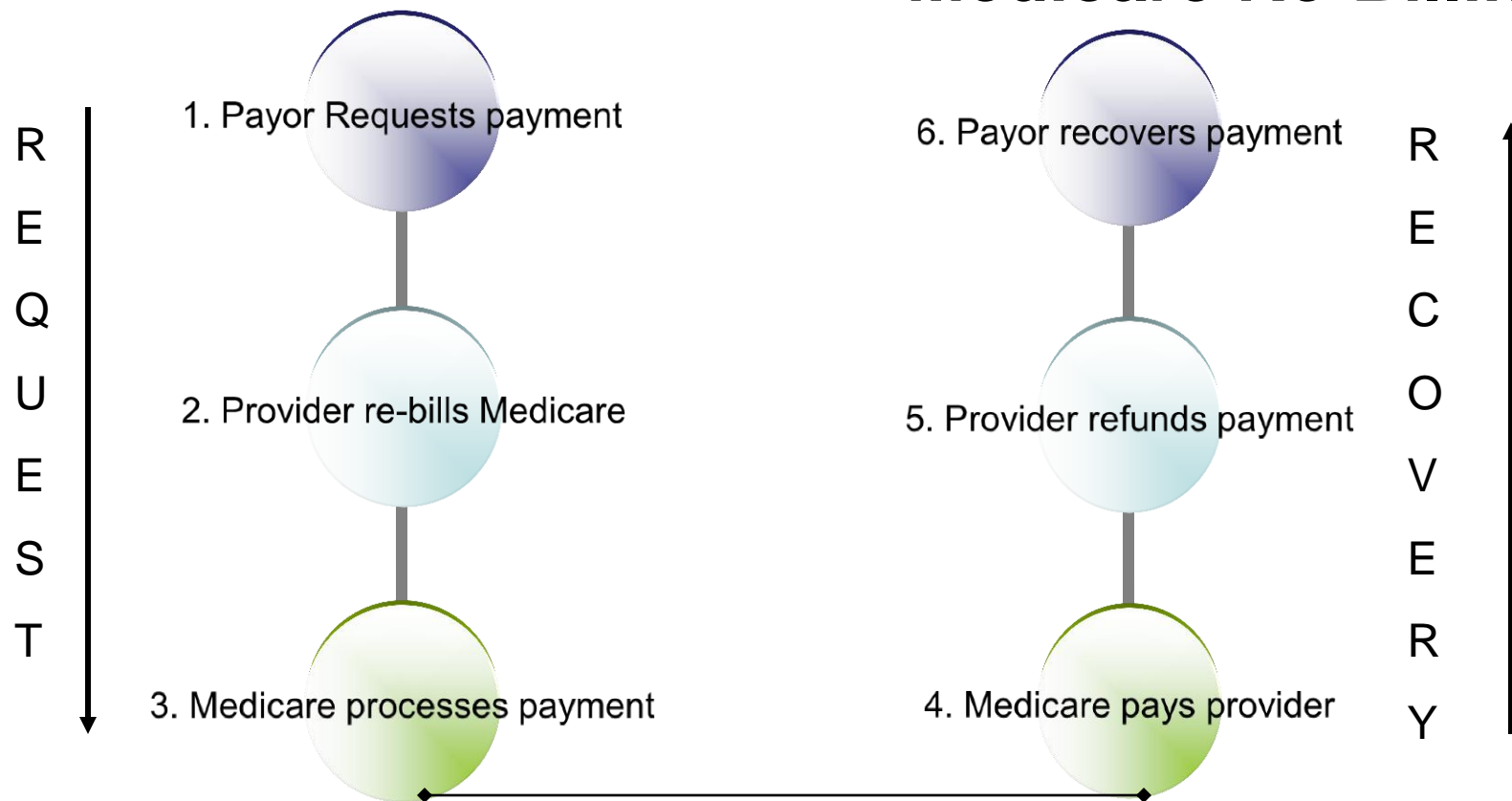
## Step 2: Investigate Strategically

<b>Responses Change by Different Types of Medicare Eligibility</b>	
<b>Aged (and all others)</b>	<ul style="list-style-type: none"><li>• Make corrections to enrollment classification</li><li>• Support Medicare enrollment</li></ul>
<b>Disabled</b>	<ul style="list-style-type: none"><li>• Option 1: Personal Advocate</li><li>• Option 2: Legal Advocate (tied to LTD)</li></ul>
<b>ESRD</b>	<ul style="list-style-type: none"><li>• Document care history</li><li>• Confirm first date of dialysis</li></ul>
<b>COBRA</b>	<ul style="list-style-type: none"><li>• Enforce regulations</li></ul>
<b>Part D RDS</b>	<ul style="list-style-type: none"><li>• Challenge eligibility denials</li><li>• Get and use RX claims (not summaries)</li><li>• Re-open if warranted</li></ul>

## Step 3: Recover Aggressively

<b>Methods Change by Different Types of Medicare Eligibility</b>	
<b>Aged (and all others)</b>	<ul style="list-style-type: none"><li>• Re-open claim if possible</li><li>• Re-bill within filing limits</li><li>• Support Indirect Payment Procedure</li></ul>
<b>ESRD</b>	
<b>COBRA</b>	
<b>Disabled</b>	<ul style="list-style-type: none"><li>• Option 1: Personal Advocate</li><li>• Option 2: Legal Advocate (tied to LTD)</li></ul>
<b>Part D RDS</b>	<ul style="list-style-type: none"><li>• Challenge eligibility denials</li><li>• Get and use RX claims (not summaries)</li><li>• Re-open filing if warranted</li></ul>

## Step 3: Medicare Re-Billing



## Step 3:

# Medicare Claim Filing Limits

2008											
Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Must be filed by Dec 2009									Must be filed by Dec 2010		
2009											
Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Must be filed by Dec 2010									Must be filed by Dec 2011		
2010											
Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Must be filed by Dec 2011									Must be filed by Dec 2012		



## Step 3:

# Medicare Indirect Payment Procedure (Part B)

- GHPs have always had right to bill Medicare via the Indirect Payment Procedure (IPP).
- In 2006, CMS unilaterally removed the IPP without legislation or administrative process via the Electronic Claim Processing Manual.
- The Electrical Workers Insurance Fund sued.
- Judge has ordered CMS to re-institute IPP.
- Time to show your support is NOW.
- Success means:
  - Streamlined collection and payment
  - Resolution of Part B vs. Part D liability

# Closing Thoughts

## Ready

1. Don't assume Medicare is fair or correct.
2. Determine what is true for your GHP.

## Set

1. Get and verify ALL relevant facts.
2. Avoid a reactive or piecemeal approach.
3. Include Parts A, B and D.

## Go

1. Enforce ALL regulations that make Medicare Primary.
2. Remember that time is not your ally.
3. Support re-introduction of Indirect Payment Procedure.

For More Information  
Contact

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We offer no-cost consultations  
to answer questions and discuss options.