MDS Alert

Medicare Basics: Bust 5 Medicare Myths with These Explanations

You can utilize your region's MAC as a resource.

If you have residents who are Medicare beneficiaries, you are used to navigating Centers for Medicare & Medicaid Services (CMS) rules about assessment and reimbursement. Boost your understanding about the various components of Medicare and demystify some mythology and misconceptions.

Rely on the expertise of **Patsy Schwenk** of Medicare Administrative Contractor (MAC) **CGS** in a "Medicare Basics" webinar, so you know how to bill Medicare for the care your facility provides Medicare beneficiaries - and so you know which resources to pursue if you have a question.

Myth 1: MACs are Federally Run Programs

Because Medicare Administrative Contractors (MACs) process your claims, you may think they're owned by the government, but that's not the case, Schwenk says. "The MAC is a private insurer that has been awarded a geographic jurisdiction to process Part A and Part B claims," she maintains, adding that MACs are responsible for:

- Processing fee-for-service (FFS) claims,
- Making and accounting for FFS payments,
- Enrolling providers in the Medicare programs,
- Handling provider reimbursement services,
- Auditing institutional provider cost reports,
- Handling redetermination requests,
- Responding to provider inquiries,
- Educating providers about billing rules,
- Establishing local coverage determinations (LCDs),
- Reviewing medical records for selected claims, and
- Coordinating with CMS, as well as other FFS contractors.

Tip: If you are unsure which MAC has jurisdiction over your area, check out the maps here: www.cms.gov/Medicare/Medicare-Contracting/Medicare-Administrative-Contractors/Who-are-the-MACs.

Myth 2: Only People Over 65 are Medicare Beneficiaries

Although Medicare does cover those who are 65 and older, it also covers certain beneficiaries under the age of 65 with disabilities, and those at any age with end-stage renal disease (ESRD). To qualify for Medicare, the beneficiary must be a U.S. citizen or lawfully present in the U.S. and must live in the U.S. for five straight years, Schwenk says.

Myth 3: MACs Decide Statutorily Noncovered Services

Medicare covers medically necessary services, which means that the item or service is needed for the diagnosis or treatment of a medical condition. Examples are physicians' professional services, diagnostic tests and X-rays, mental health care, physical therapy, and more, Schwenk says. There are also some statutorily noncovered services that are part of the Medicare program, and those are named by the Centers for Medicare & Medicaid Services (CMS) in the Medicare Carriers Manual - they are not determined by the MAC.

Myth 4: Only Components of Medicare are Part A and Part B

In addition to Medicare Part A and Part B, the program also includes Part C and Part D, Schwenk indicates. The four

elements are as follows:

Part A: Hospital coverage. "That would include inpatient hospitals, SNFs, hospice, and some home health services," she said.

Part B: Medical coverage. This includes "physician services, outpatient care, durable medical equipment, all of your preventive services, and some additional home health services," explains Schwenk.

Part C: This is also known as Medicare Advantage (MA) plans. "These basically replace Medicare Parts A and B. A Medicare patient would not have Parts A, B, and C. Usually they would have either A and B or C. Advantage plans are Medicare-approved private insurance companies that offer all services and may provide prescription drug coverage and other benefits," she notes.

Part D: Prescription drug coverage. "If someone has A and B or [original] Medicare, they will also have a Part D plan to help pay for their prescription drug costs. Usually a Part C plan includes prescription drug programs," Shcwenk says.

Myth 5: Medicare Advantage Is a Medicare Supplement

Many people are confused about what exactly a MA plan refers to, Schwenk said. The reality is that the MA plans "are an alternative to the [original] A and B. They are not a supplement," she explains.

With a supplemental policy, a patient is covered by Medicare Parts A and B, and then also gets a secondary, supplemental policy to pay for out-of-pocket costs that Medicare won't cover.

An MA plan, on the other hand, replaces Parts A and B. "We get a lot of questions about Advantage plans, and we do not process those claims," Schwenk says of the MAC. "Because it's a replacement to Parts A and B, those claims do not go to a MAC. The claims go to the Advantage plan. Any questions you have for a claim processed through an Advantage plan has to go to that company."

Myth 6: Medicare Beneficiaries are Free to Change Plans at Any Point

Although Medicare patients do have the ability to change their insurance programs, they must wait until the enrollment period to do that. "Every year, a Medicare beneficiary can change plans between Oct. 15 and Dec. 7," acknowledges Schwenk. "During this time, the patient can keep the same insurance if they want to, but if they're in original Medicare, they can switch to an Advantage plan or vice versa, or they can switch to a different Medicare Advantage plan."

Reminder: Coverage is effective the first day of the next calendar month. "So it's very important, especially in November to February, to make sure you're getting all their Medicare cards - everything in their wallets concerning Medicare - because it can change," advises Schwenk.

See sidebar, page 20, for more information on the significance of the Medicare Beneficiary Identifier (MBI).