

## 2007 Medicare Products

### Introduction

The Health Care Delivery Policy Program at Harvard University's John F. Kennedy School of Government's Mossavar-Rahmani Center for Business and Government studies products offered by the United States Centers for Medicare and Medicaid Services (CMS). Sources of information include CMS publications and articles from newspapers, magazines, journals and reports from governmental sources, agencies, foundations and consultants. Original articles and presentations by the Health Care Delivery Policy Program are also included in the research. In 2007, there were an estimated 42.5-44 million Medicare beneficiaries in the United States.

This report includes a description of each product, along with information on eligibility criteria, covered benefits and costs. The products tracked for this report were available as of July 2007. We have included products on the market since 2003; those not available anymore are displayed in *gray*. Proposed products not yet available are displayed in *blue*. The chart includes products that incorporate elements of both Medicare and Medicaid, and Medicare products with a private/commercial component.

Medicare products included in this report are:

- *Approved Drug Discount Card*
- Cost Plan
- Demonstration Plan
- Extra Help
- HMO (Health Maintenance Organization)
- MSA (Medical Savings Account)
- Part A (Inpatient Services)
- Part B (Outpatient Services)
- Part C (Medicare Advantage)
- Part D (Prescription Drug Coverage)
- *Part E (Medicare Extra)*
- PFFS (Private Fee for Service Plan)
- PPO (Preferred Provider Organization)
- PSO (Provider Service Organization)
- Savings Program
- SELECT
- Special Needs Plan
- Medigap
- Original Medicare Plan
- PACE (Program of All-Inclusive Care for the Elderly)

Product	Description	Eligibility	Coverage	Costs
Medicare Approved Drug Discount Card	A temporary plan between 2004-6 that helped people with Medicare get discounts on prescription medications. There were over 30 approved cards. This was superceded by Medicare Part D.	<ul style="list-style-type: none"> <li>● Had to be enrolled in a Medicare plan</li> </ul>	<ul style="list-style-type: none"> <li>● Prescription medications, including generics</li> <li>● Through nationally or regionally CMS approved sponsors or by special endorsements</li> </ul>	<ul style="list-style-type: none"> <li>● Annual enrollment fees of \$0-\$30, based on sponsor</li> <li>● 10%-75% discount off the cost of prescription medications</li> <li>● &lt;\$600 cost assistance</li> </ul>
Medicare Cost Plan	A type of health maintenance organization (HMO) Medicare Advantage plan. Participants can use primary care doctors, specialists and hospitals on the plan's list. Services from a non-network provider are covered under the Original Medicare Plan. One can join a Medicare Cost Plan anytime it's accepting new members and can leave a Medicare Cost Plan anytime and return to the Original Medicare Plan.	<ul style="list-style-type: none"> <li>● 3 months before/after the month one becomes 65</li> <li>● 3 months before/after the 25th month of cash disability benefits</li> <li>● Limited geographic areas</li> <li>● Must have Part B</li> <li>● End-stage renal disease patients may not enroll (but may retain benefits if enrolled). Patients with successful kidney transplants may be eligible.</li> </ul>	<ul style="list-style-type: none"> <li>● Physician, hospital care, emergency and urgent care</li> <li>● Some post-stabilization services</li> <li>● Mammography</li> <li>● Pap tests</li> <li>● Influenza vaccinations</li> <li>● Skilled nursing facility care</li> <li>● May include prescription medication coverage</li> </ul>	<ul style="list-style-type: none"> <li>● The Medicare Payment Advisory Commission (MedPAC) used MN as a cost example for a Medicare Cost Plan in 2003. There was a \$202 monthly premium, a \$500 limit on brand name medications and an \$11 copay for generic medications.<sup>13</sup></li> </ul>
Medicare Demonstration Plan	Projects that test possible future improvements in Medicare coverage, costs, and quality. Many demonstrations have a set time limit and some become permanent programs. These may also be called Pilot Programs or Plans.	<ul style="list-style-type: none"> <li>● Specific groups of people determined by the Medicare program</li> <li>● Hospitals, physicians, insurance companies and/or patients</li> </ul>	<p><i>Note - Some of these plans may no longer be active.</i></p> <ul style="list-style-type: none"> <li>● ESRD Management Demonstration</li> <li>● Hospital Quality Reporting and Incentive Data Demonstrations</li> <li>● MMA 2003 Demonstration</li> <li>● Medicare Premier Demonstration</li> <li>● Hospice Demonstration</li> <li>● DME Demonstration</li> <li>● CABG Demonstration</li> <li>● Medicare PPO Demonstration</li> </ul>	<ul style="list-style-type: none"> <li>● The Medicare PPO Demonstration was a 3-year demonstration started in 2003. Most plans charged premiums between \$32-\$184 per month.<sup>8</sup></li> </ul>

Product	Description	Eligibility	Coverage	Costs
Medicare Extra Help	Extra help paying Part D prescription medication costs.	<ul style="list-style-type: none"> <li>• Automatically qualify if you belong to Medicaid and/or a Medicare Savings Program, or get Supplemental Security Income (SSI) benefits</li> <li>• Single with income less than \$15,315 or resources less than \$11,710. Married with income less than \$20,535 or resources less than \$23,410. <sup>17</sup></li> <li>• Higher income thresholds for AL and HI. Territories have their own rules.</li> </ul>	<ul style="list-style-type: none"> <li>• Generic and brand name prescription medications</li> </ul>	<ul style="list-style-type: none"> <li>• UnitedHealthcare found an average savings of \$2,100 in 2007 for participants in Extra Help, with copays ranging from \$0-\$5.35 per drug. <sup>26</sup></li> </ul>
Medicare HMO (Health Maintenance Organization)	A type of Medicare Advantage plan. One generally must get care from primary care doctors, specialists, or hospitals on the plan's list, except in an emergency. Medicare HMOs include HMOPOS (Health Maintenance Organization with a Point-of-Service Option) and SHMO (Social HMOs)	<ul style="list-style-type: none"> <li>• Eligibility begins 3 months before and after the month one turns age 65</li> <li>• If a person qualifies for Medicare due to disability, can join 3 months before and after the 25<sup>th</sup> month of cash disability benefits</li> <li>• People with end-stage renal disease may not enroll (but may retain benefits if already enrolled). Those with ESRD with a successful kidney transplant may be eligible to enroll.</li> </ul>	<ul style="list-style-type: none"> <li>• Hospital, physician services, primary care services, emergency and urgent care services</li> <li>• Specialist care with PCP referral</li> <li>• Annual mammogram</li> <li>• Bi-annual preventive women's care visit</li> <li>• Eyeglasses</li> <li>• Home health care when medically necessary</li> <li>• Most nursing home care</li> <li>• Chiropractic care when medically necessary</li> <li>• May include prescription drug coverage</li> </ul>	<ul style="list-style-type: none"> <li>• In 2007, Massachusetts Medicare HMOs monthly consolidated premiums ranged between \$0-\$159, monthly drug premiums between \$19.20-\$58.50 and annual drug deductibles between \$0-\$265. <sup>15</sup></li> </ul>

Product	Description	Eligibility	Coverage	Costs
Medicare MSA (Medical Savings Account)	Originally a demonstration plan between 1999-2003, MSAs became available again in January 2007. A type of Medicare Advantage plan, MSA Plans have two parts: a high-deductible Medicare Advantage MSA Health Plan and a Medical Savings Account into which Medicare deposits money that may be used to pay health care costs. MSA plans won't begin to pay covered costs until the participant meets the annual deductible.	<ul style="list-style-type: none"> <li>Those eligible for Part A and/or Part B</li> </ul>	<ul style="list-style-type: none"> <li>All Medicare Part A and Part B benefits, no Part D benefits</li> <li>Some preventive services</li> </ul>	<ul style="list-style-type: none"> <li>Part B premium (\$93.50 in 2007)</li> <li>For Regular MSA Plans, the maximum yearly deductible in 2007 was \$9,500.<sup>23</sup></li> <li>For Demonstration Plans: the minimum yearly deductible was \$2,000 in 2007. There could be a limit on out-of-pocket costs less than \$9,500. The enrollee may have a coinsurance or copay after meeting the deductible below \$9,500.<sup>23</sup></li> </ul>
Medicare Part A (Inpatient Services)	Covers medically necessary inpatient services. Part of the Original Medicare Plan. Most people who buy Medicare Part A are required to also buy Medicare Part B.	<ul style="list-style-type: none"> <li>Eligibility begins 3 months before and after the month one turns age 65</li> <li>If due to disability, can join 3 months before and after the 25<sup>th</sup> month of cash disability benefits</li> </ul>	<ul style="list-style-type: none"> <li>Inpatient care</li> <li>Critical access hospitals</li> <li>Skilled nursing facilities for up to 100 days per spell of illness following a 3+ day hospital stay</li> <li>Some hospice and home health care</li> <li>Blood, as an inpatient</li> <li>Inpatient psychiatric care, to 190 days per lifetime</li> </ul>	<ul style="list-style-type: none"> <li>There is a \$0 premium Part A for those eligible (most beneficiaries)<sup>19</sup></li> <li>The maximum premium for people who weren't eligible for premium-free Part A was \$410 per month in 2007.<sup>17</sup> The maximum premium was \$393 in 2006.<sup>19</sup></li> </ul>
Medicare Part B (Outpatient Services)	Covers medically necessary outpatient services. Part of the Original Medicare Plan.	<ul style="list-style-type: none"> <li>Eligibility begins 3 months before and after the month one turns age 65</li> <li>If a person qualifies for Medicare due to disability, can join 3 months before and after the 25<sup>th</sup> month of cash disability benefits</li> </ul>	<ul style="list-style-type: none"> <li>Ambulance services</li> <li>Physician services and outpatient care</li> <li>Some preventive services (e.g., bone mass, cardiovascular, diabetes, glaucoma, colorectal, pelvic, breast and prostate cancer tests)</li> <li>Some immunizations (e.g., flu, hepatitis B)</li> </ul>	<ul style="list-style-type: none"> <li>Beneficiaries with adjusted gross incomes of \$80,000 (single) and \$160,000 (joint) pay higher Part B premiums.<sup>27</sup> Premiums ranged from \$93.50-\$161.40 in 2007, based on income.<sup>17</sup></li> <li>There is a 10% annual lifetime penalty if one didn't sign up for Part B when first eligible.</li> </ul>

<p>Medicare Part B (continued)</p>			<ul style="list-style-type: none"> <li>● Some ambulatory surgery center facility fees</li> <li>● Clinical laboratory services</li> <li>● Durable medical equipment</li> <li>● Some physical and occupational therapy and outpatient mental health care</li> <li>● Some chiropractic services, clinical trials costs, eyeglasses and cancer prescription drugs</li> <li>● Some health care</li> <li>● Blood, as an outpatient</li> <li>● Smoking cessation counseling</li> <li>● 2nd (sometimes 3rd) surgical opinion</li> <li>● Some telemedicine and travel expenses</li> <li>● Some transplants</li> <li>● “Welcome to Medicare” physical within first 6 months of enrollment</li> </ul>	
<p>Medicare Part C – Medicare Advantage (MA)</p>	<p>Formerly “Medicare + Choice” or “Medicare Coordinated Care Program”. Medicare Advantage is offered by a private company that contracts with Medicare to provide Part A and B benefits, and usually Part D. Includes HMOs, PPOs, Special Needs Plans and FFS Plans. Beneficiaries may switch plans each year between 11/15-12/31, and in certain situations may be able to switch plans at other times.</p>	<ul style="list-style-type: none"> <li>● Eligibility begins 3 months before and after the month one turns age 65</li> <li>● People with a disability can join 3 months before and after the 25<sup>th</sup> month of cash disability benefits</li> <li>● Must have Part A and B</li> <li>● Not available in all states</li> <li>● ESRD patients may not enroll (but may retain benefits if enrolled). Those with a successful kidney transplant may be eligible.</li> </ul>	<ul style="list-style-type: none"> <li>● Benefits covered under Medicare Part A and B</li> <li>● May include prescription medication coverage</li> </ul>	<ul style="list-style-type: none"> <li>● Monthly Part B premium of \$78.20 in 2005, \$88.50 in 2006. Premiums ranged from \$93.50-\$161.40 in 2007, based on income. <sup>17</sup></li> <li>● AARP reported an average annual out of pocket cost of \$1,917 in 2005. <sup>12</sup></li> <li>● In 2006, the estimated average out-of-pocket cost for hospital and physician services in a Medicare Advantage plan was \$268. Costs ranged between \$72-\$1,656, depending on plan and health status. <sup>7</sup></li> </ul>

Product	Description	Eligibility	Coverage	Costs
<p>Medicare Part D - Prescription Drug Coverage</p>	<p>Medicare Part D replaced prescription medication coverage under existing Medicare and Medicaid plans in 2006. Part D is a stand-alone plan, offered by insurance and other private companies to cover prescription medication costs.</p>	<ul style="list-style-type: none"> <li>• Everyone with Medicare is eligible</li> <li>• Eligibility begins 3 months before and after the month one turns age 65</li> <li>• If a person qualifies for Medicare due to disability, can join 3 months before and after the 25th month of cash disability benefits</li> <li>• Dual eligibles for Medicare and Medicaid are automatically enrolled.</li> <li>• Every year (between 11/15-12/31), people can switch to a different Medicare drug plan if needs change</li> </ul>	<ul style="list-style-type: none"> <li>• Prescription medications, including generics</li> <li>• Catastrophic coverage once total out of pocket drug costs reach \$3,850</li> </ul>	<ul style="list-style-type: none"> <li>• Premiums, deductibles and co-pays</li> <li>• In some plans, once costs reach a coverage limit, the beneficiary pays 100% of prescription costs until a certain amount is reached out-of-pocket. This gap was generally between \$2,400-\$3,850 in 2007. <sup>28</sup></li> <li>• Not joining a Medicare drug plan when first eligible followed by 63 days without coverage usually results in an annual late enrollment penalty (1% of the premium). <sup>17</sup></li> <li>• The average annual deductible was between \$0-\$265 in 2007. <sup>28</sup></li> <li>• The Part D National Average Benchmark Premium was \$27.35 in 2007. <sup>17</sup></li> <li>• Average premiums were projected at \$32-37.5 a month in 2005. <sup>25</sup></li> </ul>
<p>Medicare Part E (Medicare Extra)</p>	<p>Proposed Medicare Cost Plan with comprehensive benefit with carriers approved by CMS <sup>5</sup></p> <p>Windsor "Medicare Extra" was the only <i>such named</i> plan found to date on the Medicare website. This plan is listed by Medicare as a (Part D) Special Needs Plan, which is more closely aligned with "Medicare Extra Help" than the proposed Part E "Medicare Extra".</p>	<ul style="list-style-type: none"> <li>• Everyone eligible for Medicare may enroll if the plan is made available</li> <li>• It was proposed to automatically enroll beneficiaries in Medicare Extra (unless they actively chose either traditional Medicare basic coverage or Medicare Advantage)</li> </ul>	<p><i>Note: This plan has been proposed and is not currently available. The following services were proposed:</i></p> <ul style="list-style-type: none"> <li>• Prescription medication coverage</li> <li>• Hospital and physician services</li> <li>• Home health care</li> <li>• Skilled nursing facility care</li> </ul>	<ul style="list-style-type: none"> <li>• Proposed \$250 annual deductible, 25% coinsurance, \$3,000 ceiling. Anticipated annual beneficiary premium of \$1,103 <sup>5</sup></li> </ul>

Product	Description	Eligibility	Coverage	Costs
<p>Medicare PFFS (Private Fee for Service Plan)</p>	<p>A component of Medicare Advantage. Private FFS contracts are now called Local MA plans as a result of the MMA of 2003. PFFS plans have been offered since 2000. One can go to any primary care doctor, specialist, or hospital that accepts the terms of the plan's payment. The private company, rather than Medicare, decides how much it will pay and how much the beneficiary pays.</p>	<ul style="list-style-type: none"> <li>• Participants with both Part A and Part B are eligible. Eligibility begins 3 months before and after the month one turns age 65</li> <li>• If a person qualifies for Medicare due to disability, can join 3 months before and after the 25th month of cash disability benefits</li> <li>• People with end-stage renal disease may not enroll (but may retain benefits if enrolled). Those with a successful kidney transplant may be eligible.</li> <li>• Only available in some geographic areas</li> </ul>	<ul style="list-style-type: none"> <li>• All services covered under Medicare Part A and B</li> <li>• May pay for extra days in the hospital</li> <li>• Services available outside of service area</li> <li>• May provide prescription medication coverage</li> <li>• May provide additional benefits, such as skilled nursing facility and home health care, outpatient therapy, ambulance trips, diagnostic testing, durable medical equipment, hearing, vision and physical exams, and foreign travel emergency or urgent care</li> <li>• Services that Medicare considers "medically necessary"</li> </ul>	<ul style="list-style-type: none"> <li>• Must pay Part B premium and may have to pay an additional PFFS premium. Part B premiums ranged from \$93.50-\$161.40 in 2007, based on income.<sup>17</sup></li> <li>• Providers may charge 15% over the plan's payment for services.</li> <li>• Average copayment \$10-\$20 for each doctor visit in 2005.<sup>10</sup></li> <li>• In 2007, Kaiser Family Foundation found monthly premiums for Wisconsin PFFS plans ranging from \$0-\$99, with out-of-pocket limits between \$1,500-\$5,000. There were also copays of \$100-\$500 per day for inpatient care.<sup>24</sup></li> </ul>
<p>Medicare PPO (Preferred Provider Organization)</p>	<p>A component of Medicare Advantage. One can go to any doctor, specialist, or hospital not on the plan's list, but it will usually cost extra.</p> <p>CMS began Regional Preferred Provider Organizations (RPPOs) for 2006. Regional PPOs limit out-of-pocket costs but may have higher deductible and/or premium.</p>	<ul style="list-style-type: none"> <li>• Eligibility begins 3 months before and after the month one turns age 65</li> <li>• If a person qualifies for Medicare due to disability, can join 3 months before and after the 25th month of cash disability benefits</li> <li>• People with end-stage renal disease may not enroll (but may retain benefits if enrolled). Those with a successful kidney transplant may be eligible.</li> </ul>	<ul style="list-style-type: none"> <li>• Hospital and physician services</li> <li>• Specialist care</li> <li>• May provide prescription medication coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Must pay Part B premium and additional PPO premium. Part B premiums ranged from \$93.50-\$161.40 in 2007, based on income.<sup>17</sup></li> <li>• In 2003 average monthly out-of-pocket costs were \$391. M+Choice PPOs average out-of-pocket costs were \$340.<sup>14</sup></li> <li>• Between 2003-5, most plans charged premiums between \$32-\$184 per month.<sup>8</sup></li> <li>• PPO Part C and D premiums in DE and MA ranged from \$82-\$182 in 2007.<sup>15</sup></li> </ul>

Product	Description	Eligibility	Coverage	Costs
Medicare PSO (Provider Sponsored Organization)	<p>A component of Medicare Advantage, PSOs started as a 1998 demonstration project. PSOs are a group of doctors, hospitals, and providers that agree to give health care to Medicare beneficiaries for a set amount of money. The doctors and providers administer the plan.</p>	<ul style="list-style-type: none"> <li>• Eligibility begins 3 months before and after the month one turns age 65</li> <li>• If a person qualifies due to disability, can join 3 months before and after the 25th month of cash disability benefits</li> <li>• People with ESRD may not enroll (but may retain benefits). Those with a successful kidney transplant may be eligible</li> <li>• Only available in certain geographic areas</li> </ul>	<ul style="list-style-type: none"> <li>• Medicare Part A and Part B services</li> <li>• May include prescription medications</li> <li>• May include extra benefits, such as wellness programs</li> </ul>	<ul style="list-style-type: none"> <li>• CMS approved one PSO contract in 2005. Preferred Care Partners, Inc. of FL offered a \$0 premium PSO in 2005. In 2007, Preferred Care Partners PSO Health Plan had a \$0 premium and \$0 deductible.<sup>15</sup></li> <li>• Other PSOs available in 2007 were MedicareMax Direct (FL), with \$0 hospital, home health and skilled nursing facility copay and \$0-\$25 copay for Part D prescription drugs; Touchstone Health Partners (NY) with premiums between \$0-\$50.<sup>15, 20</sup></li> </ul>
Medicare Savings Program	<p>Formerly called Medicare Cost Sharing Program or Buy-In Program. State programs subsidize Medicare deductibles, coinsurance and premiums through Medicaid funds. These programs were enacted in 1986.</p> <p>There are four Medicare Savings Programs:</p> <ul style="list-style-type: none"> <li>• Qualified Medicare Beneficiary (QMB)</li> <li>• Specified Low-Income Medicare Beneficiary (SLMB)</li> <li>• Qualifying Individual (QI)</li> <li>• Qualified Disabled &amp; Working Individuals (QDWI)</li> </ul>	<ul style="list-style-type: none"> <li>• Must have Part A, unless one has a disability and lost Medicare benefits through return to work</li> <li>• Special Medicare Savings Programs available for African Americans, American Indians, Alaska Natives, Asian Americans and Pacific Islanders.</li> <li>• For 2007, QMBs with incomes below 100% of the poverty level and assets below \$4,000 (individuals) or \$6,000 (couples), or individuals with monthly incomes less than \$871, or couples with monthly incomes less than \$1,161. Thresholds are higher for the SLMB, QI and QDWI programs.<sup>9</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Savings on some Medicare Part A, B and C expenses, including deductibles, premiums and coinsurance</li> <li>• May include savings on prescription medications</li> </ul>	<ul style="list-style-type: none"> <li>• In 2007, some Medicare Savings Programs helped people save at least \$93.50 per month (by paying their Part B Premium)<sup>21</sup></li> </ul>

Product	Description	Eligibility	Coverage	Costs
Medicare SELECT	A Medigap policy where one must use specific hospitals and, in some cases, specific doctors to get full benefits (except for emergency care). The plan began as a demonstration in 1990 and was made permanent in 1998.	<ul style="list-style-type: none"> <li>• Must be enrolled in the original Medicare Plan</li> <li>• Available in limited geographic areas</li> </ul>	<ul style="list-style-type: none"> <li>• Medigap covered benefits</li> <li>• Hospital, physician, emergency, urgent care</li> <li>• May offer preventive care and case management services and nurse advice lines</li> <li>• May offer skilled nursing and at-home recovery services</li> <li>• May offer prescription drug coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Costs can vary by age of beneficiary.</li> <li>• In 2007, Medicare Select Plans in CO monthly consolidated premiums ranged between \$10-\$268.60, monthly drug premiums between \$27.30-\$76.80 and annual drug deductibles between \$0-\$265. Four plans were offered in CA in 2007, all without premiums or deductibles. <sup>15</sup></li> </ul>
Medicare Special Needs Plan	Provides Medicare health care and services to people who can benefit most from special expertise of the plan's providers and focused care management. This program's authorization is slated to expire on December 31, 2008.	<ul style="list-style-type: none"> <li>• People in certain long-term care facilities (like a nursing home), eligible for both Medicare and Medicaid, or with certain chronic or disabling conditions, like end stage renal disease. <sup>17</sup></li> <li>• Not available in AL, MT, NH, VT, WV, WY, American Samoa, Guam, Northern Mariana Islands or Virgin Islands <sup>22</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Part A, Part B and Prescription drug coverage</li> <li>• May include focused special education or counseling, nutrition and exercise programs</li> <li>• Focused care management</li> <li>• May include help with accessing community resources</li> </ul>	<ul style="list-style-type: none"> <li>• 2005 monthly premiums for Medicare Special Needs plans ranged between \$0.03 (FL) and \$79.62 (OR) <sup>22</sup></li> <li>• In 2007, total premiums for selected Special Needs Plans included: CT (\$0-\$27.30), KS (\$26.20), NJ (\$23.50-\$125.90), NM (\$21-\$21.20) and OH (\$25.90-\$28.50) <sup>22</sup></li> </ul>
Medigap	A Medicare supplemental insurance policy sold by private insurance companies to fill "gaps" in Original Medicare Plan coverage. Except in Massachusetts, Minnesota, and Wisconsin, there are 12 standardized plans labeled Plan A through Plan L.	<ul style="list-style-type: none"> <li>• Must be 65 or over</li> <li>• Must be enrolled in Medicare Part A and B</li> <li>• Spouses must buy separate Medigap policies</li> <li>• Those enrolled in Medicare Advantage may not buy a Medigap policy</li> <li>• Most Medicaid enrollees may not buy Medigap policies</li> </ul>	<ul style="list-style-type: none"> <li>• Services not covered under the Original Medicare Plan</li> <li>• Blood</li> <li>• Some emergency health care outside the US</li> <li>• Some mental health services, hospice/skilled nursing facility care, at home recovery</li> <li>• Some preventive services</li> </ul>	<ul style="list-style-type: none"> <li>• Must pay Part B premium (\$78.20 in 2005 and \$88.50 in 2006). Part B premiums ranged from \$93.50-\$161.40 in 2007, based on income. <sup>17</sup></li> <li>• Monthly premiums may vary by insurance company and by Medigap policy. Sample monthly premiums ranged between \$120-\$177 in 2007. <sup>2</sup></li> </ul>

Product	Description	Eligibility	Coverage	Costs
Original Medicare Plan	Includes Part A (Hospital Insurance) and may include Part B (Medical Insurance). A fee-for service health plan that lets enrollees go to any doctor, hospital, or other health care supplier who accepts Medicare and is accepting new Medicare patients.	<ul style="list-style-type: none"> <li>• Eligibility begins 3 months before and after the month one turns age 65</li> <li>• If a person qualifies for Medicare due to disability, can join 3 months before and after the 25th month of cash disability benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Physician, hospital, emergency, urgent care, skilled nursing facility, home health care services</li> <li>• Ambulance services</li> <li>• Chiropractic services</li> <li>• Durable medical equipment, prosthetics, surgical dressing, eyeglasses</li> <li>• Diagnostic tests, clinical trials</li> <li>• Preventive screenings, foot exams/treatment, hearing/balance exams, diabetic self-management</li> <li>• Kidney dialysis services</li> <li>• Medical nutrition therapy</li> <li>• Some mental health care</li> <li>• Some second opinions</li> <li>• Some blood</li> <li>• Some telemedicine</li> <li>• Healthcare in US territories and when traveling between Alaska and Canada.</li> </ul>	<ul style="list-style-type: none"> <li>• Must pay Part A premium (\$0-\$410 in 2007). Must pay Part B premium (\$78.20 in 2005 and \$88.50 in 2006). Part B premiums ranged from \$93.50-\$161.40 in 2007, based on income.<sup>17</sup></li> <li>• Deductibles (\$131 annually for Part B covered services in 2007), copayments and coinsurance.<sup>17</sup></li> <li>• 2007 costs included: \$992 for days 1-60 of hospital stay each benefit period, \$124 for days 21-100 in a skilled nursing facility for each benefit period.<sup>17</sup></li> </ul>

Product	Description	Eligibility	Coverage	Costs
<p>PACE (Program of All-inclusive Care for the Elderly)</p> <p>There is also a Needs Enhancement Tier (PACENET)</p>	<p>PACE began as demonstration program in 1990 and combines medical, social, and long-term care services. PACE is a joint program of Medicare and Medicaid.</p> <p>PACENET provides benefits to seniors with higher incomes than those who participate in PACE.</p>	<ul style="list-style-type: none"> <li>● “Frail” elderly people <sup>17</sup></li> <li>● Beneficiaries must voluntarily enroll</li> <li>● Must be at least 55 years of age</li> <li>● Must be screened by a team of doctors, nurses, and other health professionals as meeting that state’s nursing facility level of care.</li> <li>● At the time of enrollment, must be able to safely live in a community setting</li> <li>● Not available in all states</li> </ul>	<ul style="list-style-type: none"> <li>● Medicare and Medicaid services</li> <li>● Adult day health center services</li> <li>● Medical and hospital care</li> <li>● Social services</li> <li>● Long term care</li> <li>● Respite care</li> <li>● Prescription drug coverage. PACE is considered “credible” coverage, and enrollees do not need to have Part D, but are encouraged to enroll in Part D in addition to PACE.</li> <li>● Primary care services, restorative therapies, personal care, supportive services, nutritional counseling, recreational therapy and meals.</li> <li>● Some home health care, in-home and other referral services</li> <li>● Any service deemed necessary by the PACE team</li> </ul>	<ul style="list-style-type: none"> <li>● Enrollees may have a monthly premium.</li> <li>● In Pennsylvania, PACE contained no deductible in 2005; in PACENET there was a \$40 monthly deductible. Copayments under PACE were \$6 for generics and \$9 for brand-name drugs, and in PACENET \$8 and \$15 in 2005. <sup>6</sup></li> <li>● The Pennsylvania Health Law Project reported monthly PACE premiums between \$14.80-\$30.30 in 2007. <sup>4</sup></li> </ul>

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