Compliance Training

Medicare Essentials & Peak's Role as a CMS Plan Contractor

PeakHealth®

1 Medicare Essentials

History of Medicare | 4 Parts of Medicare | Medicare Advantage | Types of MA Plans | Medicare Drug Plans | Centers for Medicare & Medicaid

Medicare Essentials: History of Medicare

The Medicare Program is the nation's largest health insurance program.

Individuals and institutions offering Medicare services must understand how the program works so they can correctly bill services and offer care to Medicare patients.

Medicare is a federal health insurance program for those:

- Age 65 and older
- Under age 65 with certain disabilities
- With End-Stage Renal Disease

The program is paid for with:

- Workers' and employers' payroll taxes
- Premiums that people with Medicare pay

For more than 50 years, the Medicare and Medicaid programs have protected the health and well-being of millions of American families, saving lives, and improving the economic security of our nation.

Though Medicare and Medicaid started as basic insurance programs for Americans who didn't have health insurance, they both changed over the years to provide more and more Americans with access to the quality and affordable health care they need.

Medicare Essentials: 4 Parts of Medicare

Traditionally there are four parts to Medicare, which are outlined below.

Part A	Part B	Part C	Part D
Helps pay for: • Inpatient hospital care • Inpatient care in a Skilled Nursing Facility (SNF) after a covered hospital stay • Some home health care • Hospice care	Helps pay for medical services, including: • Physician services • Some preventive services • Home health for patients without Part A • Ambulance • Laboratory and diagnostic services • Surgical supplies • Durable medical equipment, prosthetics, orthotics, and supplies • Hospital outpatient services	Part C is referred to as Medicare Advantage (MA) plans that private insurance companies, such as Peak Health, offer. MA plans must cover all services that Part A and Part B cover, except hospice care. MA plans also can offer other benefits that are not paid for under original Medicare (Parts A and B).	Part D is the Medicare drug plan. Insurance plans or private companies, such as Peak Health, provide these services. Plans vary in both cost and in the different drugs that are covered.

Medicare Essentials: Medicare Advantage

What's a Medicare Advantage (MA) Plan?

Medicare-approved private companies, such as Peak Health, offer MAhealth plans, sometimes called Medicare Part C. Medicare sets rules these companies must follow.

People with Medicare can enroll in an MAPlan rather than getting Medicare benefits through Original Medicare.

To join an MAPlan, beneficiaries must:

- Be entitled to Part Aand enrolled in Part B
- Permanently live in the service area of the MAPlan
- Choose to enroll in an MAPlan

Individuals of any age with End-Stage Renal Disease could enroll in MAPlans beginning January 1, 2021.

For more information, refer to the Medicare Managed Care Manual.

Medicare Essentials: Medicare Advantage

How do MA Plans work?

- MA Plans offer Part A and Part B Medicare coverage, except hospice. Original Medicare pays for Medicare-covered services that an MA Plan patient gets while in hospice care.
- Besides Part A and Part B coverage, MA Plans offer extra benefits such as vision, hearing, dental, and health and wellness programs. Many include drug coverage. MA Plans may still cover services unrelated to the terminal illness while a member is receiving hospice care.
- MA Plans generally have provider networks. Beneficiaries may have to see doctors in the plan's provider network or go to certain hospitals to get services. If they use providers who aren't in the MA Plan's network, they may have to pay the entire cost of the service.
- Patients who switch from Original Medicare to an MA Plan and also have a Medigap policy can't use the Medigap policy to cover deductibles, copayments, or coinsurance while enrolled in the MA Plan.

Medicare Essentials: Types of MA Plans

MA Plans can be offered in several different types, which are outlined below.

Private Fee-For-Service (PFFS) Plan	Health Maintenance Organization (HMO)	Medical Savings Account (MSA) Plan	Preferred Provider Organization (PPO)	Special Needs Plan (SNP)
Enrollees may go to any Medicare-approved provider that agrees to the plan's payment terms. Some PFFS plans also have networks, and members can see network providers without obtaining individual agreement	Enrollees can generally only go to doctors, specialists, or hospitals that are part of the plan's network, except in an emergency.	Combine a high deductible health plan with a Medical Savings Account that patients can use to manage their health care costs. Once a patient meets the deductible, the plan covers 100% of Part A and Part B costs. MSAs don't have premiums. Patients must still pay a Part B premium. MSA plans don't cover prescription drugs, but we allow patients to enroll in a drug plan. MSA Plans cannot include prescription drug coverage; members may enroll in a standalone Part D prescription drug plan.	Have network providers, but patients can also use out-of-network providers for services their plan covers, usually for a higher cost. This is the type of MA plan Peak currently offers.	Offers benefits and services to people with specific diseases, certain health care needs, or limited incomes. SNPs tailor their benefits, provider choices, and drug formularies to best meet the specific needs of the groups they serve. Membership in SNPs is limited to certain groups of people (i.e. in institutions, eligible for both Medicare & Medicaid, or chronic conditions).

Medicare Essentials: Medicare Drug Plans

Also known as Part D, Medicare Drug Plans:

- Offer prescription drug coverage to all people with Medicare who choose to enroll.
- Private companies contract with Medicare to offer prescription drug coverage. Anyone who is entitled to Part A or enrolled in Part B and resides in a Part D plan's service area may enroll.
- People with Medicare who don't have prescription drug coverage through an employer or union, TRICARE for Life, COBRA, or other means can get drug coverage by either joining a Part D plan or selecting an MA plan that includes drug coverage.
  - Peak's MA plans include drug coverage.
- Beneficiaries can choose the Medicare drug plan that meets their needs. Plan benefits vary depending covered drugs, copays, in-network pharmacies.
- Coverage and costs differ, but all Medicare drug plans must offer at least a standard level of coverage that Medicare sets.

Medicare Essentials: Medicare Drug Plans

Drugs covered by Part D must be:	Part D plans must cover most:
• Available only by prescription • FDA approved • Used and sold in the U.S. • Drug plans don't cover drugs excluded by law, non-prescription drugs, and drugs covered under Part B.	• Cancer medications • HIV/AIDS treatments • Antidepressants • Antipsychotic medications • Anticonvulsive treatments for epilepsy and other conditions • Immunosuppressants.

Medicare Essentials: Medicare Drug Plans

Plan Formularies:

- Each drug plan has a formulary, which outlines drugs covered by the plan. Even if a drug is on the plan's formulary, special rules may apply, such as limiting the quantity of a drug for safety and cost reasons. The plan also may need prior authorization before covering a prescription.
- Formularies may not include every Medicare-covered drug but usually cover a like drug that is safe and effective. Drugs may also have different cost-sharing levels, sometimes called tiers.
- Formularies can change during the year because of drug therapy changes, new drugs, or new medical information. Plans must tell patients at least 30 days in advance of formulary changes that affect a drug they take.
- To find out which plans cover specific prescription drugs, beneficiaries can use the Medicare Plan Finder. To find this tool, visit Medicare.gov and select Find Plans Now. Search for drugs by name or view an alphabetical listing.
- Peak's formularies are also kept up-to-date on Peakhealth.org.

2 Peak's Role as a Plan Contractor

Centers for Medicare &Medicaid | Medicare Advantage Plan Contractors | Medicare Drug Plan Contractors | Fist Tier, Downstream, and Related Entities (FDRs) &Peak's FDR Compliance Program

Centers for Medicare & Medicaid

The Centers for Medicare & Medicaid Services (CMS) is an agency of the U.S. Department of Health & Human Services (HHS), based in Baltimore, Maryland. CMS oversees the Medicare Program.

CMS's mission is to provide effective health care coverage and promote quality care for people with Medicare.

The agency makes sure its contractors and state agencies properly administer Medicare. It also:

- Sets up policy for provider payment.
- Conducts research of health care management and treatment.
- Assesses the quality of health care facilities and services.
- CMS also works with states to oversee the Medicaid Program, the Health Insurance Marketplace, and the Children's Health Insurance Program (CHIP).
- CMS has regional offices throughout the nation. The CMS website offers more information about the agency and Medicare.



Medicare Advantage Plan Contractors

Organizations like Peak that seek to offer MA Plans must contract with CMS. Each MA contract is for a calendar year.

MA organizations must:

- Meet enrollment requirements
- Follow MA Plan marketing guidelines

MA contracts automatically renew from term-to-term unless CMS or the MA organization gives notice of the intent to non-renew or end the contract at the end of the current term.



Medicare Drug Plan Contractors

Medicare drug plan sponsors such as Peak are nongovernmental entities under contract with CMS to offer prescription drug benefits.

Each plan must give enrollees the information they need to decide their prescription drug coverage each year, including the plan's service area, benefits, and covered drugs.

For more information on Medicare drug contracting, including the Part D plan sponsor application, review the Prescription Drug Coverage Contracting webpage.



What is an FDR Compliance Program?

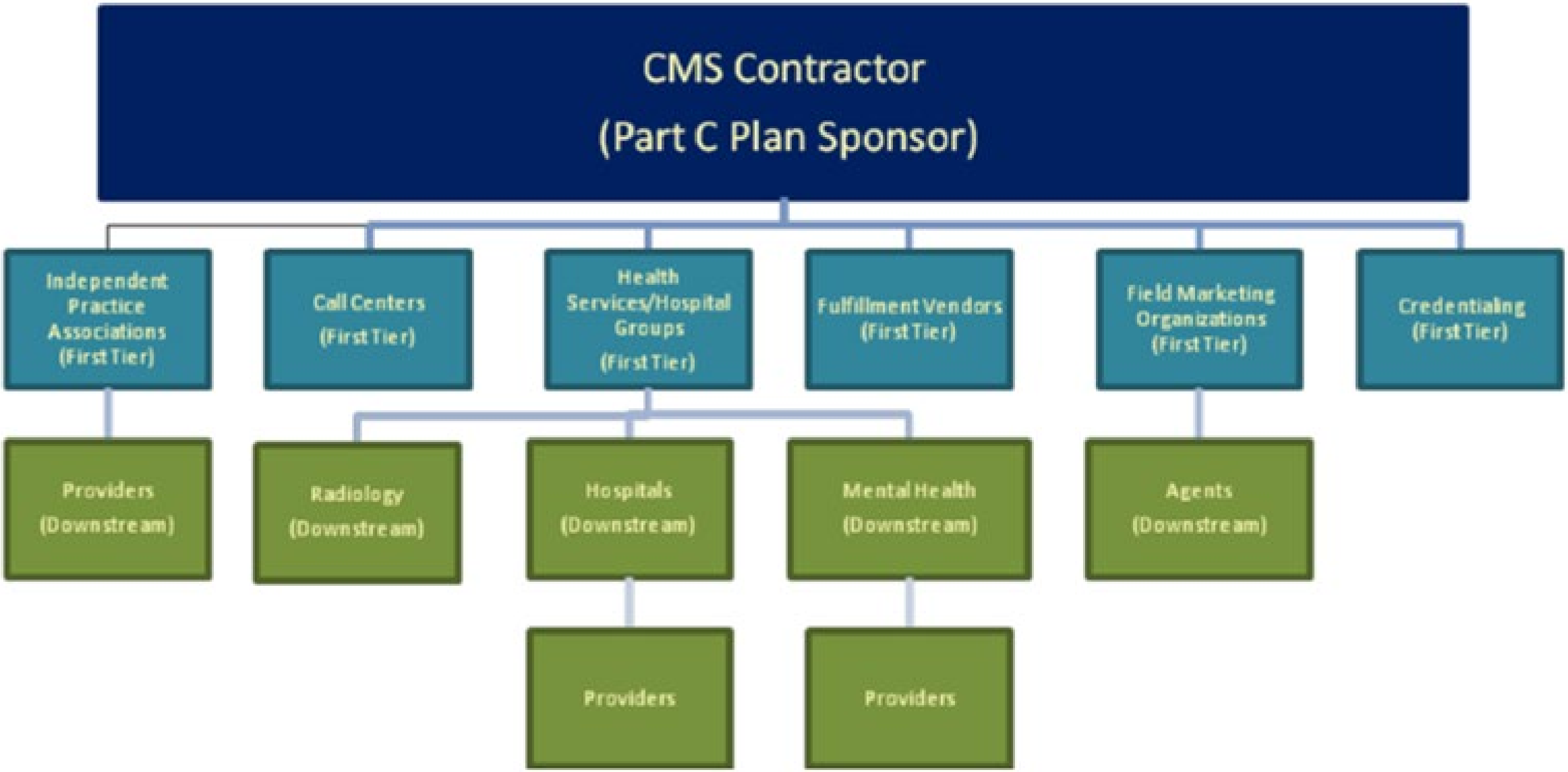
Peak Health may contract with external individuals and entities, also known as First-Tier, Downstream, and Related Entities (FDRs) or Delegated entities, as an efficient, cost-effective way of providing the administrative and healthcare services to support our Medicare business. FDRs, which include providers, contractors, vendors, and other entities performing delegated functions, must follow all Medicare Parts C and D program requirements when providing services on behalf of Peak Health. These services are required under our contracts with CMS to help us meet the needs of our Members in accordance with Medicare Advantage (MA)/Part D program requirements.

Peak's FDR Compliance Program is a set of policies, processes, and controls developed to ensure that FDRs are delivering quality and compliant administrative and/or healthcare service to Medicare beneficiaries on behalf of Peak Health, the Plan Sponsor. FDRs must also provide oversight of Peak Health's downstream entities.

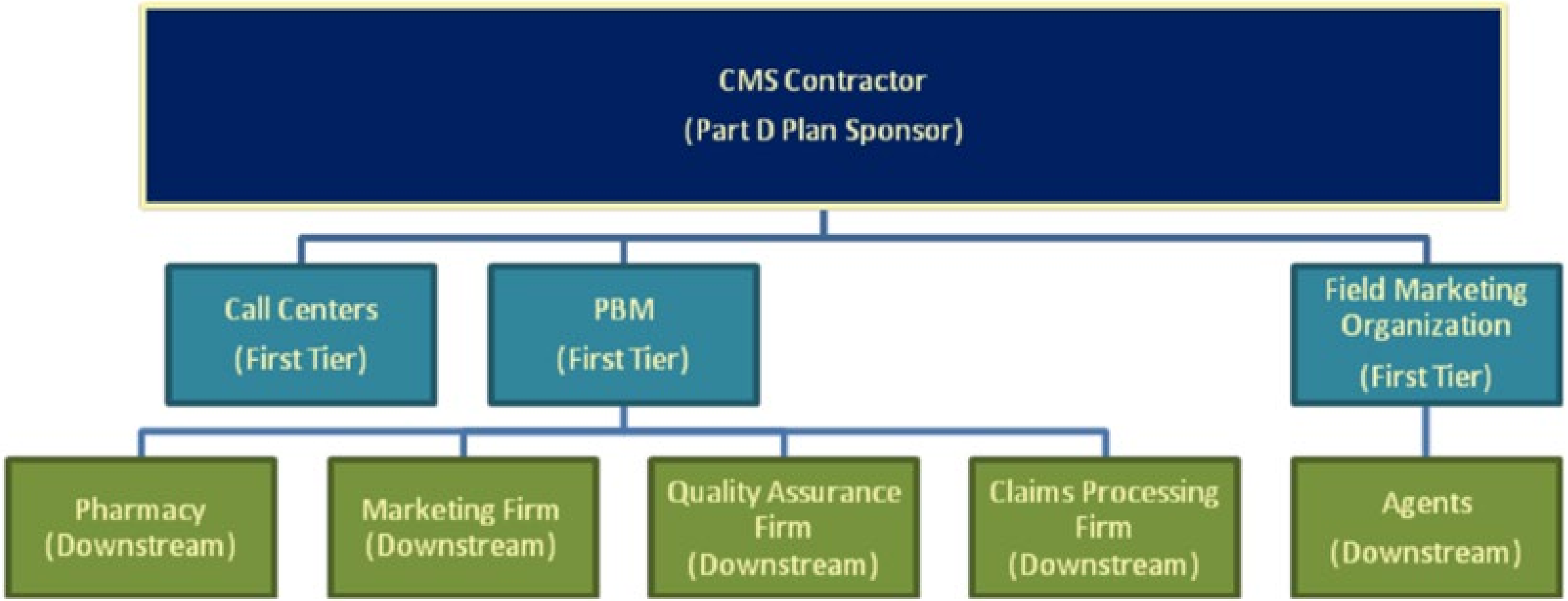
FDR Compliance Program

First Tier Entity	Downstream Entity	Related Entity
Any party that has a written arrangement with a MA and/or Plan D sponsor to provide administrative services or health care services to a Medicare enrollee under the sponsor's plan.	Any party that has a written arrangement with persons or entities involved with the MA benefit or Part D benefit, below the level of the arrangement between a Medicare Advantage Organization (MAO) or a Part D plan sponsor and a first-tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.	Any entity that is related to an MAO or Part D sponsor by common ownership and: 1. Performs some of the MAO or Part D plan sponsor's management functions under contract or delegation; 2. Furnishes services to Medicare enrollees under an oral or written agreement; or 3. Leases real property or sells materials to the MAO or Part D plan sponsor at a cost of more than $2,500 during a contract period.

FDR Example—Plan Sponsor (Peak Health)



FDR Example—Part D Plan (Peak Health)



How does FDR Compliance apply to you?

All of us are responsible in ensuring that Peak's FDRs comply with all applicable laws, rules and regulations with respect to Medicare Parts C and D delegated responsibilities. For example:

- You may be charged with monitoring FDRs to insure they are complying with regulatory requirements and/or Peak's policies and procedures regarding delegated activities.
- You may be charged with developing or reviewing policies and procedures to communicate effective process and controls.
- You may have role in examining or using claim data or vendor reports to identify unusual patterns, which can suggest potential errors and/or potential fraud and abuse in provider billing practices and services—the greatest risk for potential FWA in Medicare Program.
- You may work with Peak's FDR Compliance Program and FDRs to investigate and correct issues that have been reported or discovered during routine monitoring or auditing.
- You may have a role in collecting and/or analyzing information from potential vendors or FDRs before they contract with Peak Health.

Thank you!

You've completed Medicare Essentials &Peak's Role as a CMS Plan Contractor.