

Frequently Asked Questions about Dual Eligibles: Understanding what happens when a person with IDD who receives Medicaid becomes eligible for Medicare

Dual Eligibles – General Information

1. Q: What is a “dual eligible”?

A: A person who has both NJ FamilyCare/Medicaid and Medicare is referred to as a dual eligible. Most individuals with intellectual and developmental disabilities (IDD) who are “dual eligibles” received Medicaid first, and at a later time, they started to receive Medicare also. But occasionally, some individuals with IDD may have Medicare first, and Medicaid starts later. The federal term for a dual eligible is a "Qualified Medicare Beneficiary" (QMB).

2. Q: There are two broad categories of Medicaid in New Jersey. Does it matter which major category of Medicaid a person with IDD has?

A: Yes, there is an important distinction with the two major Medicaid categories. Most individuals with IDD in New Jersey have Medicaid through the Aged, Blind, Disabled (ABD) programs. The information in this fact sheet is applicable to individuals with IDD who have ABD Medicaid, and the sub-categories are listed below.

- SSI and Medicaid;
- Medicaid as a DAC (i.e., having had SSI previously, and then SSDI starts because of income from the work record of the person with IDD, or from their parent);
- NJ Care Special Medicaid Program (also called county Medicaid);
- NJ WorkAbility Medicaid;
- Managed Long Term Services and Supports (MLTSS);
- Medicaid as a “Non-DAC”, approved by the DDD Waiver Unit, in special circumstances

There is another major type of NJ FamilyCare/Medicaid intended for individuals with low incomes, but is not connected to having a disability. This Medicaid is known as Affordable Care Act (ACA) Expansion Medicaid, or Modified Adjusted Gross Income (MAGI) Medicaid. If anyone with IDD has this type of NJ FamilyCare/Medicaid, they will need to enroll with an ABD Medicaid program (listed in the bullet points above) when Medicare is scheduled to begin.

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3. Q: Why are some people with IDD eligible for Medicare when they are under the age of 65?

A: When the parent of an individual with IDD retires and starts to collect Social Security, or if the parent becomes disabled or is deceased, then the individual with IDD receives a Social Security Disability (SSD) benefit, calculated on the work record of the parent. An individual with IDD may also start to receive SSD on his/her own work record. **After receiving the SSD benefit for 24 months, or being eligible for SSD for about 2 years, the individual with IDD automatically starts to receive Medicare.**

4. Q: What are the different parts of "Original" Medicare?

A:

- Part A is Medicare hospital insurance
- Part B is Medicare medical insurance (visits to doctors' offices, physical therapy, lab work, etc.)
- Part C is Medicare Advantage (MA) (plans offered by private companies approved by Medicare)
 - Bundles Part A, Part B, usually Part D, and can offer extra benefits.
- Part D is Medicare prescription drug coverage

5. Q: When an individual with IDD has both Medicare and Medicaid, which coverage is primary and pays the doctors' bills first?

A: When individuals with IDD have Medicaid first, and then Medicare is starting (after having SSD for 24 months) they would automatically be enrolled into Medicare A and B. For most dual eligibles*, Medicare becomes the PRIMARY insurance for hospital and medical benefits. **Medicare monthly premiums for Parts A and B will be paid by Medicaid;** however there may be a delay of 1 to 3 months before Medicaid starts paying for Medicare. If there is a delay, then the individual will be reimbursed by the Social Security Administration (SSA).

***Some individuals have health insurance from an employer, retiree, or union plan** in addition to Medicare and Medicaid. In those cases, sometimes the employer health insurance is primary, Medicare is secondary and Medicaid is last. In other cases, Medicare is primary, the employer health insurance is secondary and Medicaid is last. Which health insurance pays first is determined by the size of the employer, and whether the employee is actively working or retired. When a person is covered by employer health insurance, Medicare, and Medicaid, the best way to learn which is primary is to contact the employer plan, or contact the NJ State Health Insurance Assistance Program (SHIP) at 1-800-792-8820.

6. Q: What does Medicare Part B Help Pay for?

A: Medicare Part B can help pay for:

- Medically necessary health care provider and doctors' services
- Preventive services (screenings, shots, vaccines, wellness visits)

- Diagnostic tests & clinical laboratory tests
- Outpatient physical, speech, or occupationally therapy
- Mental health services
- Some medications (See the Q & A below)
- Home health care
- Durable medical equipment (wheelchairs, walkers, hospital beds, etc.)
- Ambulance services

7. Q: What is the Medicare Part B Coverage of Drugs?

A: Part B can cover 80% of the cost for specialty drugs that are:

- Not usually self-administered (ex: infusions/chemotherapy)
- Furnished and administered as part of a physician's service or
- Drugs used with durable medical equipment (ex: nebulizer or infusion pump)
- Immunosuppressive drugs for people who had Medicare covered transplant
- Oral cancer meds

After Medicare pays 80% for Part B covered prescriptions, the remaining cost should either be waived or billed to the consumer's Medicaid Managed Care Organization (MCO). (See question #8 below on Balance Billing)

Note: Most prescription drugs purchased at the pharmacy are covered through Medicare Part D (not Part B). For information on coverage of Medicare Part D drugs, see the separate heading titled, "Dual Eligibles and Prescription Medication."

8. Q: What does NJ Medicaid cover for dual eligibles?

A: NJ Medicaid covers all Medicare cost-sharing, Part A and Part B monthly premiums and late penalties, Part A, Part B, & MA deductibles and co-insurance (*paid in part or full by the Medicaid managed care organization or waived by the provider*). **NJ Medicaid also covers many services not covered by Medicare:**

- Dental
- Eyeglasses
- Hearing aids
- Home Health Aides
- Medical Day Care
- Care Management
- Chiropractors
- Non-emergency medical transportation
- Personal Care Assistance (PCA and PPP)

Note: The above benefits are provided through the Medicaid MCO plan, but the dual eligible must use providers that are in-network with the Medicaid plan.

9. Q: What are Cost Sharing and Balance Billing Issues?

A:

- A Medicare provider must accept the amount that Medicare covers (and Medicaid payment, if any) as payment in full, without sending a “balance due” bill to the dual eligible. A Medicare provider cannot ask the dual eligible to sign a “waiver” or private contract to pay.
- **But Medicare providers can decide NOT TO TREAT a dual eligible because the provider would not be receiving the “full” payment that other patients would provide.**
- If the Medicare provider participates with the consumer’s Medicare Advantage Plan, D-SNP or the Medicaid MCO, then the provider **MUST** treat the consumer.

10. Q: What Is Medigap? Can a dual eligible combine Medigap and NJ FamilyCare/Medicaid Insurance?

A: Medigap policies are sold by private insurance companies to help cover the “gaps” in Original Medicare (such as the remaining 20% of costs Part B does not cover), and help you pay for out-of-pocket costs like copayments, coinsurance, and deductibles. Medigap is also called **“Medicare Supplement Insurance.”**

- If the individual is enrolled in NJ FamilyCare/Medicaid before becoming eligible for Medicare, they CANNOT purchase or switch a Medigap policy. This is a Federal prohibition and considered duplicative coverage.
- However, if the individual has Medicare and for some reason loses coverage under Medicaid, they can apply to purchase a Medigap policy.
- If an individual purchases Medigap BEFORE becoming eligible for NJ FamilyCare/Medicaid, they can keep the Medigap policy. This allows consumers access to more providers.
- Medigap Premiums are NOT covered by Medicaid.
- Consumers under age 65 who are not enrolled in NJ FamilyCare/Medicaid can only purchase a Medigap policy when they are new to Medicare (first 6 months of coverage), or other special circumstances (for example if private health insurance ends).
- An NJ SHIP counselor can answer questions about Medigap rules and plans. Contact the SHIP hotline at **1-800-792-8820**.

11. Q: What is NJ SHIP (State Health Insurance Assistance Program) and how can SHIP counselors help dual eligibles?

A: SHIP is a statewide, locally-based program to help consumers navigate Medicare. NJ SHIP is administered by the NJ Department of Human Services, Division of Aging Services (DoAS), and funded by the federal government. **SHIP provides free, unbiased counseling for:**

- Information on all aspects of Medicare, including Part D – drug plans
- Questions about Medicare and Medicaid coverage (dual eligibility)

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- Questions regarding private insurance in addition to having Medicare and Medicaid
- Dual Eligible Special Needs Plans (D-SNPs)
- Problems with claims, denials, or enrollment

SHIP counselors are trained and certified by DoAS, unbiased, and do not sell or recommend any products. SHIP has trained counselors based in local agencies throughout New Jersey. For more information, or to contact SHIP, please call **1-800-792-8820**, text **SHIP@NJDOAS**, or visit the NJ SHIP website: <https://www.nj.gov/humanservices/doas/services/q-z/ship/>

For additional information on Medicaid, Medicare and other health care information related to individuals with intellectual and developmental disabilities (IDD), visit our website: www.thearcnjhealthcareadvocacy.org

You may also email **Connor Griffin, Director of Health Care Advocacy at The Arc of New Jersey**, at cgriffin@arcnj.org