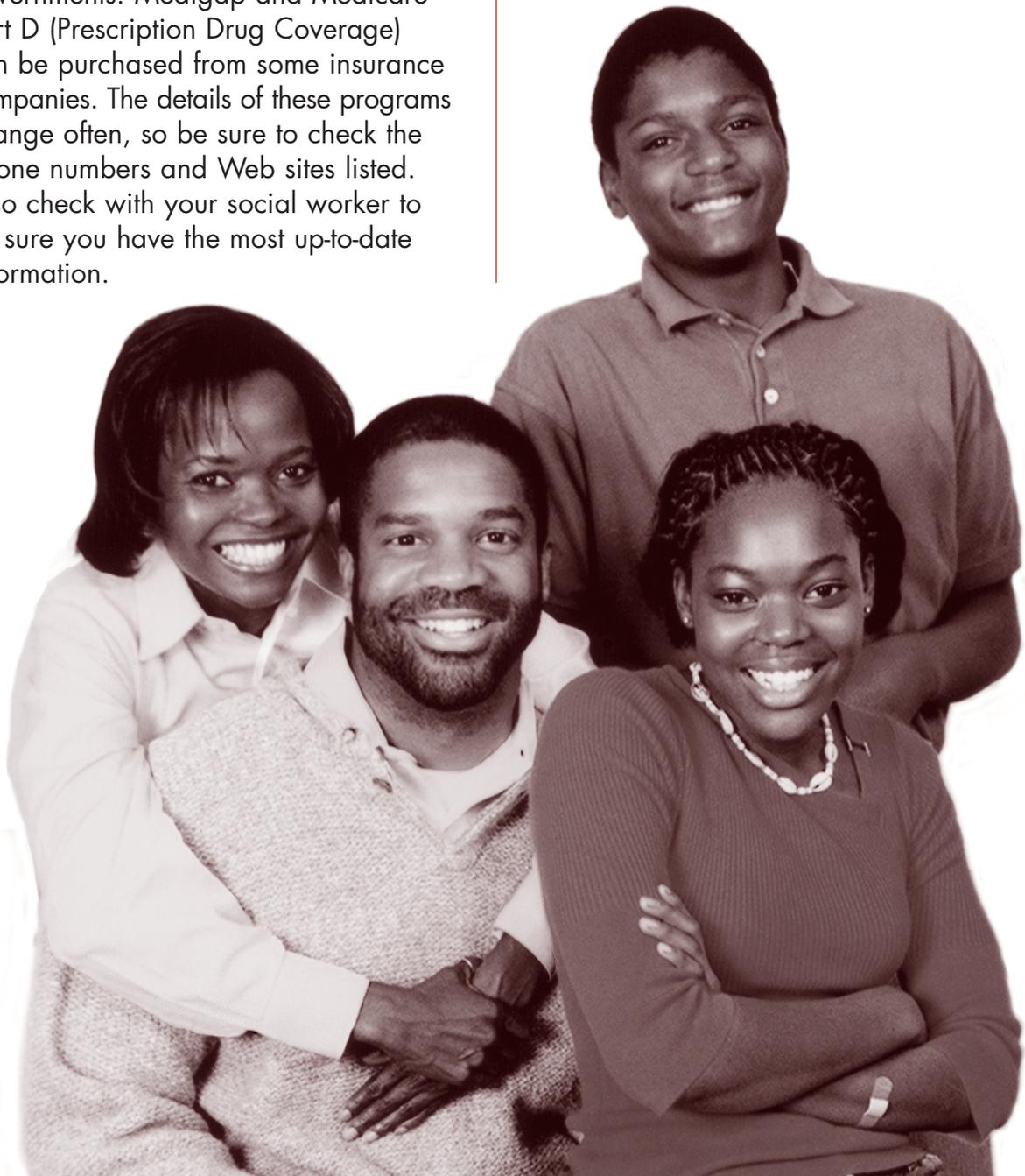


What Medicare, Medigap, Medicaid, and Medicare Savings Programs Can Pay For

This chapter is about programs that can help pay a large part of the cost of medical treatment for your kidney disease. Medicare Parts A and B, Medicaid, and Medicare Savings Programs are available through agencies of the federal and state governments. Medigap and Medicare Part D (Prescription Drug Coverage) can be purchased from some insurance companies. The details of these programs change often, so be sure to check the phone numbers and Web sites listed. Also check with your social worker to be sure you have the most up-to-date information.

Medicare—for people with a work history

Medicare is not just for people who are 65 and older. The program also helps Americans and legal residents of all ages who need dialysis or a kidney





transplant. More than 90 percent of Americans with kidney failure, what Medicare calls End-Stage Renal Disease or ESRD, have Medicare. If you (or your spouse or parent) have worked long enough to qualify for Medicare, it will pay most of your treatment costs, plus some or all of the costs for hospital stays, doctors' visits, and other services. In addition, once you are on Medicare, it will cover other health problems not related to kidney disease. You can get a free booklet that tells you how Medicare helps to pay for dialysis and kidney transplants. Call 1-800-MEDICARE (1-800-633-4227) and ask for a copy of *Medicare Coverage of Kidney Dialysis and Kidney Transplant Services*, Publication No. CMS-10128. You also can print or order it online at www.medicare.gov. Click Find a Medicare Publication under Search Tools and type in the publication name.

Medicare has three parts:

- Part A is hospital insurance that helps pay for hospital room and board, drugs and supplies while you are in the hospital, inpatient rehabilitation services, and lab tests, as well as for transplant testing and surgery, some nursing home care, hospice care, and some home health care. There is no monthly premium for this part of Medicare if you need dialysis and if you have enough work credits. (See "Number of Work Credits Needed to Qualify for Medicare" on page 21.)

If you are 65 or older, and you don't have enough credits, you may be able to get coverage by paying a premium. How much you pay depends on how many work credits you have.

Everyone in Part A must pay a specific amount of money, called a deductible, each benefit period before Medicare will pay (the deductible in 2006 is \$942). A new benefit period starts after you've been out of the hospital, nursing home, or rehabilitation center for 60 days. If you have a long hospital stay, you may have to pay some for each day, too. Call Social Security at 1-800-772-1213 or your local Social Security office and ask if you qualify for free Part A benefits or if you can buy coverage. You also can visit www.medicare.gov and click Find Out If You Are Eligible for Medicare and When You Can Enroll under Search Tools.

- Part B helps pay for most of the other services and supplies that people with kidney failure need, including doctors' services, dialysis, outpatient hospital care, and other medically necessary services Part A does not cover. There is a monthly premium for Part B services (\$88.50 in 2006) and an annual deductible (\$124 in 2006). You do not have to enroll in Part B at the same time you enroll in Part A, but your monthly premium will be 10 percent higher for every 12 months you delayed enrolling in

Part B. You also will only be able to enroll in Part B from January through March each year, and coverage won't start until July 1.

- Part D is a new drug plan that begins Jan. 1, 2006, to help people on Medicare save money on prescription drugs. (Drug discount cards were issued in 2004–2005 to temporarily help people on Medicare pay for drugs. If you have one of these cards, you can continue to use it through May 31, 2006, or the date you enroll in Part D, whichever comes first.) You may have to pay a monthly premium to be in Part D (average \$32 in 2006), as well as a deductible (\$250 in 2006), 25 percent co-insurance, and 100 percent of costs during a coverage gap for each prescription. The amount you pay depends on your income and assets and whether the drugs you need are covered by your plan. If you have little income and few assets, you may not have to pay premiums or deductibles, but you could have a small co-payment per drug.

For most, Part D is voluntary, so you can choose to be in it or stay with a drug insurance plan you have through your employer or Medigap. If you are already on Medicare, you must enroll in Part D by May 31, 2006 to avoid higher premiums. If you start Medicare in 2006 or future years, you have six months to enroll

in Part D. If you don't sign up in those time frames, your premiums may be higher and you will only be able to enroll between Nov. 15 and Dec. 31 each year.

If you have Medicare and Medicaid, you must take Part D because it replaces Medicaid coverage for drugs as of Jan. 1, 2006. If you don't have Medicaid, but have Medicare, Supplemental Security Income, and receive help from your state to pay Medicare premiums, you must take Part D by May 15, 2006.

Part D plans are offered by private insurance companies and each company's plan may cover different drugs. Before you sign up for any plan, be sure to find out if it covers the drugs you take now and those your doctor thinks you may need in the future. Part D plans could save people with kidney disease and kidney failure money on the cost of drugs for high blood pressure management and blood sugar control, lipid lowering drugs, prescription Oral Vitamin D, phosphate binders, and other drugs the plan covers. Transplant recipients also could receive help paying for intravenous immune globulin, oral infection treatments, and antiviral agents that are not covered by Medicare Part B. Coverage for immunosuppressants will continue to be provided by



Medicare Part B unless Congress changes the Medicare law. However, transplant patients whose immunosuppressant drugs are not covered by Medicare can get help from Part D for those drugs if they are covered by the plan. To learn about Part D plans and if you qualify for a plan with little or no premiums and deductibles, call Medicare at 1-800-MEDICARE (1-800-633-4227) or visit www.medicare.gov. Click Learn About Your Medicare Prescription Coverage Options under

Search Tools. You might also visit www.kidneydrugcoverage.org for kidney-specific information about Part D.

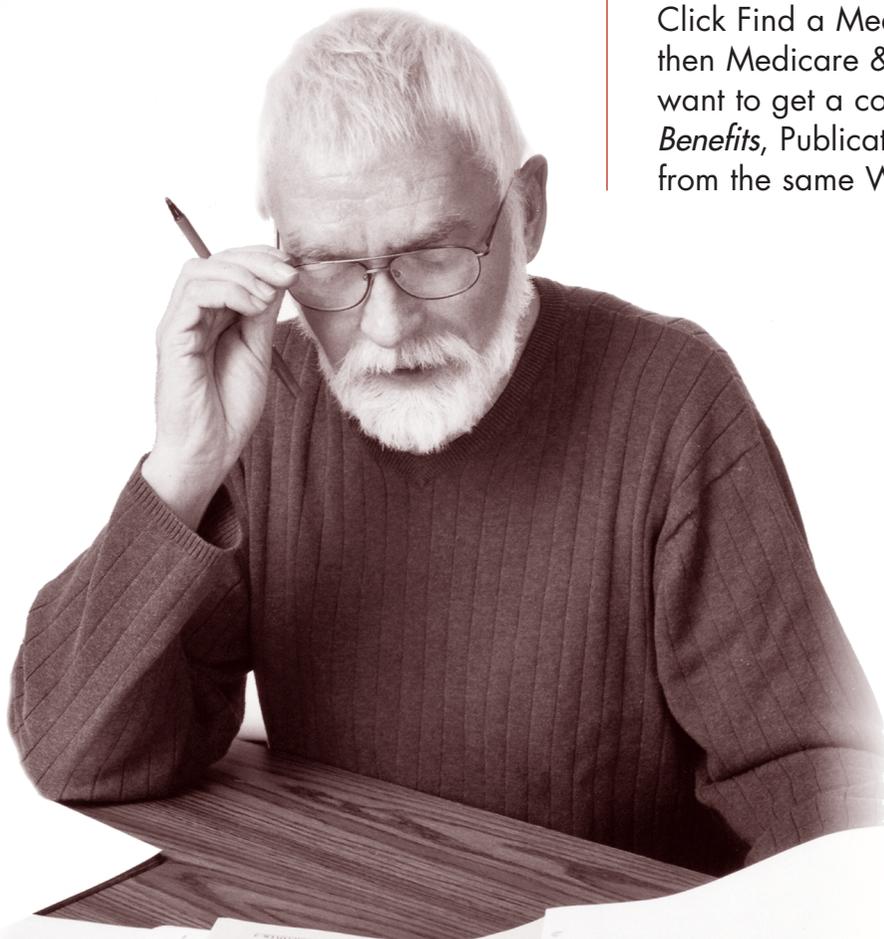
You need Part A and Part B if you want Medicare to help pay for dialysis and transplant services. You must be enrolled in at least Part A in the month you have a kidney transplant to have Medicare Part B ever pay for your immunosuppressant drugs. Part D also may help pay for these drugs.

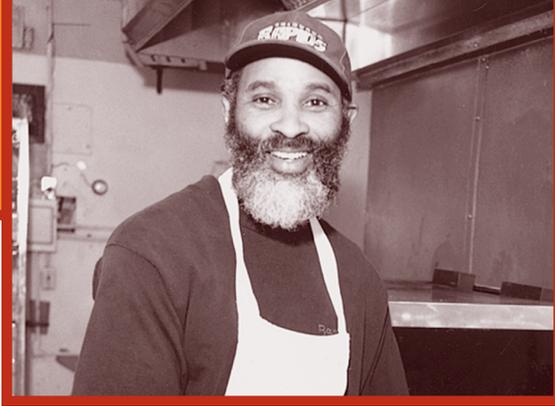
Your Age Now	Number of Work Credits Needed to Qualify for Medicare
	You earn one work credit for earning a specific amount of money (\$920 in 2005) from work in a three-month quarter; call Social Security at 1-800-772-1213 and ask how many work credits you have
Under 24	6 credits in the last 3 years before kidney failure
24–30	Worked at least half the time from age 21 until kidney failure For example, if you are 30, you must have at least 18 credits (9 years of work x 2 quarters each year = 18)
31–43	20 credits in the 10 years before kidney failure
44–61	20 credits in the last 10 years, plus 2 credits for every 2 years age 44 and older For example, if you are 58, you must have at least 36 credits (10 years of work x 2 quarters each year = 20, plus 8 two-year periods since age 44 x 2 credits each year = 16)
62 & older	40 credits

What Medicare can pay for

Following are some of the costs Medicare will pay. The amount will depend on the type of Medicare Health Plan in which you are enrolled. There is the Original Medicare Plan and several Medicare Advantage Plans (previously called Medicare + Choice and sometimes called Part C). If you have kidney failure and are on dialysis, you may not be able to join a Medicare Advantage Plan now, but, if you are in an Advantage Plan when you are diagnosed, you can stay in it. The

costs and percentages quoted in the table starting on page 23 are those Medicare will pay if you are in the Original Medicare Plan and it is your primary (first) payer. If you have health insurance through an employer, Medicare may be your secondary (second) payer. See "How Medicare works with your health insurance" on page 32. You may have to pay the annual deductible before these percentages apply. For an overview of Medicare benefits, request a copy of *Medicare & You*, Publication No. CMS-10050 in 2006, at www.medicare.gov. Click Find a Medicare Publication and then Medicare & You. You also might want to get a copy of *Your Medicare Benefits*, Publication No. CMS-10116, from the same Web site.





Medical Cost	Paid by Medicare Part A	Paid by Medicare Part B as Primary Payer	Paid by Medicare Part D
Hospital stays	<p>Pays all costs but:</p> <ul style="list-style-type: none"> • \$952 deductible (2006) for days 1–60* • \$238 per day (2006) for days 61–90* • \$476 per day (2006) for days 91–150 (lifetime reserve days you can use only once) <p>* Available again after you're out of the hospital or skilled facility for 60 days or longer</p> <p>Will pay for surgery needed to prepare for dialysis only if it is done after Medicare coverage begins</p>		
Skilled nursing home	<p>All costs for up to 20 days if requirements are met; pays set amount (\$114/day in 2005) for days 21–100</p>		
Home health care	<p>100% for services; 80% for durable medical equipment</p>		

(continued on page 24)

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Medical Cost	Paid by Medicare Part A	Paid by Medicare Part B as Primary Payer	Paid by Medicare Part D
Hospice care	100% of outpatient care; 95% of short-term inpatient care if requirements are met	All but \$5 per prescription for outpatient pain medications and symptoms control Medicare will pay separately from the hospice benefit for symptom relief dialysis if kidney failure is not the terminal illness requiring hospice care	
Dialysis-related services in a Medicare-approved dialysis facility		Medicare pays 80% of the Medicare-allowed treatment cost, called the composite rate. The composite rate depends on the type of clinic (free-standing or hospital-based) and location. The average composite rate in 2005 was about \$141 and is adjusted to each person's characteristics. Medicare also pays 80% of the Medicare-approved amount for covered services not included in the composite rate.	
Transportation to dialysis facility		Covers round-trip ambulance services from home to the nearest dialysis center or hospital emergency room only if your doctor says that other forms of transportation would be harmful to your health or if there is a medical emergency	



Medical Cost	Paid by Medicare Part A	Paid by Medicare Part B as Primary Payer	Paid by Medicare Part D
Dialysis at home, including equipment, supplies, support services, and costs of training you and the person helping you		<p>80% of approved charges</p> <p>Method I—all equipment, supplies, services from dialysis clinic</p> <p>Method II—direct dealing with supply company for equipment and supplies</p>	
Home support services, such as visits to clinic for people on home dialysis		<p>80% of approved charges—Method II</p> <p>Does not pay for home helper for home dialysis, which is billed separately by the clinic</p> <p>Included in Method I reimbursement to clinic</p>	
Home dialysis drugs, such as erythropoietin to treat anemia		80% of approved charges—Method II	Depends on selected plan
Doctors' services, in the hospital and outpatient		80% of approved charges	

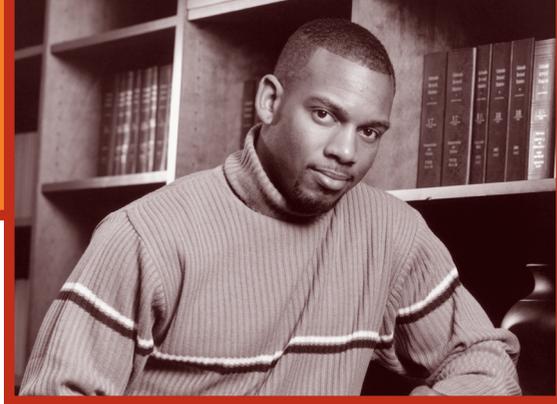
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Medical Cost	Paid by Medicare Part A	Paid by Medicare Part B as Primary Payer	Paid by Medicare Part D
Dialysis-related clinical lab tests and X-rays		<p>100% of approved charges for certain laboratory tests are covered by the dialysis facility's composite rate</p> <p>80% of approved charges for diagnostic tests such as EKGs and X-rays</p>	
Transplant surgery in an approved hospital	All costs after inpatient deductible amount (\$952 in 2006)		
Doctors' services for kidney transplant surgery		<p>80% of Medicare-approved amount for recipient</p> <p>100% for donor</p>	



Medical Cost	Paid by Medicare Part A	Paid by Medicare Part B as Primary Payer	Paid by Medicare Part D
In-hospital lab and other tests needed to evaluate your medical condition and that of potential donors	100%		
Donor's medical costs, in the hospital and outpatient	100%		
Self-administered drugs for transplant recipients such as oral infection treatments and intravenous immune globulin			Depends on selected plan
Immunosuppressant drugs and Non-Immunosuppressant drugs		80% if Medicare Part A is effective the month the transplant takes place if it is done in a Medicare-approved facility. If on Medicare because of kidney failure only, coverage lasts for 36 months following transplant surgery. No time limit on coverage if on Medicare due to age or other disability.	



How to enroll in Medicare

If you are under age 65, your first chance to enroll in Medicare begins in the month you begin treatment for kidney disease and ends seven months later. This is not your last chance to enroll (See “Delaying Medicare enrollment” on page 30), but, if you wait, you can only sign up for Medicare Part B in January, February, or March in future years, and coverage won’t begin until July 1 of that year.

People with kidney disease can enroll in Medicare at their local Social Security office, or by calling 1-800-772-1213 and making an appointment to enroll. Before signing up, your dialysis clinic or transplant program must complete a form and have it signed by your doctor verifying you have started dialysis or received a kidney transplant. To find your local office, look for Social Security Administration under United States Government listings in the Government pages of your phone book.

You can apply for Medicare Part D through an insurance company that sells the plan, by calling 1-800-MEDICARE (1-800-633-4227), or by going online at www.medicare.gov during the initial enrollment period (Nov. 15, 2005–May 31, 2006), within six months of starting Medicare, or between Nov. 15 and Dec. 31 each year.

If you are over 65, already have Medicare Part A, and are paying a higher Part B premium because you delayed enrollment when you first became eligible, you should be able to lower the cost of your Part B premium by going to your local Social Security office and enrolling in Medicare based on having kidney disease.

When Medicare begins to pay

Medicare will not start until the first day of your third full month of dialysis, if you choose in-center hemodialysis. For example, if you start dialysis anytime in June, Medicare will begin to pay Sep. 1. Medicare will pay for the first three months of dialysis if you were already on Medicare when you started dialysis or if you start a home dialysis training course at a Medicare-approved facility within the first three months of treatment and you plan to do home dialysis.

If you need a transplant and are not on dialysis, Medicare payments can start the month you are admitted to a Medicare-approved hospital for a transplant or up to two months before admittance if pre-transplant health care and testing are begun. Payments can start two months before your transplant if it is delayed more than two months after you are admitted to a hospital. This happens most often when you have a living donor.

Delaying Medicare enrollment

If you have an employer group health-insurance plan, it is the “first payer” for your medical costs for 30 months after you become eligible for Medicare—even if you haven’t yet enrolled in Medicare. If your plan will pay all costs over that period, you may not want to pay Medicare premiums. But consider this carefully: One possible problem is that you may pay more for Medicare-covered services under your health-insurance plan than you would under Medicare. That’s because Medicare providers must discount charges for people with Medicare. Also, delaying enrollment may affect your future coverage for transplant drugs. If you are a transplant recipient, for example, you need Medicare Part A coverage in effect the month you get a transplant in order to get coverage for transplant drugs, and you need Part B to help pay for anti-rejection drugs. You will want to be enrolled in Part A when you have the transplant operation in order to protect your right to get Medicare coverage if you need it for immunosuppressant drugs for that transplant in the future, or if you become disabled and eligible for Medicare at age 65. Finally, you won’t be able to sign up for Medicare Part D until you are enrolled in Medicare.

One advantage to delaying enrolling in Medicare is that you keep your options open to buy a Medigap (Medicare Supplement Insurance) policy in the future. If you sign up for Medicare and have health insurance through your employer, you do not need Medigap for the 30-month coordination period. If you want Medigap coverage after that, however, you may not be able to get it because you did not sign up for Medigap within six months of enrolling in Medicare. Most companies selling Medigap policies have six-month open enrollment periods for people (usually age 65 and older) with pre-existing conditions such as kidney disease. Check with the health insurance counselors at your State Insurance Department to learn the requirements for Medigap enrollment in your state. Look under State Government in the Government pages of your phone book and then Insurance. For a map with state insurance department contacts, visit www.naic.org.

Another advantage of delaying Medicare enrollment is that you don’t risk losing your right to COBRA coverage. See “If you lose your job” on page 14.

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If you decide you don't want to sign up for Medicare right away because you have insurance through an employer, be sure to delay getting both Medicare Part A and Part B and enroll in Medicare before the end of the 30-month period. If you enroll in Part A and delay signing up for Part B, you will only be able to enroll in Part B in January, February, or March each year and your Medicare coverage will not begin until July 1.

That could leave you with an expensive gap in coverage because your employer plan is no longer the primary payer. Your Part B premium also may go up about 10 percent each year you delay enrollment.

Talk with your social worker, or plan administrator if you have health insurance at work, to weigh the pros and cons of delaying enrollment in Medicare.

Delaying Enrollment in Medicare If You Have an Employer Group Health Plan

Pros	Cons
You postpone paying Medicare premiums for up to 30 months	You will not be eligible for discounts on Medicare-covered expenses and could possibly pay more for these services under your health-insurance plan
You retain your right to buy Medigap (Medicare supplement) insurance without a pre-existing condition waiting period if you are 65 or older	You will pay higher Part B premiums when you enroll
You can get and keep health insurance through COBRA	You cannot sign up for Part D
	If you receive a transplant, you might not be able to get coverage for anti-rejection drugs for many months



If you have health insurance through your employer, see “How Medicare works with your health insurance” on page 32.

When Medicare stops paying

If you have Medicare only because of kidney failure, and not because you are 65 or older or because you are disabled, your coverage will end 12 months after you stop dialysis if your kidney function improves, or 36 months after you have a successful kidney transplant. It will not end if you have to return to dialysis or get a kidney transplant within those time frames.

Paying for costs Medicare doesn't cover

Even if you have Medicare, you will have to pay some of your medical costs, such as 20 percent of dialysis costs and Medicare premiums and deductibles. Several programs can help you with those costs, including Medigap policies, Medicaid, Medicare Savings Programs, and state kidney programs.

Medigap—for extra insurance

A Medigap or Medicare Supplement Insurance policy, as the name suggests, fills in the “gaps” in your Original Medicare Plan, paying for Medicare deductibles and coinsurance. (Medicare Advantage Plans, previously called Medicare + Choice, pay for more

services than Original Medicare Plans, so, if you have a Medicare Advantage Plan when you have kidney failure, you don't need Medigap insurance.) Some Medigap policies also can pay for extra health-care services such as annual checkups, at-home recovery, and emergency care if you become ill on a trip outside the country. Routine dialysis is not considered an emergency, so it will not be covered outside the United States by most Medigap plans or Medicare, but may be covered by other insurance. Check your policy for this coverage.

Medigap policies are available from private insurance companies and you will pay a premium for them. Generally, you must have both Medicare Part A and Part B before you can buy a Medigap policy. You may have to be at least 65. Some states require companies that sell Medigap insurance also to offer it to people who are not yet 65, but qualify for Medicare. There are 10 standard Medigap policies, identified by a letter of the alphabet from A through J. (Two new plans, K and L, are planned for introduction in 2006.) Although Medigap policies must offer the same benefits no matter where you live (except Massachusetts, Minnesota, and Wisconsin), they do vary in cost, so be sure to look at policies from several insurance companies before buying one. To read more about Medigap policies, request a free copy of the publication, *Choosing a Medigap*

How Medicare works with your health insurance

If you are on Medicare only because you have kidney failure, and not because you are 65 or older or previously disabled, Medicare coverage will not start for three months if you get in-center hemodialysis. If you are covered by an employer's group health-insurance plan, however, it may pay those costs. If you train for home dialysis or self-care dialysis in a clinic, Medicare payments can begin the month you start dialysis. Your health-insurance plan will be the "first payer" (primary coverage) on your bills for a 30-month coordination period. If it doesn't take care of all your costs during this period and you signed up for Medicare, then Medicare, your "secondary payer" (secondary coverage), may pay some or all of those costs. After 30 months, the plans switch places. Medicare will be first payer,

paying for Medicare-covered services. Your health plan will be second payer, paying for some or all of the services and costs not covered by Medicare and possibly additional services that only your health plan covers. Talk with your health insurance plan administrator about how your plan works with Medicare and how Medicare coordinates with your insurance. If you lose your health insurance during the "first payer" period, notify Social Security so Medicare will take over. For more information, you also can read *Medicare and Other Health Benefits: Your Guide to Who Pays First*, Publication No. CMS-02179. Go to www.medicare.gov, click Find a Medicare Publication, and then type the publication name or number in the box shown.

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Policy: A Guide to Health Insurance for People with Medicare, Publication No. CMS-02110, by calling 1-800-MEDICARE (1-800-633-4227). This publication is available online at www.medicare.gov under Search Tools. Click Find a Medicare Publication and type in the publication name or number in the box shown. You also can talk with a Medicare representative about Medigap policies available in your state. Your State Health Insurance Assistance Program (SHIP) or State Insurance

Department can give you information about Medigap policies for people with kidney failure. Look under State Government in the Government pages of your phone book and then Insurance or go to www.shiptalk.org and click Find a State SHIP. You can find Medigap policies online listed by state, too.

Medicaid—for people with low income

Medicaid helps pay medical costs for people with low income and little savings. Medicaid can pay your Medicare



premiums, deductibles, coinsurance, and some costs Medicare doesn't cover, such as transportation to dialysis in some cases. To be eligible, you must have Medicare Part A, monthly income below a specific amount, and savings of less than a specific amount. If your income is above the minimum, you still may qualify if you have high medical bills. To find out if you can get Medicaid, call 1-800-MEDICARE (1-800-633-4227) and ask for information on Medicare Savings Programs. You also can contact your state Medicaid office. Look under State Government in the Government pages of your phone book and then Medicaid, or go to www.cms.hhs.gov/Medicaid. State Medicaid programs also help people with lower income and limited savings who don't qualify for Medicare.

Medicare Savings Programs— if you don't qualify for full Medicaid

If your income or savings is too high for you to be eligible for Medicaid, you are eligible for Medicare Part A and Part B, and you need help paying Medicare premiums, deductibles, and coinsurance on covered services, one of these Medicare Savings Programs may provide help. Each program has its own income limits (based on the Federal Poverty Level, or FPL), and some states use different limits.

- Qualified Medicare Beneficiary, which pays Medicare Part A and Part B premiums, deductibles, and coinsurance.
- Specified Low-Income Medicare Beneficiary, which pays Medicare Part B premiums.
- Qualified Individual 1, which pays part of Part B premiums for a limited number of lower income people in each state.
- Qualified Disabled Working Individual, which can pay your Medicare Part A premiums if you had Social Security and Medicare because of kidney disease, but lost your Social Security benefits and free Medicare Part A because you returned to work and now earn more than the amount allowed. You must be disabled and have no other way to get Medicare Part A, such as a worker's spouse. If you get Part A, you can get and pay the premium for Part B.

To find out if you qualify for any of these savings programs, contact your State Medicaid Office or Medical Assistance Office. For phone numbers, go online to www.medicare.gov and click Find Helpful Phone Numbers and Web sites. You also can call 1-800-MEDICARE (1-800-633-4227) and ask for information on Medicare Savings Programs. For the current year's FPL guidelines, go to www.aspe.hhs.gov/poverty and click HHS Poverty Guidelines.

Medicare, Medigap, Medicaid, and Medicare Savings Programs: Contacts and Notes

Use this worksheet to keep track of the names and numbers of people you talk with, dates you talk with them, and the advice they give about how you can get benefits from these programs.

Medicare

Name & Number	Date	Notes

Medigap

Name & Number	Date	Notes

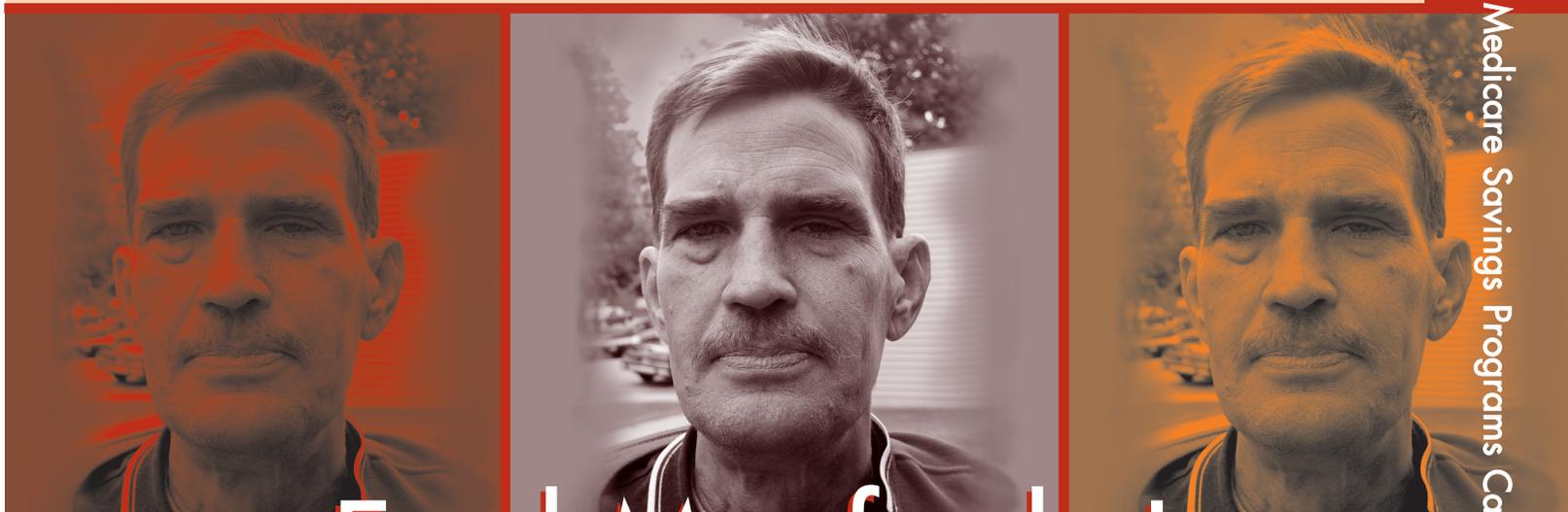
Medicaid

Name & Number	Date	Notes

Medicare Savings Programs

Name & Number	Date	Notes

“After 25 years with CKD, I believe the biggest financial challenge is keeping up with the annual cost increases for both health insurance and prescription drugs. My advice is to develop a good relationship with your pharmacist. Your first step? Go tell your pharmacist you



Fred Manfred, Jr.