

MDS Alert

Reader Questions: Keep the 4 Parts of Medicare Straight

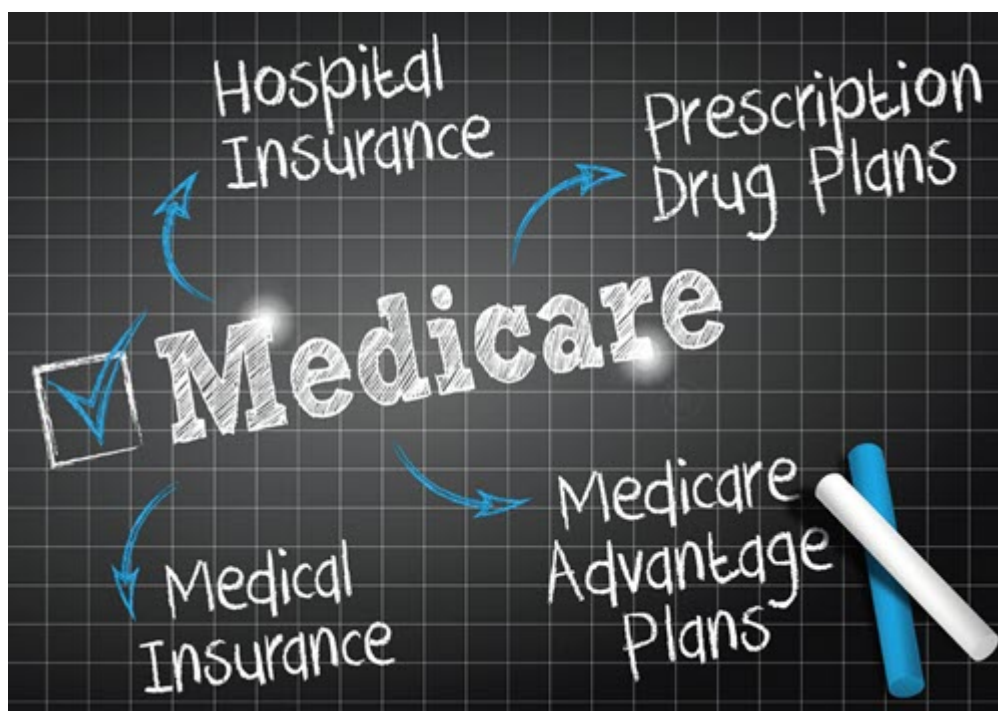
Question: We are putting together training materials for new staff members who work more on back-end stuff than direct care for residents. What's a good way to describe the different aspects of Medicare?

Pennsylvania Subscriber

Answer: Many people forget that there are four separate and distinct parts of the Medicare program that are governed by the Centers for Medicare & Medicaid Services (CMS).

You are likely familiar with Medicare Part A and Part B, but the program also includes Part C and Part D. The four prongs are best described as follows:

Part A: Hospital coverage. This includes traditional inpatient hospitals, critical access hospitals, skilled nursing facilities, hospices, and most home health agencies. But, it's also important to remember that "beneficiaries must meet certain conditions to get these benefits," reminds CMS guidance. "Most people don't pay a premium for Part A because they or a spouse already paid for it through their payroll taxes while working."



Part B: Medical coverage. This type of insurance covers physician services and outpatient care. Medicare Part B also covers preventive services, durable medical equipment, some physical and occupational therapy, and some additional home health services. "Most people pay a monthly premium for Part B," CMS says.

Part C: This part of the program is also known as Medicare Advantage (MA) plans. An MA plan is an alternative to Medicare's traditional Part A and Part B programs - rather than being a supplemental or secondary policy. With a

supplemental policy, a resident 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. Medicare Administrative Contractors (MACs) do not process MA claims. You'll instead send MA claims to the relevant Advantage contractor.

Medicare Advantage, unlike Part B, is rife with nuance, and not all MA plans are the same. Some are HMOs or PPOs while others may be private fee-for-service MA plans. The key is to know which type you're dealing with when an MA resident presents to your practice.

Part D: Prescription drug coverage. Under Medicare Parts A and B, your residents will likely also have a Part D plan that helps them pay for their prescription drug costs. Most beneficiaries pay a premium to receive Part D coverage.