

AAHU Annual Conference



Presented by:

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Overview

- Legislative and Policy Updates
 - Cobra as creditable coverage
 - Observation Status Update
 - CARES act
- How Active Involvement Shapes the Future of Medicare
 - Telehealth flexibility
 - CMS Marketing proposed marketing rule
 - Removal of the 48-hour rule with Scope of appointment
 - FMO overrides and 120.4.4. proposed CMS rule
 - NAHU Medicare Certification - improved certification training offering agents an alternative to AHIP
 - Reinstatement of Jan 1 - Mar 31 Open Enrollment Period for MAPD
 - CMS Medicare plan Finder work (2019-present)
 - Resources Available
- Conclusion, Recap, Q&A

Legislative and Policy Updates

COBRA as creditable coverage

The intersection between employer coverage and Medicare is fraught with landmines and largely misunderstood by HR departments and other stakeholders.

COBRA is not considered to be creditable coverage for Medicare major-medical benefits, so people who are enrolled in COBRA and do not enroll in Medicare Part B within eight months of turning 65 face substantial financial penalties for the rest of their lives, even if they have months or years left on their COBRA eligibility. Since their benefits are identical to their former employer-sponsored coverage, they assume they have done the right thing by maintaining coverage. Unfortunately, Medicare enrollment rules are complex and seniors and their former employers often don't understand the rules until it is too late, resulting in seniors paying a lifetime penalty of 10 percent year over year on their Medicare Part B premiums for a single misinformed choice. Not exactly the best welcome to Medicare. The fact is that these enrollment rules have not kept pace with the modern workplace. Medicare eligibility and Social Security benefits are no longer in sync as more seniors stay in the workforce longer. This problem will continue to grow since, for some individuals, staying on COBRA makes a lot of sense. One of the main benefits of COBRA is that it gives individuals the option to keep the same coverage they had in place for an extended period. The only difference between employer-sponsored coverage and that obtained through COBRA is who is paying the premium -- the employer or the former employee.



COBRA as creditable coverage solution

Congress should take action to effectively treat COBRA as creditable coverage, the same as seniors who remain on similar employer-sponsored coverage and then enroll in Medicare, to effectively eliminate the lifetime penalty on seniors transitioning from COBRA to Medicare coverage.

Legislation needed

- Last year, bipartisan legislation **H.R. 2564** was introduced by Reps. Kurt Schrader (D-OR) and Gus Bilirakis (R-FL) to treat COBRA as creditable coverage for Medicare, the same way that similar employer-sponsored insurance is already treated as creditable.
 - It passed out of the Energy and Commerce Committee, but due to the pandemic, momentum was lost.
- The issue is ripe for again for bipartisan action to remove the penalty and provide a special enrollment period to enroll in Part B.
- NAHU is working with lead sponsors to evaluate the best way to achieve passage this year:
 - Other committees of jurisdiction are being engaged, Ways and Means and Education and Labor
 - Senate is poised to also engage..

What is observation status?

Medicare was created to provide a safety net for the elderly and seniors. Today they rely on the program to not only be a hedge against bankruptcy, but also to ensure access to necessary care. Beneficiaries who are admitted to the hospital under observation status receive all the same care as an admitted patient but do not qualify for skilled nursing care. People who need this level of care are sick and, without further care, they are repeatedly readmitted to the hospital. These beneficiaries also tend to live in rural areas and lack local support for discharge planning. Many have other issues such as a lack of transportation, telephones or even running water. This does not meet the promise our country made to senior citizens.

What is observation (con't)

You may recall that Congress passed a bill several years ago to try to stem inappropriate admissions/readmissions through utilization review. Hospitals risk zero payment, which is particularly harsh on rural hospitals. Rather than get nothing, hospitals created this purgatory called observation status and while they receive less in reimbursement, it is better than getting nothing. Furthermore, hospitals have up to a year to change an admission status to observation, reversing the doctor's order for admission and any coverage for skilled nursing, thus the surprise bill. New evidence shows that these people tend to be readmitted repeatedly at a higher cost than if they had gotten the care they required in the first place. Those who get the care don't typically recycle through the hospital. What were good intentions have led to this situation.

Observation Status Legislation

- **H.R. 3650**, The Improving Access to Medicare Coverage Act, and the Senate companion, **S. 2048**, specifically count hospital observation days as meeting the three-day requirement. It also restores the promise and reduces costs when beneficiaries receive the right care at the right time and ends the cycle of hospital admissions.
- The House bill, **H.R. 3650**, is led by Rep. Joe Courtney (CT), Glenn “GT” Thompson (PA), Suzan DelBene (WA) and Ron Estes (KS) representing the Education and Labor Committee and the Ways and Means Committee, respectively. The Senate companion, **S. 2048**, is sponsored by Sen. Sherrod Brown (OH), Sheldon Whitehouse (RI), Shelley Moore Capito (WV) and Susan Collins (ME).

HSA legislation to allow contributions age 65 (H.R. 3796)

- Use of HSAs has not been substantially updated in many years to reflect the way American work and save to retire.
- Cost to cover health care needs after retirement can be daunting.
- It is age discrimination to rip an employer benefit from an employee based on age.
- A bipartisan and bicameral bill to address this inequity with regards to employer benefits and the intersection with Medicare is being sought.

BENES Act (within CARES Act)

- For several years, NAHU has been working on fixing the delayed effective date that occurs for certain Medicare Beneficiaries who enroll during their last three months of their Initial Enrollment Period, or during the General Election Period (January 1 – March 31).
- We are excited that our proposed fixes were finally implemented in the **Consolidated Appropriations Act of 2021**. The changes begin on line 21 of Page 2168 of the bill.

BENES Act (Initial Enrollment Period)

	If you enroll...	Effective Date will be...	
		Current Rule (until January 2023)	New Rule (as of Jan 1, 2023)
Initial Enrollment Period	... in any of the three months before your Medicare eligibility date...	1st of the month of Medicare Eligibility	1st of the month of Medicare Eligibility
	... in the month of your Medicare eligibility date (e.g. 65th birthday month)...	1st of the month following enrollment	1st of the month following enrollment
	... one month after you Medicare eligibility date...	two months after enrollment	1st of the month following enrollment
	... two months after you Medicare eligibility date...	three months after enrollment	1st of the month following enrollment
	... three months after you Medicare eligibility date...	three months after enrollment	1st of the month following enrollment

BENES Act (IEP Example)

Example: 65th Birthday is on September 15.

		Effective Date will be...	
		Current Rule (until January 2023)	New Rule (as of Jan 1, 2023)
Initial Enrollment Period	If you enroll...		
	... anytime between June 1 and August 31	September 1	September 1
	... September 1 through September 30	October 1	October 1
	... October 1 through October 31	December 1	November 1
	... November 1 through November 30	February 1	December 1
	... December 1 through December 31	March 1	January 1

BENES Act (General Election Period)

	If you enroll...	Effective Date will be...	
		Current Rule (until January 2023)	New Rule (as of Jan 1, 2023)
General Election Period	... during the General Election Period of January 1 through March 31. <i>(This General Election Period is for</i>	July 1	1st of the month following enrollment

BENES Act (GEP Example)

Example: Enrolling during the General Election Period

	If you enroll...	Effective Date will be...	
		Current Rule (until January 2023)	New Rule (as of Jan 1, 2023)
General Election Period	... January 1 through January 31	July 1	February 1
	... February 1 through February 28/29	July 1	March 1
	... March 1 through March 31	July 1	April 1

Telehealth extension for Medicare beneficiaries

- Telehealth flexibility under the Cares Act expired in December 2021.
- Under the recently passed Omnibus agreement signed by the President, telehealth was extended until the end of this year.
- NAHU will be seeking a permanent extension.

Joe Namath and marketing

- Marketing has become a nightmare for agents and their clients.
- NAHU has raised concerns with CMS for 2 years.
- CMS is aware of the problem but doesn't seem to know how to address the issue.
- CMS recently proposed new regulations to deal with the problem, but does it? Are we headed for a Scope 2.0?
- NAHU has requested they delay this provision of the rule in favor of further stakeholder discussions ahead of any final rule.



How Active Involvement Shapes the Future of Medicare

NAHU – Why membership matters

- Removal of 48 hour rule with Scope of Appointment
 - Through the years, NAHU has worked with CMS to reduce the burden caused by the SOA.
 - Following Hurricane Sandy, NAHU connected CMS with NJAHU and other affected chapters to work out a plan to continue enrollment during the AEP.
 - These rules continue today under declared emergencies which preserves your ability to enroll and earn commission.

NAHU – Why membership matters (con't)

- Medicare OEP
 - The ACA took away the OEP and replaced it with a disenrollment period.
 - Five years later, the OEP was reinstated in a provision included under the 21st Century Cures Act.
 - NAHU is actively seeking support for an OEP for Part D plan beneficiaries.

Relief from regulatory overreach – why relationships matter

- CMS was preparing a new rule which included a provision (120.4.4) that targeted FMO overrides.
- Through our relationship with the Administration, NAHU got the provision pulled ahead of the final rule.



- Course was written by agents for agents
- ***New for 2022!* 12 months of cutting-edge Medicare-related programming at no additional cost**
- Designed not just to check the training box but to provide real value to you in your business every day
- **Standard cost is \$100**
- Convenience of a private online library accessible 24/7 with easy navigation
- **Free CE credits**
- Certification logo to market your accomplishment

Medicare Plan Finder



NAHU Resources

■ Medicare Web Portal

- Compliance
- Legislative news
- Newsletters
- NAHU Medicare brochures
- FMO Council
- Medicare Advisory Council
- Medicare Summits



NAHU is the only trade organization representing professional agents and brokers who work with Medicare beneficiaries and Medicare products. A long history of working on Medicare issues on Capitol Hill has resulted in strong relationships with legislators. In addition, growing influence with the Center for Medicare and Medicaid Services (CMS) makes NAHU your valued choice for advocacy and professional development.

Cutting Edge Information!



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HEALTHCARE HAPPY HOUR

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Coronavirus Information

NAHU has been keeping you informed about the coronavirus. Click on the banner to learn more.

[KEY MESSAGE](#)

COVID-19 HEALTH CARE
2020 VIRAL ANALYSIS
CORONAVIRUS INFO



NAHU NEWSWIRE

INDUSTRY HEADLINES

Smart benefits. Certain wellness program incentive limits eliminated Jan. 1

Annoying robo-calls are at 'systemic levels' for health plans enrollment season

Commercial, managed care insurance sectors profit boom in Q3



NAHU WASHINGTON UPDATE

November 8, 2018

Fact Facts

- As a result of Congress' reform efforts, thousands of state health care employees and Washington state's 100,000 health care employees have been impacted by the new law.
- Several states have passed measures to address the impact of the new law on health care employees.
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ACA Prime Reporting

Medicare Disabled Benefits in 2018 Government and Opportunity to Advance NAHU's Priorities

NAHU Seeks Report of Justice and Pension Taxes in Late 2018

Healthcare Happy Hour: Can Divided Government Achieve Compromise in Healthcare ahead of 2019?

State Spotlight: Utah, Idaho and Nebraska Vote in Favor of Medicaid Expansion



Strength in Numbers! We are Stronger Together

- Neither political party has your back:
 - Some Democrats are pushing for Medicare buy-in and/or Medicare for All.
 - Some Republicans would eliminate first dollar coverage in Medigap and redesign Medicare by combining deductibles into a single deductible.
 - NAIC regulations split the difference.
 - Carriers offer plans for you to sell, but don't represent agent interests.

Questions?



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