



LOS ANGELES COUNTY COMMISSION ON HIV

Medicare Part B

POLICY BRIEF

Important Information on Medicare Part B Premium Payments

As a result of reductions made to the 2008/2009 California State budget, the California Department of Health Services will stop paying Medicare Part B premiums for persons enrolled in Medicare and Medi-Cal with a monthly Medi-Cal Share-of-Cost over \$500.00.

The California Department of Health Services is reporting that individuals impacted by this change will begin to have the Medicare Part B premiums deducted from their November Social Security payment (Social Security Disability Insurance or Social Security Retirement) and every monthly payment thereafter. The Medicare Part B monthly premium will be \$96.40 per month.

In an effort to help individuals who will be impacted by this change, the Los Angeles County Commission on HIV and the Department of Public Health Office of AIDS Programs and Policy (OAPP) are providing answers to several frequently asked questions:

Who will be impacted by this change?

The Medicare Part B premium payment change will impact only those individuals who meet all of the following requirements:

- Currently enrolled in Medicare Part B (Outpatient Medical Coverage);
- Currently enrolled in Medi-Cal;
- Have a monthly Medi-Cal share-of-cost over \$500.00

What is Medicare Part B?

Medicare divides health care coverage into various "parts":

- Part A refers to inpatient or "hospital" coverage;
- Part B refers to outpatient coverage (doctor's appointments, clinic visits, outpatient tests);
- Part D refers to prescription drug coverage.

For people impacted by this change, Medicare Part B is most likely your primary outpatient insurance. Medi-Cal is considered to be your secondary insurance, which pays after your monthly Medi-Cal Share-of-Cost is met.

Why have I never been required to pay Medicare Part B premiums before?

Although there has always been a monthly premium attached to Medicare Part B, in past years the California Department of Health Services has opted to pay these premiums for everyone enrolled in both Medicare and Medi-Cal. In most cases, individuals were not required to request that their Part B premiums be paid—the State of California just made the payments automatically. As a result of cuts made to the 2008/2009 California budget, the decision was made to no longer pay premiums for individuals with a monthly Medi-Cal share-of-cost over \$500.00.

Can I drop my Medicare Part B coverage?

Although Medicare does give you the option to decline Part B coverage, this is generally not recommended. Dropping Part B coverage could interfere with your ability to access medical care. As a person living with HIV, it is imperative that you fully understand all aspects of your benefits situation before making any changes to your coverage.

Will Medicare let me re-enroll in Part B if I decide to drop my coverage for a few months?

Medicare will allow you to re-enroll in Part B, but only during Medicare's "General Enrollment Period". The "General Enrollment Period" is between January 1st and March 31st each year. Part B coverage becomes effective the following July 1st. If you drop your Part B coverage now and then attempt to re-enroll, the soonest you would have your Part B coverage back would be July 1, 2009. It is important to note that you would also pay a penalty for every month that you were not enrolled in Medicare Part B.

Are there any programs that will pay my Part B premiums?

Although there currently are no Medicare Part B premium programs to assist persons with HIV, state and local officials are exploring all options and are attempting to identify available premium payment assistance resources. The Commission and the OAPP will release a follow-up notice if additional information becomes available.

Will Social Security be issuing a 2009 cost of living increase?

Yes. The Social Security Administration announced that people receiving Social Security benefits will receive a 5.8% cost-of-living increase effective January 2009. This will be the largest increase since 1982. Understandably, the 5.8% increase will not be enough to off-set the

Medicare Part B premium costs for everyone impacted, but it is important to note that a cost-of-living increase will occur in 2009.

Will I be receiving any additional information about the Part B changes?

Yes. The California Department of Health Care Services has mailed a brief notice to all impacted beneficiaries. In the notice, they indicate that a more detailed letter will be mailed in November. The Commission and the OAPP also plan to provide additional information as it becomes available.

Resources:

- California Department of Health Care Services
800-952-5294
www.dhs.ca.gov
- Medicare
www.medicare.gov
- Social Security Administration
800-772-1213
www.socialsecurity.gov

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