



# Understanding the Basics of Medicare FFS

References: <https://www.cms.gov/outreach-and-education> training  
CMS – Centers For Medicare & Medicaid



# Learning Objectives:

1. Define what Medicare is and who is eligible
2. Describe the 4 Parts of Medicare
3. Explain Medicare FFS Coverage
4. Outline the costs of Medicare for 2024

# Who Qualifies for Medicare?

- 65 and older
- Any age with End-Stage Renal Disease (ESRD)
- Under 65 with certain disabilities & after the waiting pd of 2 years)
  - Different forms of Cancer
  - Blindness
  - Respiratory diseases like COPD
  - Epilepsy
  - Musculoskeletal disorders
  - ALS (Amyotrophic Lateral Sclerosis, also called Lou Gehrig's disease) is exempt from the waiting period



**NOTE:** To get Medicare, you must be a U.S. citizen or lawfully present in the U.S. Must reside in the U.S. for 5 continuous years.

# Enrolling on Time is Important

Most people sign up for Part A (hospital insurance) and Part B (medical insurance) when they are first eligible, typically at age 65.

## 3 enrollment periods

- When you're turning 65 (Initial enrollment begins 3 months before the month of your 65<sup>th</sup> birthday and ends 3 months after it)
- After 65 and you've been covered by an employer group health plan
  - If you or your spouse have health insurance through your job, you can sign up:
    - Any time while working and still covered by the group health plan
    - Within 8 months of the last day you/spouse stop working (even if coverage continues)
    - Within 8 months of the group health plan ending while you/spouse cont to work.
- When you miss the other periods (penalties likely involved)

# If enrollment is not done timely:

Costs could be higher (late enrollment penalties) so could pay for more for a Medicare Supplement Insurance (Medigap) or may not be able to buy one at all.

Coverage could be affected, like having a waiting period or gap in coverage or a waiting period for pre-existing conditions

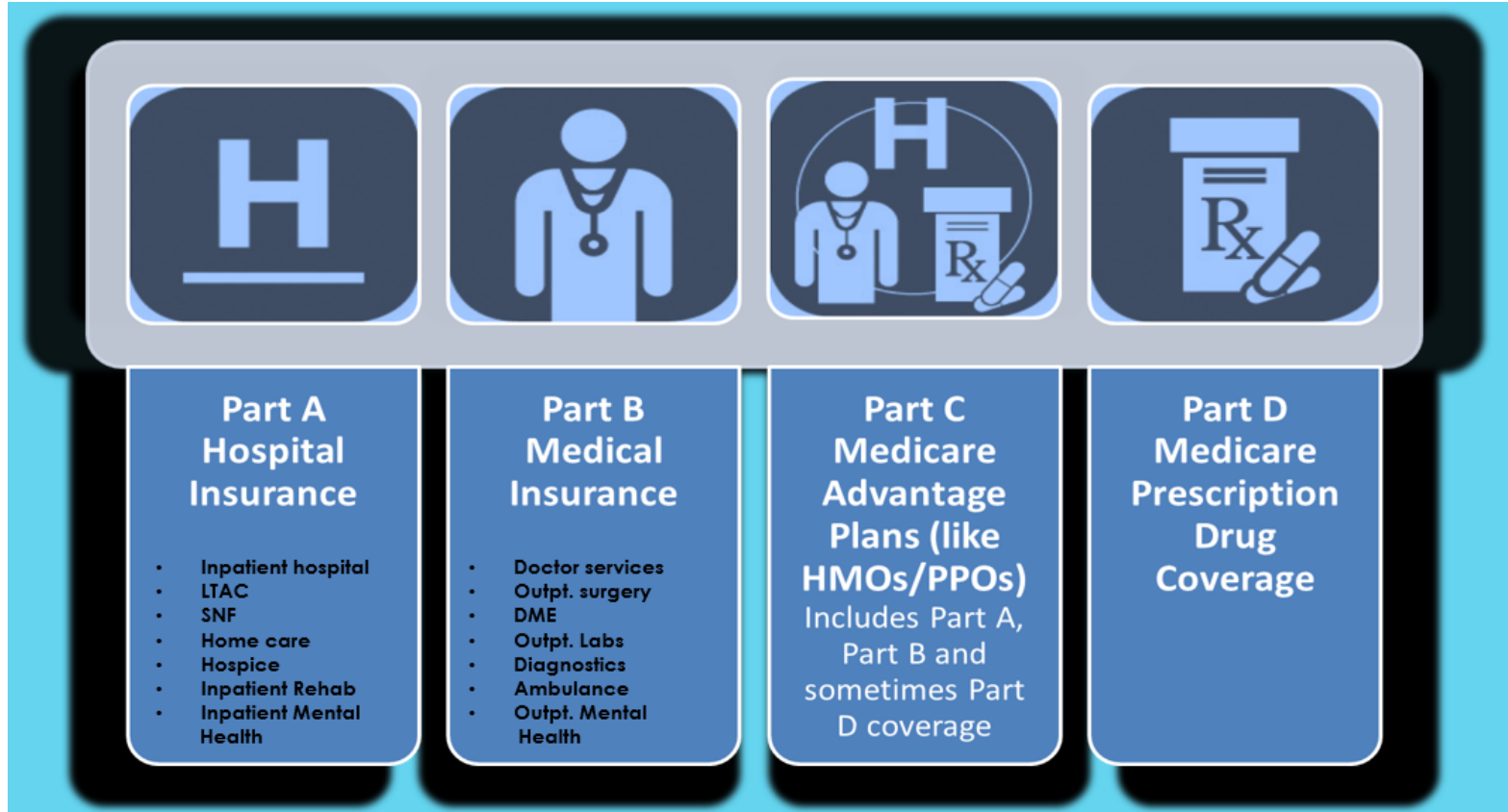
## What might the penalty look like?

**Part A** ~ Late enrollment penalty lasts 2X the number of years you could have had Part A but didn't.

**Part B and Part D** ~ Late enrollment penalties last the lifetime.



# 4 Parts of Medicare:



# Original Medicare = Part A + Part B

**Medicare Part A** (hospital coverage) covers the following medically necessary items:

- Inpatient Hospital Stays
- LTAC
- SNF ~ after a related qualifying 3-day inpatient hospital stay & meeting all skilled criteria
- Home HealthCare
- Hospice
- Inpatient Rehab
- Inpatient Mental Health (lifetime 190-day limit)



# What is not covered?

- Private duty nursing
- Private Rooms (unless medically needed)
- TV/Phone (if there are separate charges for these items)
- Personal Care Items – Like razors or slipper socks
- LTC/Custodial Care
- Most Dental Care
- Dentures
- Cosmetic Surgeries
- Acupuncture
- Hearing Aids/Exams
- Routine Foot Care



**Premium**

**Free** for most people if you have worked and paid SS taxes for at least **40** calendar quarters( 10 yrs). *You will pay a monthly premium if you worked and paid taxes <40 qtrs.*

### Part A Deductible and Coinsurance Amounts for Calendar Years 2023 and 2024 by Type of Cost Sharing

	2023	2024
Inpatient hospital deductible	\$1,600	\$1,632
Daily hospital coinsurance for 61 <sup>st</sup> -90 <sup>th</sup> day	\$400	\$408
Daily hospital coinsurance for lifetime reserve days	\$800	\$816
Skilled nursing facility daily coinsurance (days 21-100)	\$200.00	\$204.00

# Benefit Period

A benefit period begins the day you are admitted as an inpatient to the hospital and ends when you have been discharged to your home for **60 consecutive days**.

Hospital→SNF→Home + 60 days in a row = new benefit pd.

Note: *Benefit periods are **unlimited** and can span across calendar years!*  
*When a patient starts a new benefit period, **Acute Days(1-90)**and **SNF days** are replenished!*

**Lifetime reserve days are never replenished.**

## Check your knowledge: Benefit Period

Mary Smith is admitted as an inpatient to the hospital Dec. 2<sup>nd</sup> with a hip fracture. She stays 5 days and is sent to the SNF for another 14 days. She is discharged To home on Dec. 21<sup>st</sup>. On Feb 1<sup>st</sup>, she is admitted as inpatient to the hospital for pneumonia and stayed another 6 days.

Does Mary have to pay 2 Medicare Part A deductibles?

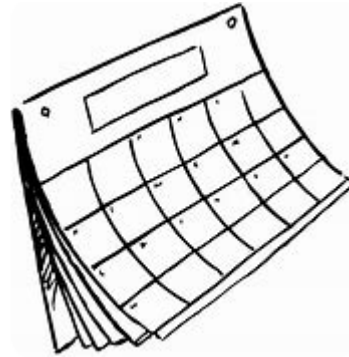
- Yes
- No



# Answer:

**NO**

She is still in the same benefit period. Discharged home on Dec. 21<sup>st</sup> and readmitted to the hospital on Feb 1<sup>st</sup> ( 42 days).



## Check your knowledge: Benefit Period

John Doe was admitted to the nursing center on Jan. 25<sup>th</sup> for rehab and discharged to his home on Feb. 5<sup>th</sup>. He used 11 SNF days. June 15<sup>th</sup>, John was admitted to the hospital for planned surgery and sent to SNF on June 20<sup>th</sup> for rehab again.

John has 100 SNF days available to use.

- True
- False

# Answer:

TRUE

He is in a new benefit period. He was discharged to home and remained home for over 60 consecutive days; therefore, replenished all his SNF days.

**Medicare Part A  
benefit periods**

**REMEMBER:** *When a patient starts a new benefit period, acute days and SNF days are replenished.*

# Skilled Nursing Facility Coverage:

## Medicare Part A: SNF Benefit Period = 100 days

- Covers services in SNF in semiprivate room, meals, PT/OT/ST, medications, medical supplies and equipment, social services, skilled nursing care, dietary counseling and ambulance transportation (when other transportation endangers your health) to the nearest supplier of needed services that are not available at the SNF

## Medicare Skilled Nursing Benefit is up to 100 days/benefit period

- Must have a 3 consecutive overnight qualifying inpatient hospital stay
- Must have a skilled need
- Facility must be certified by Medicare



**Note: You can be admitted to a SNF within 30 days of discharge to home from an acute setting , if you had a 3-day qualifying stay.**

# Cost for SNF Care under Medicare Part A

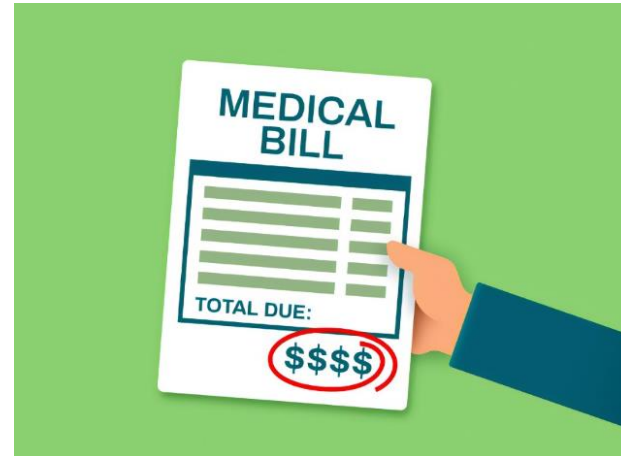
Skilled nursing facility daily co-insurance Days 1 – 20 ~ \$0

Skilled nursing facility daily coinsurance (days 21-100)

\$200.00

\$204.00

**Note:** A patient that goes to a SNF to complete 6 wks of IV antibx therapy will receive a bill for approximately \$4,488 if they do not have supplemental insurance.



# Home Health Care Coverage:

## Home care is Intermittent//part time skilled nursing care at home.

The patient must have a skilled need: Skilled services require the skills of a licensed professional such as a Registered Nurse, Physical Therapist or Speech Therapist.

***Nursing, PT or ST MUST be ordered. OT, SW, Aide and Registered Dietitian can be added.***

- Pt. must be homebound
- Must be under the care of a doctor who can sign of the orders/plan of care.
- Services must be from a Medicare-approved home health agency (HHA)
- No copays for nursing, aides, PT/OT/ST and no limit on visits as long as the MD certifies as necessary
- Coverage could be Part A and/or Part B. Post-Hospital = Part A

## Medicare does not pay for:

- ✗ 24-hour-a-day care at home
- ✗ Meals delivered to your home
- ✗ Homemaker services
- ✗ Personal care



# Hospice:

If you have Medicare Part A (Hospital Insurance) **AND** meet all of these conditions, you can get hospice care:

- Your hospice doctor and your regular doctor or nurse practitioner (if you have one) certify that you're terminally ill with life expectancy of 6 months or less.
- You accept palliative care (for comfort) instead of care to cure your illness.
- You sign a statement choosing hospice care instead of other Medicare-covered treatments for your terminal illness and related conditions.

**Note:** When converting to hospice care there is no cost (except continued Medicare premiums)

Medicare does NOT cover room and board charges in a Skilled Nursing Facility, but Medicaid will cover this.



# Hospice Services that are Covered:

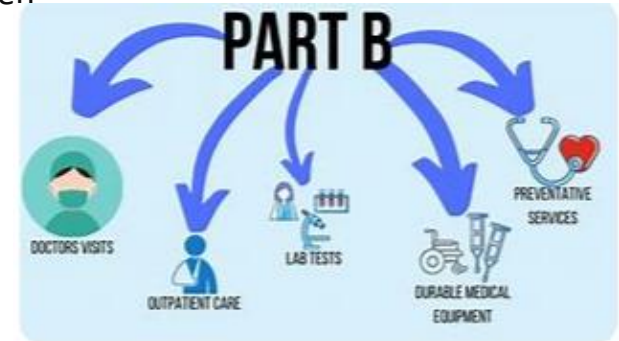
- Physician and nursing services
- Physical, occupational and speech-language therapy
- Medical equipment and supplies
- Medications for symptom control and pain relief
- Respite care in a Medicare-certified facility (up to 5 days each time, no limit to number of times)
- Hospice aide
- Social Worker services
- Grief, dietary and other counseling



# Medicare Part B:

## Covers Medically necessary:

- Doctor office visits
- Outpatient medical and surgical services and supplies (labs/x-rays, procedures)
- Clinical lab tests
- Durable Medical equipment (DME) – walkers, canes, wheelchairs, oxygen
- Diabetic testing equipment and supplies
- Preventative services (annual check-ups, immunizations)
- Home health care\*
- Some medications like nebulizers, transplant, IVIG
- Enteral/Parental feedings
- Ambulance transportation
- Outpt physical and occupational therapy and speech-language pathology services
- Outpatient mental health care services
- Outpatient dialysis



# Medicare Part B Costs in 2024:

**Monthly Premiums** (can vary): Standard cost for Medicare Part B enrollees is \$174.70 for 2024

**Yearly deductible:** Annual deductible for all Medicare Part B beneficiaries is \$240.00 for 2024

**Coinsurance:** 20% of the Medicare approved amount for most covered services



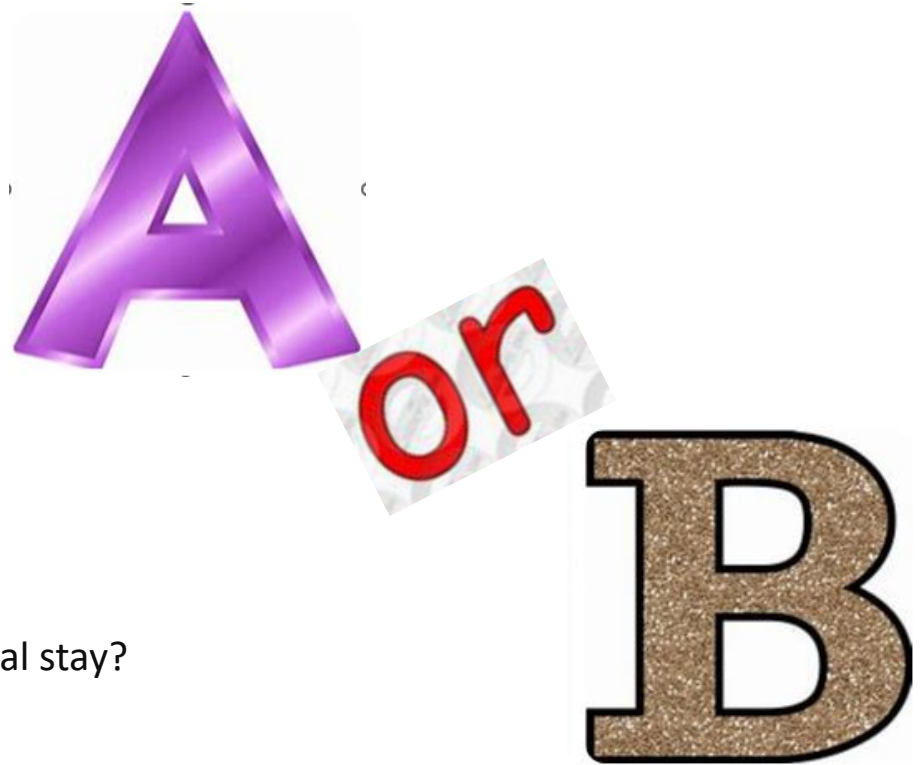
# Medicare Part A or Part B?

Outpatient Colonoscopy?

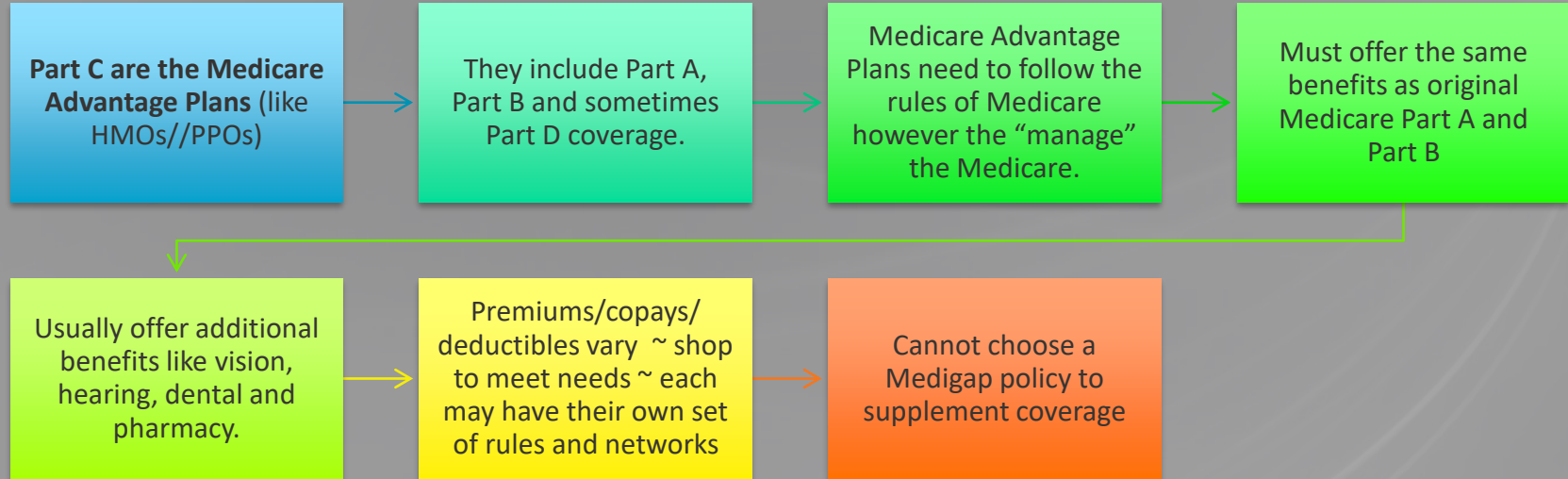
Observation Hospital Stay?

SNF stay for 10 days?

Homecare after discharged from 3-day hospital stay?



# Medicare Part C:



**Note: Cannot be charged more than original Medicare for certain services, like chemotherapy, dialysis and SNF care.**

# Medicare Part D:

- Medicare Part D is a Prescription Drug Plan (it is not required)
- Run by private companies
- Medicare Part A and Part B is required to join a Medicare Advantage Plan that includes a drug coverage
- Medicare Part A and Part B or Part B only is required to join a Medicare Cost plan with Part D coverage (like an HMO with out-of-network benefits)
- Plans have formularies
  - Must include range of drugs in each category
  - Have Tiers – the higher the tier the higher the cost
- Most Medicare drug plans have a coverage gap (also called the “donut hole”. This means there’s a temporary limit on what the drug plan will cover for drugs.
- Penalties for late enrollment. May be lifetime penalty.

# Medicare Part D:

## Coverage gap or Donut hole

Once the member and the plan spends \$5023.00 (in 2024) then the member will pay no more than 25% of the cost for your plan's covered brand-name prescription drugs. This counts as out-of-pocket costs to help get out of the coverage gap.

Once the out-of-pocket spending reaches \$8,000.00 (in 2024) then you will be out of the coverage gap.





**QUESTIONS**

