Questions & Answers
July 2018 Sticky Benefits Scenarios Webinar

These questions arose during the July 2018 webinar on counseling through sticky benefits scenarios. Access the webinar recording and slides from this webinar at: www.ncoa.org/ncboewebinars.

Information on equitable relief

For time-limited equitable relief (related to the delayed enrollment into Medicare Part B because the individual had coverage through the health insurance Marketplace/Exchange), see: https://www.medicareinteractive.org/get-answers/medicare-health-coverage-options/original-medicare-enrollment/time-limited-equitable-relief-for-enrolling-in-part-b.

For general equitable relief, see: https://www.medicarerights.org/PartB-Enrollment-Toolkit/Equitable-Relief.pdf

Conditional Part A

Confirm that Part A conditional enrollment is not available to Specified Limited Medicare Beneficiaries (SLMB), and Qualified Individuals (QI).

Conditional enrollment is only available to individuals designated as Qualified Medicare Beneficiaries (QMBs) and/or QMBs with full Medicaid benefits sometimes called QMB Plus. SLMB or QI benefits are limited to the payment of the Part B premium.

Are Medicare Advantage plans a good alternative for an individual who does not have Medicare Part A?

No. Individuals cannot enroll in a Medicare Advantage plan (such as an HMO or PPO) unless they have both Medicare A and B.

Medicare Advantage enrollment criteria are explained in Chapter 2 Medicare Manage Care Manual and the Centers for Medicare & Medicaid Services (CMS) publication Understanding Medicare Part C and D Enrollment Periods.

Can a person who is not eligible for premium-free Part A reduce their Medicare Part A premium to $0 through continued employment?

Maybe in time. To continue with the examples of the Green sisters highlighted in the webinar...

If the Greens were found ineligible for the Qualified Medicare Beneficiary (QMB) program and eligible only for Part A with a premium, they would be subject to a late enrollment penalty because they did not enroll in Part A and B within 12 months of their Initial Enrollment Period (IEP) and they did not qualify for a Special Enrollment Period. For Part A, the penalty is calculated as 10% of the current Part A premium, for twice the number of years that they should have enrolled in Part A but didn’t.

The Greens can reduce their Medicare Part A premium by returning to work and accumulating the rest of the remaining 40 credits. NCOA is seeking clarification from the Social Security Administration (SSA) on whether the Greens’ return to work (and accumulation of required (40) credits) can reduce their Part A premium.
A premium to zero (removal of penalties). NCOA has requested a copy of the necessary SSA Program Operation Manual or guidance and will revise this Q&A document upon receipt.

Ms. Green, who did not enroll in Medicare Part B within a year of her IEP, will pay a monthly late enrollment penalty premium amounting to 10% of the standard Part B premium for each full year she delayed Part B enrollment. The Part B penalty is a lifetime penalty.

Please keep in mind that the two scenarios presented in the webinar had the Greens applying for conditional Part A through the QMB program because they did not have access to premium free Part A through their own work history or that of a spouse or former spouse who had accumulate 40 or more credits.

Under the conditional Part A enrollment process, if the Greens were determined eligible for QMB, the state would pay their Part A and B premiums if they remain eligible for the QMB program.

For more information on the late enrollment penalties see NCOA’s fact sheet on the General Enrollment Period.

For information on eligibility for Medicare A and B see https://www.cms.gov/Medicare/Eligibility-and-Enrollment/OrigMedicarePartABEligEnrol/index.html.

For more information on Social Security credit see https://www.ssa.gov/planners/credits.html.

Can we get a copy of the form that the Social Security Administration (SSA) uses to process conditional enrollments?

The transmittal and remarks referenced in the presentation describe the SSA internal system of screens the SSA representative completes to file an initial claim for Part B and conditional Part A on behalf of an individual. While we don’t have a copy of the SSA form, clients should be advised to bring the following items to the SSA appointment:

- Proof of date of birth (passport, birth certificate, or state ID)
- Proof of all types of income, earned and unearned (recent pay stubs, pension statements, tax returns, proof of Social Security benefits if applicable)
- Proof of U.S. citizenship or lawful residence (passport, permanent resident card, or U.S. birth certificate)
- Copy of Social Security card
- A copy of the transmittal which provides the language that appears in the remarks section of the Claim for conditional part

A copy of the SSA POMS Conditional Part A Guidance was provided on the resource slide and is here for your convenience https://secure.ssa.gov/apps10/reference.nsf/links/06212018094607AM.

Can you provide a copy of the Group Payer and Buy-In State Comparison chart which describe all the conditional enrollment process options for Buy-In and Group Payer states?

A copy of this chart can be found at: https://www.ncoa.org/wp-content/uploads/Group-payer-buy-in-comparison.pdf.
The Big Nursing Home Bill

**How does the Medicare 3 midnights rule apply to Marge’s situation?**

The skilled nursing facility (SNF) coverage rule is written in terms of a “three-day requirement” for the prior inpatient hospital stay, not three midnights. The Benefit Policy Manual says, “The 3-consecutive calendar day stay requirement can be met by stays totaling 3 consecutive days in one or more hospitals. In determining whether the requirement has been met, the day of admission, but not the day of discharge, is counted as a hospital inpatient day.”

But when it comes to hospital admissions, Medicare uses a “two midnight rule” to guide physicians as they decide whether to admit someone as an inpatient under Part A or to place the patient in observation status as an outpatient under Part B. CMS now refers to the rule as a “two midnight benchmark” and explains it like this at [www.cms.gov](http://www.cms.gov):

> For hospital stays that are expected to be two midnights or longer, our policy is unchanged; that is, if the admitting physician expects the patient to require hospital care that spans at least two midnights, the services are generally appropriate for Medicare Part A payment. This policy applies to inpatient hospital admissions where the patient is reasonably expected to stay at least two midnights, and where the medical record supports that expectation that the patient would stay at least two midnights. This includes stays in which the physician’s expectation is supported, but the length of the actual stay was less than two midnights due to unforeseen circumstances such as unexpected patient death, transfer, clinical improvement or departure against medical advice.

**Do some Medicare Advantage (MA) plans waive the inpatient stay requirement for SNF stays?**

Yes, many do. We don’t know the extent to which MA plans, and especially Medicare HMOs, waive the 3-day inpatient stay requirement. Unfortunately, details about each plan’s coverage policies for prior hospital stays do not appear in the plan details page in the Plan Finder at [http://www.medicare.gov/find-a-plan](http://www.medicare.gov/find-a-plan).

**IEP vs SEP**

**Couldn’t George continue to work until 4 months after the IEP and then use the SEP?**

Yes, he could use his SEP four months after the end of the IEP. George could use his SEP if he waited until 4 months after his 65th birthday, too. He can use the SEP anytime outside of his seven-month Initial Enrollment Period. But if George wants his enrollment to take effect on October 1 in the last month of his IEP, he would need to enroll no later than August 30 (August is the fifth month in his IEP).