

SHIC

talk

A program of the North Dakota Insurance Department • Adam Hamm, Insurance Commissioner

June 2009



Dear friends,

The North Dakota Insurance Department is looking forward to summer as we begin a groundbreaking new project. We are gearing up to conduct a health insurance study called CHAT, which stands for Choosing Health Plans All Together. CHAT allows small groups of consumers to make health insurance decisions together and learn from each other. The purpose of the study is to help North Dakotans better understand health insurance and to learn what consumers want and need from their health insurance.

Some participants will do the internet-based exercise on their own. Others will do the exercises in a group setting with a facilitator at 13 different locations around the state.

One critical component of this study is having a diverse group of participants. We are searching high and low to find people from the following groups to participate at each location and online:

- Medical care providers (MD's, chiropractors, dentists)
- Employers (business owners)
- Retired people
- Single working people
- Insurance agents/insurance company representatives
- Students
- Parents
- Unemployed people
- Uninsured people

We would greatly appreciate your help in finding these participants. SHIC counselors will receive a CHAT invitation from Cindy Sheldon, Health Insurance Counseling Program Director. Please take a moment to share the invitation with 10 people in your community that you feel would be strong candidates for this study. Participants will be able to choose between doing the online exercise or attending a session face-to-face.

By explaining the importance and value of their participation, we can encourage buy-in and personal responsibility in health care choices. Our ultimate goal is to provide unmet needs to North Dakotans. This is where we can all truly speak the same language and make a difference.

Sincerely,

A handwritten signature in blue ink, appearing to read "Adam Hamm".

Adam Hamm
Insurance Commissioner

**NORTH
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North Dakota
Insurance Department

SHIC
State Health
Insurance Counseling

More elderly and disabled homeowners now qualify for homestead tax credit

Tax Commissioner Cory Fong announced in May that more low-income senior citizens and disabled persons may be able to receive the Homestead Tax Credit for 2009 because of recent changes to the eligibility requirements.

“The 2009 Legislature recently passed Senate Bill 2402 making the credit available to more of our low-income elderly or disabled homeowners,” said Fong.

The Homestead Tax Credit is available to homeowners who are 65 years of age or older, or permanently and totally disabled. Qualified applicants receive a reduction in the property taxes on their primary residence.

“The Homestead Tax Credit is an important program that helps our low-income seniors and disabled

homeowners stay in their homes,” said Fong. “The changes made to the program will allow more elderly and disabled homeowners to qualify for the program.”

The 2009 legislation increased the maximum amount of income allowed in order to qualify for the property tax credit. The new income limit is \$26,000, after certain deductions. The old income limit was \$17,500.

“Raising the income limit makes the program available to more people than before,” said Fong. “We want to get the word out so that everyone who is eligible has a chance to apply for the credit.”

Other changes to the program include raising the maximum value of the primary residence that may be exempted as well as increasing the value of assets allowed.

	New value	Old value
Maximum value of the primary residence that may be exempted:	Up to \$100,000	Up to \$75,000
Maximum value of assets allowed, excluding the first \$100,000 value of the residence:	\$75,000	\$50,000

Homeowners may apply for the credit by completing the Homestead Credit Application for Senior Citizens and Disabled Persons and sending it to their local assessor or county director of tax equalization. For

more information about the program or for the proper application, homeowners should contact their local assessor or county director of tax equalization.

Turning 65 events

The North Dakota Insurance Department is once again hosting free Turning 65 events. Presentations will include Medicare 101 training, Medicare Part D, Medicare supplements and Medicare Advantage plans.

Bismarck

6:30–9 p.m. Tuesday, June 2
 Doublewood Inn, 1400 E. Interchange Ave.

Fargo

6:30–9 p.m. Tuesday, June 9
 Country Inn and Suites, 3316 13th Avenue South

To register or for more information, call 1.888.575.6611 or email janfrank@nd.gov.

Quality assurance

Q: A beneficiary contacted a SHIC counselor as Medicare had denied an air-ambulance claim. The beneficiary had fallen from a horse. He was thrown into the air and landed directly on his buttocks. He had paraparesis of the lower extremities and a CT image demonstrated the presence of a fracture of his vertebrae.

The physician stated that there was significant concern for a spinal cord injury. Because the facility did not specialize in managing spinal cord injuries, it

was decided that the beneficiary should be transferred to a larger facility to give him the best possible long-term outcome. The patient's condition was also complicated by a history of cancer, heart stenting and a neurological issue.

A: The SHIC counselor appealed the decision (reconsideration) to Noridian. ([Click here for a CMS reconsideration form](#)). The decision was favorable at this appeals level. See Section L of the SHIC manual for additional information on the appeals process.

SHIC counselor skills review

You have a beneficiary that is new to Medicare. What are some of the items that you will discuss at your initial meeting?

Explain the basics:

1. Part A: hospital and nursing home care
 - Explain hospital deductibles and coinsurance
 - Covers hospice, home health care and some skilled nursing facility care
 - Generally free with work history
2. Part B: doctor, medical services, ambulance, prosthetics and durable medical equipment
 - Explain 80/20 split; this is generally why a beneficiary purchases a supplement.
 - There is a cost for Part B. It may change yearly.
 - Outpatient mental health is covered under Part B, but is a higher copay than 80/20.
3. Medicare supplements
 - Supplements are intended to pay the 20 percent that Medicare Part B does not.
 - Generally takes care of deductibles
 - Comes with a cost to the beneficiary
4. Medicare Part C
 - Is NOT a supplement
 - Generally involves copays for each service rendered
 - Not all medical facilities accept these
 - Also called a Medicare Advantage Plan or private fee for service
 - Generally replaces Original Medicare

5. Medicare Part D

- Prescriptions and some vaccinations are covered under Medicare Part D.
- Premiums and copays are paid by the beneficiary every month.
- There are many plans to choose from.
- All Part D plans are monitored by the federal government.
- Explain the coverage gap if applicable.
- Can and should compare plans from Nov. 15 through Dec. 31 with an effective date of Jan. 1

What are some benefits programs to screen for?

- Low-income subsidy
- Medicare Savings Program
- Medicaid

What are the outcomes of the initial meeting?

You and the beneficiary have researched and/or enrolled in a Part D plan. You have explained the deadlines for Part D enrollment.

You applied or gave the beneficiary referral information for any benefits programs applicable (LIS, Medicare, Medicare Saving Program)

The beneficiary understands the process for Medicare Supplements and will contact a company, if applicable.

You have explained the ABCs and Ds of Medicare and the beneficiary is aware of the options available.

ND Senior Medicare Patrol: What is it and how does it benefit Medicare recipients?

Did you know that \$1 out of every \$10 spent on federal health programs is wasted? It is estimated that Medicare and Medicaid programs alone lost more than \$47 billion dollars last year to a handful of dishonest individuals and simple errors. Annual losses in both the public and private sectors due to health care fraud range from five to 10 percent of all health care expenses—between \$90 and \$180 billion based on 2004 estimated health care expenditures of \$1.8 billion.

In July 2006, the North Dakota Center for Persons with Disabilities (NDCPD) at Minot State University was awarded the Senior Medicare Patrol (SMP) project. This grant is funded in part through the U.S. Administration on Aging (AoA). SMP projects train retired professional volunteers to help their peers become better health care consumers.

The ND SMP project provides products and services to ND seniors that promote understanding of Medicare and Medicaid program benefits. Volunteers work to educate ND seniors about the importance of reviewing their Medicare notices to identify billing errors, as well as potentially fraudulent activity.

Program volunteers also encourage seniors to make inquiries to the ND SMP project when such issues are identified, so that the project may ensure appropriate resolution or referral.

What is Medicare fraud, abuse and health care error?

- Billing Medicare for services not received.
- Overcharging for services and equipment or incorrect billing.
- Using someone else’s Medicare card (false claims).
- Offering free services or equipment and then charging Medicare.

Protect	Detect	Report
<ul style="list-style-type: none"> • Never give out your Medicare/Medicaid or Social Security number to strangers • Never sign a blank form • Know whom you can trust • Do not accept prizes or free offers in exchange for your Medicare number • Avoid providers who promise payment for items or services not usually covered 	<ul style="list-style-type: none"> • Always check your Medicare statements. • Check for overcharges • Check for services not received • Check to ensure another person has not used your Medicare card 	<ul style="list-style-type: none"> • Discrepancies with your Medicare billings, services and claims • Call the company or doctor first to question the change and ask them to correct it with Medicare <p>If you suspect fraud when someone offers or gives you free services or equipment</p>

When reporting concerns, have the following information on hand:

1. Your name and Medicare number
2. The name of the company or doctor
3. Date of service
4. Description of the problem

Contact SMP at 1-800-233-1737.



President Obama's budget request includes \$828B for HHS

President Obama recently presented Congress with a detailed budget plan for the fiscal year beginning Oct. 1, which intends to reduce expenditures through changes to the Medicare program and improve federal food safety efforts, CQ Today reports. The plan would allocate \$828 billion for HHS in FY 2010, including \$78.3 billion in discretionary spending, which is slightly less than the \$78.5 billion in discretionary spending granted to the agency in FY 2009. However, the economic stimulus package provides HHS an extra \$22.4 billion for FY 2009 and FY 2010, and \$109 billion extra in total (Wayne, CQ Today, 5/7). The budget plan also would allocate:

\$3.2 billion for FDA, a net increase of \$511 million over FY 2009—the largest increase ever requested for the agency—that includes \$295.2 million in budget authority as well as \$215.4 million from proposed user fees (Norman, CQ HealthBeat, 5/7);

A \$300 million decline in funding for CDC, to \$6.8 billion, that is offset entirely by federal stimulus money, although the agency also would receive \$156 million to prepare for a pandemic flu outbreak;

\$452 billion in spending for Medicare, a 6% increase from FY 2009, and \$290 billion in Medicaid spending, a 10% increase;

\$30.8 billion for NIH—a reduction of \$10 billion from FY 2009 that would be made up by \$10.4 billion in stimulus funds intended for biomedical research (Wayne, CQ Today, 5/7);

\$112.8 billion for the Department of Veterans Affairs, about \$15.1 billion more than this year, of which \$47.4 billion in discretionary spending would be made available for veterans' medical care (Johnson, CQ Today, 5/7);

An increase of \$454 million for Indian Health Services, bringing its FY 2010 budget level to more than \$4 billion;

\$34 million in additional funding, to \$169 million total

for FY 2010, for the National Health Service Corps, which provides health care to U.S. residents in underserved communities;

\$73 million in additional funding for initiatives to improve health care in rural areas;

\$92 million to help remedy the nation's nursing shortage, bringing total funding for the initiative to \$263 million in FY 2010; and

\$59 million to expand drug courts under the Substance Abuse and Mental Health Services Administration (Norman, CQ HealthBeat, 5/7).



Medicare, Medicaid

The budget proposal states that “as part of health care reform, the administration would support comprehensive, but fiscally responsible, reforms” to Medicare’s current payment formula, which has a 21 percent reduction to physician payments scheduled for next year.

According to CQ HealthBeat, budget documents indicate that preventing those cuts and maintaining payments to physicians at the same level over the next decade would cost \$311 billion. The budget states that the administration will look into numerous options to reform the payment formula, including whether physician-administered drugs should be covered under the formula. CMS figures estimate that eliminating the cost of those drugs would reduce the 10-year cost of staying in line with physician payment targets by \$129.6 billion.

The budget proposal also includes proposed Medicare changes that would allow \$288 billion over 10 years to be directed to a reserve fund that would help fund health care reform. The changes include linking Medicare payments to hospitals with the quality of care delivered. According to CQ HealthBeat, the money saved would be directed to a

continued ...

fund that would support additional hospital incentive payments and the Medicare trust fund. The changes also include a plan to reduce Medicare spending by \$177 billion through a competitive bidding program that would base payments to private firms offering Medicare Advantage plans on the average of their bids. An additional \$16 billion in spending reductions would come from bundling payments for hospital and post-hospital care, according to the budget plan. The budget would add \$125 million in discretionary spending to the \$1.5 billion that already funds the Health Care Fraud and Abuse Control Program, which directs money to Medicare, Medicaid, the Department of Justice and the HHS Office of Inspector General. Total discretionary spending for the HCFAC program in FY 2010 would be \$311 million (Reichard, CQ HealthBeat, 5/7).

Reaction

The current economic conditions likely will make it difficult for Obama to find the money needed to address his priorities, including health care reform, without enacting deeper budget cuts, the AP/San Francisco Chronicle reports (Kuhnenn, AP/San Francisco Chronicle, 5/8). The new plan's proposed savings represent about 1.4% of the \$1.2 trillion deficit projected for FY 2010.

Obama administration officials indicated that the \$17 billion in savings included in the FY 2010 blueprint are "just a beginning," according to the New York Times (Calmes, New York Times, 5/8). White House Office of Management and Budget Director Peter

Orszag said the \$17 billion saved under the FY 2010 plan is "real money," adding, "This is an important first step but not the end of the process" (Grier, Christian Science Monitor, 5/7).

Obama also linked his plan to reduce the deficit with his plan to overhaul the health care system, noting that his reform plan would address the rising costs of Medicare and Medicaid. He noted "challenges that will require us to make health care more affordable and to work on a bipartisan basis to address" entitlement programs (Weisman, Wall Street Journal, 5/8). Jared Bernstein, chief economist to Vice President Biden, said, "The big ticket, that's health care. That's where some of our real savings come from in the longer term" (AP/San Francisco Chronicle, 5/8).

However, critics, including Republican lawmakers, complained that more significant cuts are needed, the New York Times reports (New York Times, 5/8). The Christian Science Monitor reports that "Obama's hit list leaves unaddressed what many experts cite as the real U.S. deficit difficulty: fast-growing entitlements, particularly ... Medicare and Medicaid" (Christian Science Monitor, 5/7). House Minority Leader John Boehner (R-Ohio) said, "While we appreciate the newfound attention to saving taxpayer dollars from this administration, we respectfully suggested that we should do far more" (New York Times, 5/8).

The Wall Street Journal reports that the added cost of new programs in the plan "will swamp the \$17 billion of potential savings anticipated" from the cuts (Wall Street Journal, 5/8). Orszag acknowledged that more cuts need to be implemented to control the growth of Medicare and Medicaid (Taylor, AP/Boston Globe, 5/8).

Source: Kaiser Daily Health Policy Report

WANTED

Medicare Part D volunteers

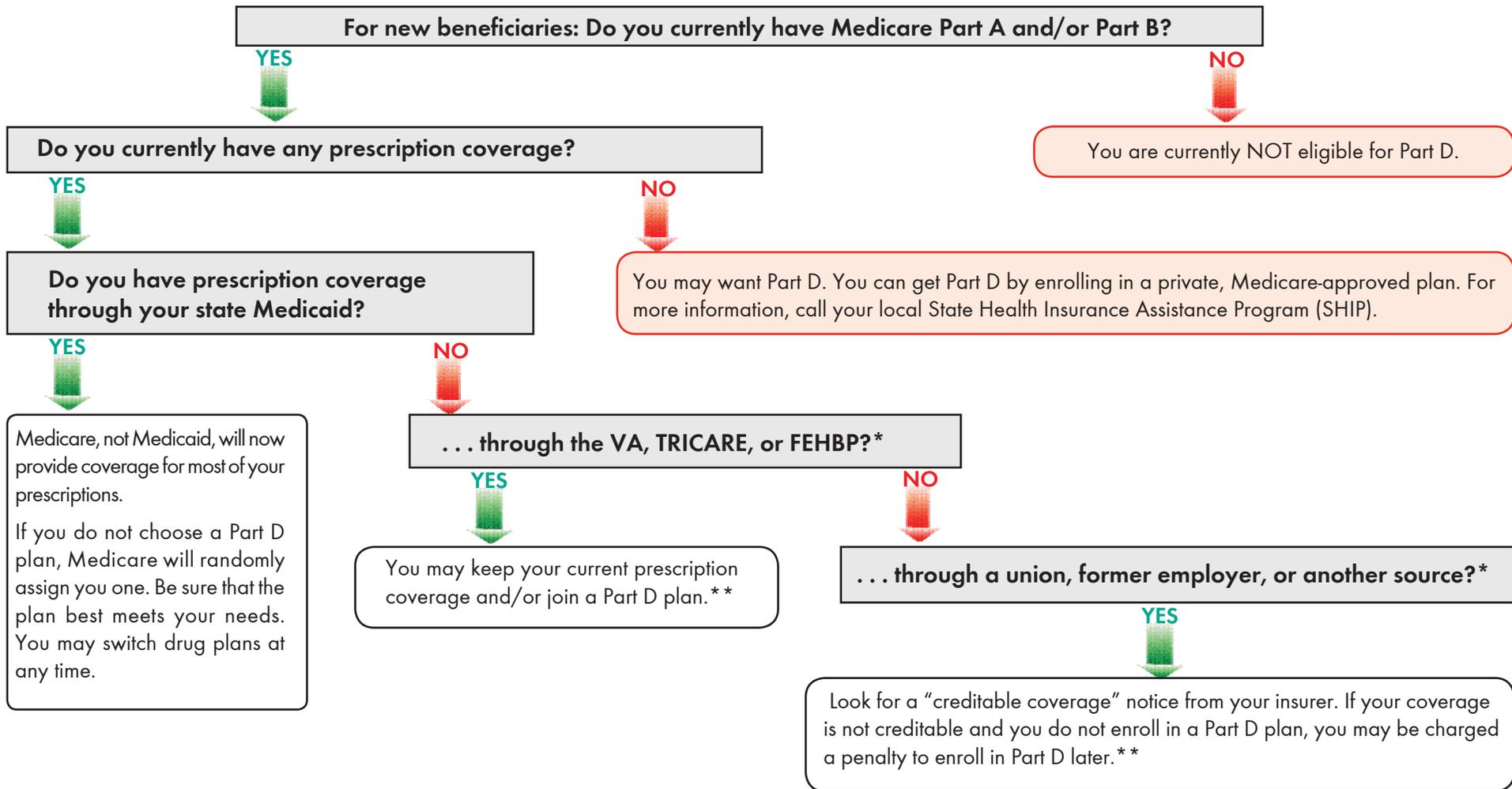
The North Dakota Insurance Department is looking for volunteers to do Medicare Part D work October to December 2009. Compare Part D plans online and help beneficiaries enroll in plans for 2010. Training is provided, computer knowledge is preferred and the hours are flexible to fit your schedule.

For more information,
call 1-888-575-6611.

NORTH
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Department

S H I C
State Health Insurance
Counseling Program
Adam W. Hamm, Commissioner

RECAP: Should I Enroll in Medicare Prescription Drug Coverage (Part D)?



* Contact your current insurer before making any changes. Find out if your current coverage will continue or not. You may lose certain benefits for joining a Part D plan. Others may require you to join a Part D plan.

** Cost-compare (including premiums, caps and limits, deductibles, copays or co-insurance) your current coverage versus a Part D plan. You may save money by joining a Part D plan.

Note: If you are age 65 or older or you receive Social Security or Railroad Retirement Disability Insurance, you may be eligible for Medicare. Contact your local SHIP for more information on Medicare eligibility.

New head of Health and Human Services confirmed

The U.S. Senate confirmed Gov. Kathleen Sebelius of Kansas as Secretary of Health and Human Services on April 28, 2009. Ms. Sebelius brings eight years of experience as her state's insurance commissioner, as well as six years as a governor running a state Medicaid program.

The Centers for Medicare & Medicaid Services (CMS) sit within the Department of Health and Human Services.

Source: Health Assistance Partnership

Procedure update for Part D denials and shortages

SHIPs may have heard the recent news about generic drug shortages for Toprol XL, a common medication taken for high blood pressure. When there is a shortage of a generic drug and the brand is available, it is in the beneficiary's best interest for the Part D plan to allow the pharmacy to fill the prescription with the brand name at the price of the generic version.

CMS does not currently provide guidance on this issue, but they are looking into the situation and would like to know if beneficiaries are experiencing rejections by their plans for brand name coverage. HAP is asking SHIPs to share any problems their

clients may be encountering so we can forward your comments to CMS, and help inform guidance development activities on this issue.

For beneficiaries in this situation, SHIP counselors may appeal for coverage and also advise beneficiaries to file a complaint with CMS. For more information on the Part D appeals process, visit HAP's Medicare Drug Coverage: Exceptions and Appeals webpage.

Source: Health Assistance Partnership

Insurance Department conducting health insurance study

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Some participants will do the internet-based exercise on their own. Others will do the exercise in a group setting with a facilitator at 13 different locations around the state: Williston, Dickinson, Bowman, Minot, Bismarck, Bottineau, Harvey, Devils

North Dakota Insurance Department

CHAT

Choosing Health Plans All Together

Lake, Jamestown, LaMoure, Grand Forks and Fargo, Wahpeton.

If you or someone you know may be interested in participating in this study, please contact the North Dakota Insurance Department at 1-800-247-0560 or insurance@nd.gov.

Director's corner

Greetings!

After just hearing the preliminary census report from North Dakota and the increase in the amount of baby boomers, we are excited about presenting our Turning 65 seminars again. Last year, these events were very successful and beneficiaries have been asking for their return. We will be in Bismarck June 2 and in Fargo June 9. Please forward all interested beneficiaries to Jan Frank at 1-888-575-6611.

We just held a SHIC New Counselor training session that was very successful! We had 12 attendees and all 12 counselors joined us. We now have representation in remote areas like Elgin and we have increased representation in larger urban areas including Grand Forks, Fargo and Bismarck. Thank you to all the attendees and new counselors. You are all very bright and made the training fun!

As Commissioner Hamm stated in his article on page 1, we are looking to find participants for the CHAT exercise. Referrals from SHIC counselors would be greatly appreciated. An email invitation will be sent out to you in the near future.

Thank you for all you do. Have a great summer!

Sincerely,



Cindy Sheldon

SHIC **talk**

is published by the
N.D. Insurance Department—Dept. 401
600 East Boulevard Avenue
Bismarck, ND 58505
Phone: 701.328.2440
Toll-free: 888.575.6611
Fax: 701.328.4880
TTY: 800.366.6888
Web: www.nd.gov/ndins
Email: ndshic@nd.gov

If you have questions about any content or have suggestions for content for our next publication, please contact Cindy Sheldon, director, at 701.328.9604 or csheldon@nd.gov.

For Medicare-related resources, please visit
www.medicarerights.org.