

COVID Rapid At-Home Test Kits and Medicare – The Benefit is Coming

During the Omicron outbreak members have asked whether Medicare provides free rapid at-home COVID tests. Unfortunately, the answer is no.

Medicare was not originally included in the federal mandate requiring insurers to cover a select number of at-home COVID tests. Unlike folks with private insurance, Medicare beneficiaries are not able presently to get reimbursed by Medicare for the cost of at-home tests that they might purchase from a pharmacy.

The laws governing Medicare don't provide for self-administered diagnostic tests, which is precisely what the rapid antigen tests are and why they are an important tool for containing the pandemic. In

traditional Medicare, beneficiaries can get rapid antigen or PCR diagnostic tests without paying anything out-of-pocket if the test is ordered by a doctor or other health care provider and performed in a lab.

For many folks on Medicare this has been a troubling exclusion because people over age 65, and those who are younger and on Medicare due to a disability, fall into a high-risk category for COVID and risk serious illness if they are infected. Therefore, having the ability to test oneself and get an instant result is really important. Not everyone has the ability to go wait in line at a clinic or a urgent care for hours to get tested, especially if they are already exhibiting symptoms and are not feeling well.



Recently, a group of 19 Democratic senators wrote to Department of Health and Human Services and Centers for Medicare and Medicaid Services' leadership to seek answers about the lack of testing reimbursement. They successfully pressured the Biden administration to go further in its efforts to expand COVID-19 testing and requested that Medicare somehow reimburse beneficiaries who purchase the tests.

"Seniors and people with disabilities enrolled in Medicare are at the highest risk of severe illness from COVID-19, and people over 65 account for nearly three-quarters of all deaths from the virus," the letter led by Sen. Debbie Stabenow, D-MI,

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Medicare Update

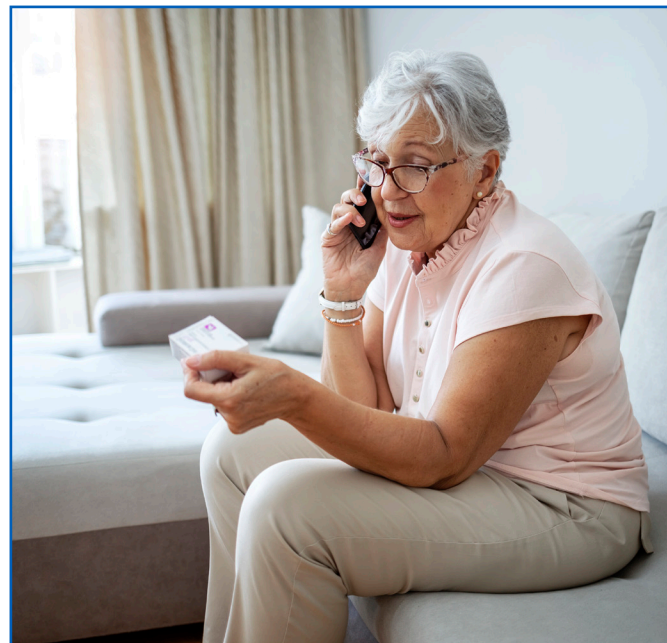
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read. “The current policy leaves them on the hook for potentially significant out-of-pocket costs.”

As a result of their appeal, CMS recently announced that, “People in either Original Medicare or Medicare Advantage will be able to get over-the-counter COVID-19 rapid tests at no cost starting in early spring. Under the new initiative, Medicare beneficiaries will be able to access up to eight over-the-counter COVID-19 tests per month for free. Tests will be available through eligible pharmacies and other participating entities. This policy will apply to COVID-19 over-the-counter tests approved or authorized by the U.S. Food and Drug Administration.

This is the first time that Medicare has covered an over-the-counter test at no cost to beneficiaries. There are a number of issues that have made it difficult to cover and pay for over-the-counter COVID-19 tests. However, given the importance of expanding access to testing, CMS has identified a pathway that will expand access to free over-the-counter testing for Medicare beneficiaries. This new initiative will enable payment from Medicare directly to participating pharmacies and other participating entities to allow Medicare beneficiaries to pick up tests at no cost. CMS anticipates that this option will be available to people with Medicare in the early spring.”

Details are being worked on and will be forthcoming. For now, Medicare beneficiaries can get a free at-home COVID test kit on the federal website www.COVIDtests.gov. Medicare beneficiaries can also get at-home COVID tests at Medicare Certified Health Clinics and community health centers, when they are available.



If you do decide to purchase a supply of rapid tests and pay out of pocket, be aware that scammers are selling unauthorized rapid tests or have zero inventory. CMS has reported, “With home COVID-19 tests at the top of Americans’ shopping lists as the Omicron variant continues to spread, scammers are taking advantage of unsuspecting consumers. The scams can take different forms. Some fraudsters pretending to be genuine merchants are hawking unauthorized rapid tests, while others have no merchandise on hand and just want to take your money and run.”

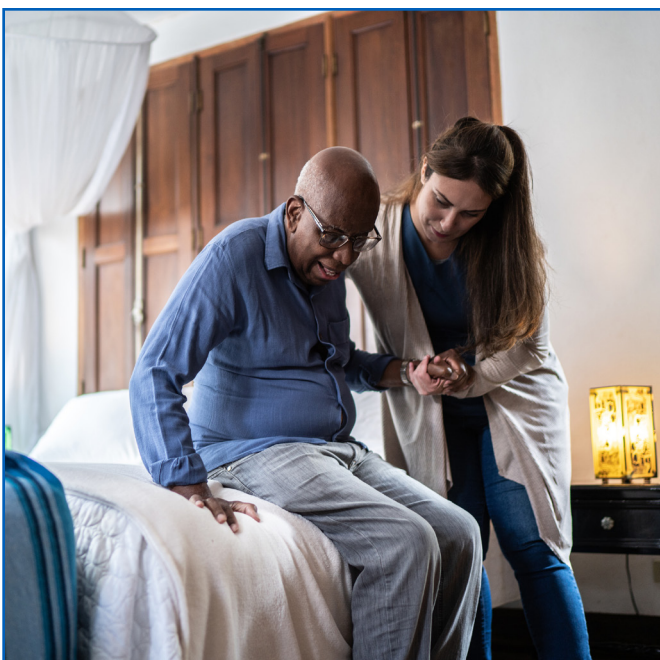
Medicare Update

You Now Have the Right to Appeal Observation Status

Recently, a federal appeals court ruled that Medicare must provide appeal procedures for hospitalized beneficiaries who are reclassified from “inpatients” to “outpatients receiving observation services.”

In a decision issued in late January, the U.S. Court of Appeals for the Second Circuit found that the Medicare program violates the due process rights of beneficiaries by failing to provide any recourse for patients who are admitted to the hospital as inpatients but whose status is then changed through a hospital’s “utilization review” process. The court found that, “Medicare strictly regulates those patient status determinations and places strong pressure on hospitals to follow its rules. The decision to reclassify a hospital patient from an inpatient to one receiving observation services may have significant and detrimental impacts on (the patient’s) financial, psychological, and physical well-being.” The court held that class members have a constitutional right to appeal to Medicare.

One of the key consequences of an “observation” designation is the non-coverage of skilled nursing facility/ nursing home care. Such coverage is available only if a beneficiary has been hospitalized for at least three days as an “inpatient.” Even though a patient may spend three days in the hospital and receive the same level of care as someone classified as an “inpatient,” their care has been designated as “outpatient receiving observation services” so they lack the three-day “inpatient” hospitalization that is required for skilled nursing facility coverage.



Alice Bers, litigation director of the Center for Medicare Advocacy, said, “The court recognized that this case is about fundamental fairness. Many older adults and people with disabilities will now have the opportunity to appeal to Medicare for inpatient coverage of their hospital and nursing home services – coverage that can make the difference between getting critical health care and going without.” The class is estimated to contain hundreds of thousands of beneficiaries with claims dating as far back as 2009.

We can’t really blame the hospitals, since CMS has recovery audit contractors who search the files of the hospitals to see if a patient should have been coded as “outpatient” rather than “inpatient,” in which case Medicare wants its money back. This is a good first step, but Congress actually needs to repeal the “observation” status completely.

Medicare Update

There is Hope for a Medicare Part B Premium Reduction

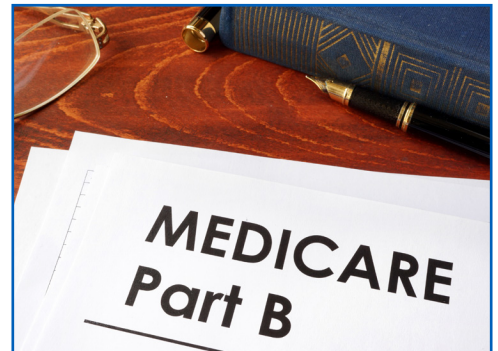
The standard monthly Medicare Part B premium increased from \$148.50 in 2021 to \$170.10 in 2022. This \$21.60 monthly increase is the largest jump in the Part B premium in the history of Medicare.

Almost half of that increase was reportedly based on the new drug, Aduhelm, which has been approved for the treatment of Alzheimer's disease. The medication initially had a \$56,000 price tag for one year of treatment, but the price dropped 50% on Jan. 1. As a result, the CMS has been asked to reassess the 2022 Medicare Part B premium amount.

Hopefully, they will recommend a reduction in this part B premium for the 60 million individuals receiving their health coverage from Medicare. When coupled with a \$30 increase in the Medicare Part B annual deductible in 2022 and a 7.5% overall annual rate of inflation, the highest rate of inflation since 1982, many seniors are being squeezed financially.

The National Interest reported on Feb. 5, 2022, that: "Over the past twenty-one years, cost of living adjustments (COLAs) have raised Social Security benefits by 55% but healthcare costs rose 145% over the same period."

Medicare beneficiaries would welcome some good news about a premium reduction in the very near future, even if the victory is more out of principle and direction than savings.



When Will the Local Social Security Offices Reopen for Business?

Local Social Security customer service offices, which were closed two years ago at the start of the pandemic, are on track to reopen on March 30. The reopening was originally scheduled for Jan. 3, but union negotiations failed.

The New York Times reported, "The Social Security Administration and unions representing the agency's work force agreed to reopen more than 1,200 offices, contingent on changes in pandemic conditions and further negotiations. Bargaining is set to conclude by March 1, which would allow 30 days to plan for the office re-entry."



3657 Okemos Road, Suite 100
Okemos, MI 48864-3927
800-878-6765 • Fax: 517-484-5460 or 517-999-4447

Rick Seely
Account Executive
Ext. 411
rseely@mdaifg.com

Steve Fulger
Customer Service Representative
Ext. 450
steve@mdaifg.com

Tina Voss
Director, Health & Life Operations
Ext. 479
tvoss@mdaifg.com

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