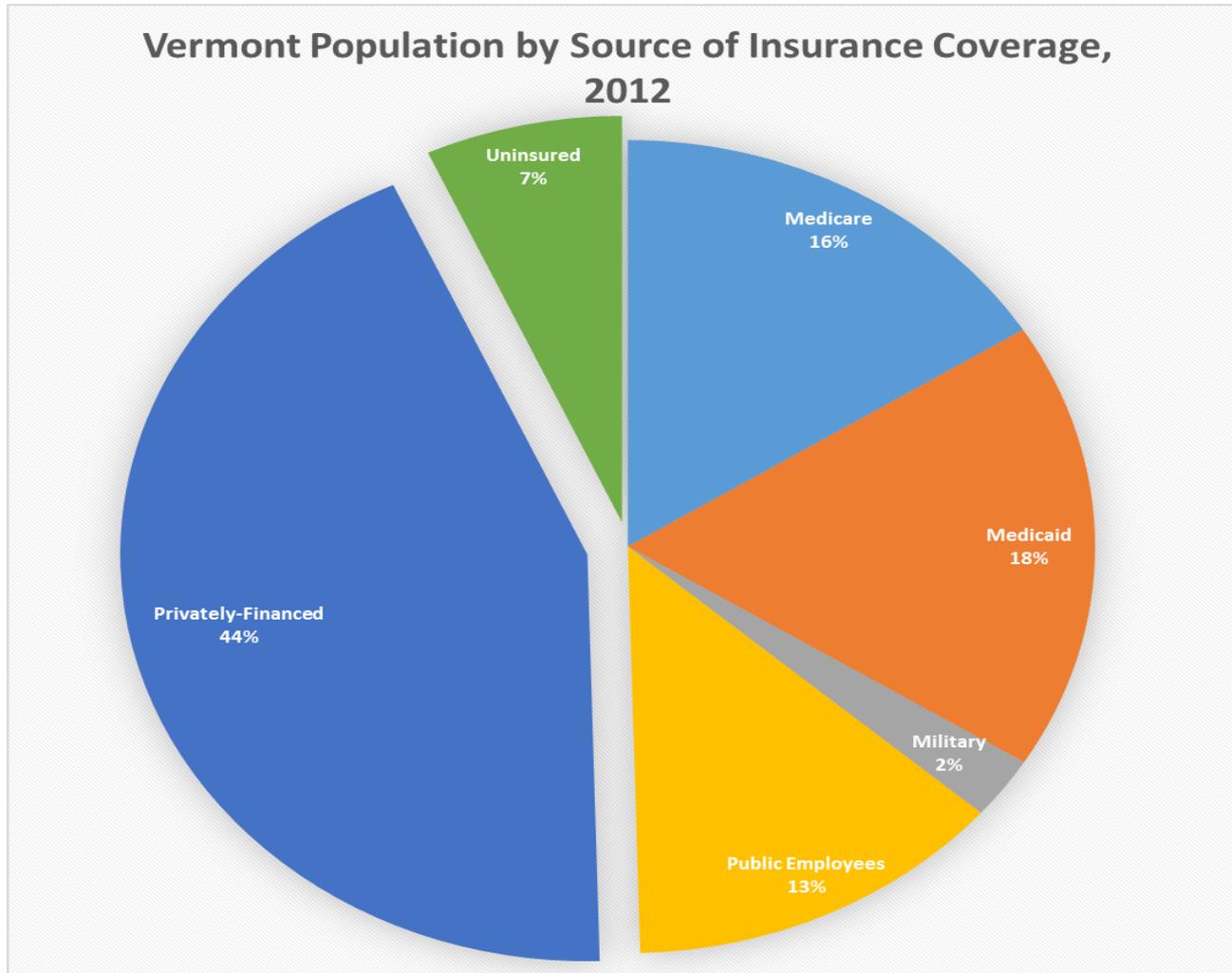

Overview of Special Populations

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Sources of Coverage



Special Populations

- Medicare
- TriCare
- State Employee Plans

MEDICARE



Who is eligible for Medicare

- Individuals age 65+
 - Only if 10 years of work history
 - Self or spouse
- Individuals with permanent disability
 - Defined as 24 months of SSDI payments
- Individuals with end-stage renal disease or Lou Gehrig's disease

Medicare: 4 Parts

- Part A – hospital insurance
 - Funded with payroll tax
- Part B – physicians, outpatient, home health
 - About \$105/month premium
 - \$147/year deductible
- Part C – Medicare Advantage (managed care)
 - Replaces A, B, D
- Part D – drugs
 - Premiums and plan design varies

Medicare coverage limits

- skilled nursing facilities:
 - Days 1–20: \$0 for each benefit period .
 - Days 21–100: \$152 coinsurance per day of each benefit period.
 - **Days 101 and beyond: all costs.**
- hospitals:
 - \$1,216 deductible for each benefit period .
 - Days 1–60: \$0 coinsurance for each benefit period.
 - Days 61–90: \$304 coinsurance per day of each benefit period.
 - Days 91 and beyond: \$608 coinsurance per day up to 60 days
 - 60 day lifetime limit
 - **Beyond lifetime limit : all costs.**

Public Medicare Supplemental Plans

- Medicaid
 - “Full duals”
 - covers Medicare premiums, cost-sharing , & services up to Medicaid benefits
 - Medicare Savings Programs
 - QMB – 100% FPL
 - Covers Medicare premiums (A & B), Part B premium & co-insurance & deductibles for A & B
 - SLMB & QI-1 – 135% FPL - Part B premium only

- VPharm – wraps Part D
 - 150% FPL: Part D premium, cost-sharing, add’l drugs, diabetic supplies, eye exams
 - 225% FPL: maintenance meds & diabetic supplies

Private Medicare Supplemental Plans

Medigap Benefits	Medigap Plans									
	A	B	C	D	F*	G	K	L	M	N
Part A coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Part B coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes***
Blood (first 3 pints)	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A hospice care coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Skilled nursing facility care coinsurance	No	No	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A deductible	No	Yes	Yes	Yes	Yes	Yes	50%	75%	50%	Yes
Part B deductible	No	No	Yes	No	Yes	No	No	No	No	No
Part B excess charges	No	No	No	No	Yes	Yes	No	No	No	No
Foreign travel exchange (up to plan limits)	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes
Out-of-pocket limit**	N/A	N/A	N/A	N/A	N/A	N/A	\$4,940	\$2,470	N/A	N/A

GMC Supplemental: 3 Options

- Medicare is primary insurance.
 - Eligibility not changed
 - Coverage not changed

- 3 options for supplementing primary Medicare:
 - GMC Medicare Advantage
 - GMC Wrap
 - GMC Full Wrap

GMC Medicare Advantage

- Offer a Medicare Advantage plan alongside other Medigap and Medicare Advantage plans
- Vermonter chooses this as an option in lieu of private plans and private Part D plans
- Pay premium to the state (no public financing)

GMC Wrap

- Secondary coverage through GMC
 - Covered services up to GMC level
- Part B premium paid by the individual
- State pays Part D premium and wraps it up to GMC levels
 - Like Vpharm does today
- Public financing supports wrap coverage, but looking at different system for secondary versus primary
 - \$83M in UMass as *preliminary* estimate
- Vermonter could choose private

GMC Full Wrap

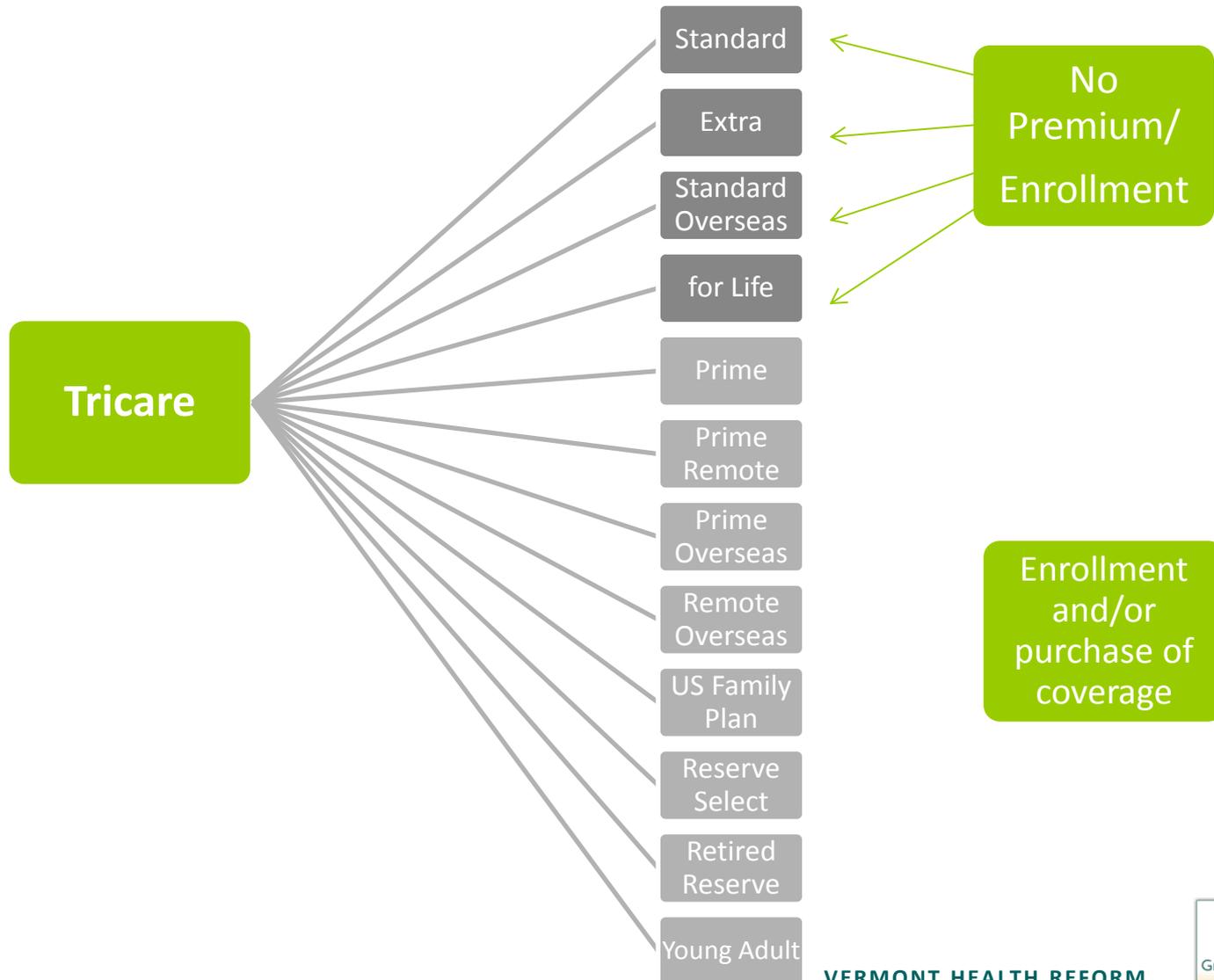
- Secondary coverage through GMC
 - Covered services up to GMC level
- Part B premium paid by the state
- State pays Part D premium and wraps it up to GMC levels
 - Like VPharm does today
- Public financing supports wrap coverage, but looking at different system for secondary versus primary
 - \$246M in UMass as *preliminary* estimate
- Vermonter could choose private coverage

TRICARE

What is TRICARE?

- TRICARE is the health care program serving uniformed service members, military retirees and their families.
- To be eligible for TRICARE you must be enrolled in the Defense Enrollment Eligibility Reporting System (DEERS).

Tricare



Vermont and TRICARE

- 2,307 Service Members were eligible for TRICARE Reserve Select
- 315 Service Members on Active Duty Guard or Active Duty Orders were eligible for TRICARE.
- Roughly 1400 Vermonters are enrolled in a TRICARE Prime. This plan offers managed care for retirees that are not yet eligible for TRICARE for Life.
- 2,264 Vermont Medicaid members have TRICARE insurance that serves as a primary payer over Medicaid.
- Note: Numbers from 2011

Issues with TRICARE

- TRICARE Prime does not cover routine care for beneficiaries out of state
- TRICARE Standard and Extra have higher cost sharing and deductibles than other TRICARE programs
- TRICARE beneficiaries have difficulty receiving counseling
 - TRICARE contractor does not recognize some psychologists
 - TRICARE does not reimburse substance abuse counselors

STATE EMPLOYEE PLANS



Differences between GMC & state employee plans

Cost Impact Compared to Original GMC	Difference in Cost-Sharing	Impact of Induced Demand	Difference in Covered Services
SelectCare	8.5%	5.1%	0.1%
Total Choice	6.2%	3.7%	-0.1%

- Major cost factor is cost-sharing and “induced demand,” i.e. people using more medical services. Benefits are a much smaller factor.
- Major benefit difference for SelectCare is infertility treatment services
- Total Choice covered services are not as comprehensive as GMC benefits.

Benefit Comparisons

	State Employee Plan 94% AV	Act 48 87% AV	Gold Plan 80% AV
Covered Services	Add'l infertility & chiropractic	BCBSVT	BCBSVT
Medical Deductible (Individual/Family)	\$100/\$200	\$750/\$1500	\$750/\$1500
Medical Out of Pocket Max (Individual/Family)	\$500/\$1000	\$1250/\$2500	\$4250/\$8500
Additional Cost/(Savings)	\$288	\$0	(\$225)

Adult Dental Preventive 100%, Restorative 80%	\$218
Adult Dental Preventive 100%, Restorative 80%, Major 50%	\$294
Adult Vision	\$46