



## Health Care Reform and Dual Eligibility—There’s (Finally) a Sheriff in Town

The term “dual eligibility” has carried two meanings in the healthcare reimbursement universe, historically – twice the payers (both Medicare and Medicaid coverage, for qualifying individuals); and twice the confusion (over which program pays for what, when, and for whom). But the Patient Protection and Affordable Care Act (“PPACA”) promises to improve upon the positives for dual eligibles, while reducing the negatives – through better integration between programs at the federal level; improved coordination of care at the state level; and coverage expansion for certain beneficiaries. The PPACA sets forth lofty goals, and the question remains as to whether the efficiencies it promises regarding dual eligibles will arise soon enough to keep pace with stricter guidelines set forth in other areas of the Act.

### What is a “Dual Eligible”?

Dual eligibles are persons who qualify for both Medicare and Medicaid coverage. The extent to which an individual is covered by each program depends largely on income, and other criteria for Medicaid qualification as determined by individual states. A Qualified Medicaid Beneficiary (referred to in CMS literature as a “QMB Only”), for example, is entitled to Medicare Part A coverage, and is eligible for Medicaid payment of Medicare premiums, deductibles, coinsurance, and copayment amounts, but no additional Medicaid benefits. At the other end of the payment spectrum lies the Full Benefit Dual Eligible (“FBDE”), who is eligible for full

Medicaid benefits. Several other categories of dual eligibility fall in between. (The Medicare Learning Network provides a nice overview of the different categories of dual eligibility in its brochure, *Medicaid Coverage of Medicare Beneficiaries (Dual Eligibles), At a Glance*, available here:

[http://www.cms.gov/MLNProducts/downloads/Medicare\\_Beneficiaries\\_Dual\\_Eligibles\\_At\\_a\\_Glance.pdf](http://www.cms.gov/MLNProducts/downloads/Medicare_Beneficiaries_Dual_Eligibles_At_a_Glance.pdf)

### What Does the PPACA Offer Dual Eligibles?

1. Medicaid Coverage of Part D Prescription Drug Premiums. Currently, FBDE individuals who receive Medicaid-funded long-term care services in the home or in a community-based setting still owe out-of-pocket copayments for Part D drugs. FBDEs who receive the same care in nursing facilities, or other long-term care institutions, do not owe the Part D premiums. The PPACA (which will take effect at some point after January 1, 2012), eliminates the disparity by removing the copays for beneficiaries receiving care in-home and in community-based settings, who would otherwise be institutionalized if they were not receiving the home or community-based waiver.
2. Incentives for Improved Coordination of Care. The PPACA extends the time period for waivers that provide medical assistance to dual eligibles (including waivers programs that include non dual eligibles) to five years, with the potential for



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extension in additional five-year increments, at the request of the State.

3. Continued Authorization for Special Needs Plans (“SNPs”). The three types of SNPs available under the Medicare Advantage plan – dual eligible SNPs, chronic care SNPs, and institutional SNPs – will continue to be available under PPACA until 2014 (SNPs were previously authorized through 2011). Dual eligible SNPs are particularly attractive Medicare Advantage plans, as they are generally network-based and not fee-for-service. They may also offer additional benefits, such as transportation to and from the provider’s office.

#### What is the PPACA’s Largest Benefit to Providers Who Serve Dual Eligibles?

On paper, even before the PPACA, the provision of dual coverage options to certain low-income individuals should have been a boon to health care providers. But in practice, dual eligibility created a quagmire of confusion between CMS and the 50 different State Medicaid programs responsible for somehow sorting out claims amongst each other. Single claims sometimes took months or years to resolve, with providers uncertain as to who should pay for what, beneficiaries uncertain of what sort of care they were entitled to, and neither group certain of whom to ask, definitively, for the answers. Now, the PPACA seeks to fill that long-sought position with creation of the Federal Coordinated Health Care Office (“FCHCO”).

The FCHCO’s purpose is to improve coordination between the Federal Government and States, for individuals eligible for benefits administered by both authorities. Goals of the new FCHCO include: improving access to benefits for eligible individuals; simplifying the process for accessing services; improving the quality of health care and long-term services; increasing beneficiaries’ understanding and

satisfaction with coverage; eliminating regulatory conflicts between Medicare and Medicaid; improving care continuity; eliminating cost shifting between the Medicare and Medicaid programs among providers; and improving the performance of providers and suppliers in the Medicare and Medicaid Programs.

#### But Will It Happen Fast Enough?

It will certainly take time for the new FCHCO to start fulfilling its ambitious goal list. The PPACA, however, includes at least one other provision that will likely burden providers who serve dual eligible individuals – and this one isn’t waiting. CMS recently implemented a PPACA provision that reduces the time period for timely filing of Medicare claims from 15 to 26 months to just one year. The new time-limit will have significant implications for providers, who often had difficulty navigating dual eligible claims within the existing 15 to 26 month time frame. Of course, new efficiencies brought about by the FCHCO will, theoretically, make the 12-month limit feasible.

For now, providers must be prepared to target dual eligible claims immediately, and navigate them through the existing reimbursement systems as quickly as possible (or, in less than a year). The FCHCO will eventually show up to guide them, but no one is certain when.

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