

Health Reform: Key Medicare Changes Effective in 2010

What SHIPs and Beneficiaries Need to Know

The [Patient Protection and Affordable Care Act](#) (H.R. 3590) and the [Health Care and Education Reconciliation Act of 2010](#) (H.R. 4872), signed into law on March 23, 2010 and March 30, 2010, respectively, encompasses significant changes and opportunities for Medicare beneficiaries, particularly those who are low-income. The following changes take effect in 2010.

Medicare Part A

Nursing Home Compare Website

- Requires CMS to add certain information to its Nursing Home Compare Medicare website that includes staffing data, links to state websites regarding state nursing home survey and certification programs, the model complaint form, a summary of substantiated complaints, and information on criminal violations by a facility or its employees (Sec. 6103, H.R. 3590).

Hospital Payment Rates

- Reduces the rate of increase in payments to inpatient acute care hospitals, long-term care hospitals, psychiatric hospitals, and rehabilitation hospitals (Sec. 3401, H.R. 3590).

Medicare Part B

Disabled TRICARE Beneficiaries

- Creates a 12-month Part B Special Enrollment Period for TRICARE beneficiaries who are entitled to Medicare Part A based on disability or ESRD, but who have declined Medicare Part B (Sec. 3110, H.R. 3590).

Monthly Premiums

- Freezes the income threshold for higher-income beneficiaries who pay a higher Part B premium. The income thresholds are frozen at the 2010 income levels—\$85,000 for an individual and \$170,000 for a married couple—through 2019 (Sec. 3402, H.R. 3590).

Therapy Cap Exceptions

- Extends the process for allowing exceptions to the payment caps for physical, speech, and occupational therapy, until December 31, 2010. Providers submit modified claims when an exception is appropriate (Sec. 3103, H.R. 3590).

Medicare Part C (Medicare Advantage)

Cost Contract Extension

- Extends reasonable cost contracts to January 1, 2013 (Sec. 3206, H.R. 3590.)
 - In 2009, there were 22 Medicare Advantage plans nationwide operating under cost contracts.

Special Needs Plans

- Extends the Special Needs Plan (SNP) program until 2014. Allows CMS to apply “frailty payment adjustments” for dual-SNPs that enroll frail populations (Sec. 3205, H.R. 3590).

Medicare Part D

Coverage Gap

- Begins to close the coverage gap or “doughnut hole” by creating a one-time \$250 rebate for beneficiaries whose costs for Part D prescription drugs exceed the initial coverage limit and enter the coverage gap in 2010 (Sec. 1101, H.R. 4872).

Miscellaneous

Revisions for Medigap Plans C and F

- Requires CMS to ask the National Association of Insurance Commissioners (NAIC) to revise Medigap policies C and F to include nominal cost-sharing for physician services (Sec. 3210, H.R. 3590).