FINANCE AND INSURANCE

Financial Aspects of Lung Transplantation

Transplantation is a costly treatment for lung disease, and it is important for you to plan ahead and be well informed of your needs and your coverage. You will need to have a complete plan to be prepared for the costs of the transplant work-up, the transplant hospital stay, post-transplant follow-up care and the high cost of anti-rejection medications which you will need lifelong after your transplant.

Throughout the transplant process, a **Transplant Financial Coordinator** will work with you on coverage, insurance issues and financial issues. You will begin working with him/her once your University of Michigan pulmonologist determines you are ready for a transplant evaluation with the transplant surgeon. The financial coordinator may assist you in many areas including:

- Determining your current coverage
- Identifying the additional coverage you may need
- Making sure an approval is in place for your transplant

You will also work with a **Transplant Social Worker** who provides support to you and your family in a variety of ways as you go through the transplant process. Transplant social workers can help you in many areas such as:

- Consider financial difficulties to transplant, such as transportation and out-of-pocket costs, and work with patient and family to find resources
- Provide information regarding federal, state and local programs as well as transplant-specific resources such as support groups, the National Foundation for Transplants, and Help, Hope, Live. For a full list, please refer to the Resources section of this book.
- Direct patients after transplant, when indicated, to local job retraining services such as Michigan Rehabilitation Services.
- Help patients at-risk of losing their transplant, due to loss of prescription coverage, to access emergency assistance as well as pharmacy assistance programs.

Transplant Financial Coordinators and Transplant Social Workers work together to help **you** manage the financial and insurance parts of transplant.

Planning For Your Transplant Financial Obligations

The first step in financial planning is finding out what your insurance covers. You will need to call your insurance company and ask what your benefits are for transplant services. There are many phases of transplant, such as the transplant admission, outpatient appointments, medical procedures and prescriptions, and each may have different levels of coverage. There may be maximum allowable limits or exclusions for certain services. To help you communicate with your insurance company, we have provided a questionnaire to guide you in your coverage discussions for each phase of transplant. This questionnaire can be found in the resources section of this Patient Education Guide.

When planning ahead, there are some important things to consider that may change over time with your coverage. Be sure to consider changes that may result from:

- Reaching the maximum limit the insurance company will pay per year or per lifetime.
- Divorce or separation from a spouse can lead to cancellation of coverage on the spouse's policy.
- Consider whether changing your insurance company or your policy may result in your condition being classified as a 'pre-existing condition' limiting your coverage.
- Changes that may impact the insurance coverage; change in job status due to health, lay-off, change in student status, or other causes.
- Changes in the patient's insurance policy that can lead to increased co-pays and/or deductibles.
- Children becoming adults and no longer covered under their parent's insurance or state-funded health plans.

Out-of-pocket expenses to consider:

Being prepared by having a financial plan is the key to minimizing the financial strain and stress to you and your family, as you go through the transplant process.

Once you have determined what your insurance covers, you'll have a better understanding of the "out-of-pocket" medical expenses you should expect. In addition, you may need to pay for other expenses, often considered "non-medical," which may include:

- **Transportation** to and from the transplant center for frequent follow-up visits
- Temporary **lodging** and **meals** for family members during and after the transplant

You Should Know

Some insurance companies provide reimbursement for transportation, meals and lodging expenses directly related to transplant services. It is important to contact your insurance company to see if these benefits may be provided under your policy.

- **Parking** fees for visits to the transplant center
- Insurance **premiums, co-pays** and **deductible** amounts
- Possible **loss of income** while out of work for the transplant
- **Child care costs**

Referrals and Authorizations

Health Maintenance Organizations (HMOs)

Health Maintenance Organizations (HMOs) require patients to have a referral from their Primary Care Physician/doctor (PCP) before seeing a specialist. A referral is documentation from the Primary Care Provider that they are 'referring' the patient to a specialist. The patient must get the referral before the date of the appointment. Without a referral, the HMO will not pay for the visit, and the patient will be responsible for the bill.

In addition to PCP referrals, some insurance companies require **prior authorization** to begin the transplant process. The patient should call their insurance company before making the first appointment to see what is required by their insurance company.

Networks

Many insurance companies are part of a larger network of hospitals and doctors. Insurance companies often contract with transplant networks to manage their transplant cases. Some insurance networks will not approve transplants at the University of Michigan and will require the patient to use a transplant center within their network, even if the preferred center is in another state.

Insurance Changes

Organ transplants require written approval from the insurance carrier before the transplant. If a change in insurance has occurred and no authorization is in place, the patient is responsible for full payment of all services provided. The authorization process is lengthy; the sooner the insurance change is identified the faster the patient can be reauthorized through the new insurance carrier.

You Should Know

If your insurance changes while you are on the transplant list or at anytime, it is important to call the Transplant Financial Coordinator to report the change.

In addition, it is recommended that you contact the Transplant Financial Coordinator before making any changes during an open enrollment period. You must also remember that if you have a break in coverage between policies, the new policy may include a waiting period which could leave you without coverage for a period of time. Remember to always continue your premiums through COBRA to guarantee this. Finally, if you fail to let us know about changes in your insurance, you risk being put on HOLD on the wait list until your new insurance can be confirmed and a new authorization for your transplant is received.

Medicare Coverage

Medicare Part A

Coverage under Medicare Part A pays for inpatient hospital facility charges such as room and board, testing, operating room costs, and supplies while you are in the hospital. Medicare Part A will pay 100% of covered expenses after the inpatient deductible is met for the first 60 days of confinement. Then daily "coinsurance" rates apply. There is no monthly premium for Part A. If you have primary coverage through an employer group health plan, Medicare Part A will pay 100% of covered costs not paid by your primary carrier during your inpatient hospitalization.

Medicare Part B

Medicare Part B will cover 80% of all inpatient and outpatient doctor bills once the annual deductible is met, and 80% of outpatient medical expenses (if Medicare is primary). Medicare Part B will also pay 80% of your anti-rejection medications as long as you have Medicare at the time of the transplant. If you have primary employer group coverage and Medicare is your secondary coverage, Medicare Part B can help pay for your prescription co-pay amounts for anti-rejection medications after your transplant, as well as office visit co-pays, annual deductibles and cost shares that you may otherwise need to pay.

There is a monthly premium for Medicare Part B coverage. The Social Security Administration will bill you quarterly (every three months) for Part B coverage.

To avoid penalties (increased premium rates) at a later date, it is important to enroll in Medicare Part B at the same time you enroll in Medicare Part A.

Medicare Part D – Prescription Drug Coverage

Medicare Part D is the prescription drug plan started by the federal government on January 1, 2006. If you are on Medicare and do not have prescription coverage, you need to enroll in Part D. If you do not enroll in Part D when eligible and do not have better prescription coverage than they offer, they will penalize you 1% of the premium payment for each month you do not enroll. For example, if you are eligible and wait a year, you will pay a premium that is 12% higher than if you enroll at the time of eligibility.

There are restrictions on when you can enroll in Medicare Part D. When you are first approved for Medicare coverage, you can enroll in a plan three months before the effective date, and up to three months after that original effective date. Beyond that, you are limited to an open enrollment period.

There are many Medicare Part D plans to choose from. These plans have monthly premiums that range from $25 to $80 per month, and you will have co-pay amounts that you need to pay. Once your prescription costs reach a certain amount, there will be a period of time referred to as the "donut hole," where you will need to pay 100% of your prescriptions covered by Medicare Part D. Once you reach an out-of-pocket maximum, you will then have "catastrophic coverage" where medications will be covered at 95%. The premium co-pay and out-of-pocket amounts change each year. You will need to be prepared to cover the out-of-pocket costs under Medicare Part D.

When applying for Medicare Part D, we recommend that you apply for the "Extra Help" benefit. You can learn more about getting extra help with Part D costs by calling 1-800-Medicare (or visit **www.medicare.gov**) or by contacting your local Social Security Office (or visit **www.socialsecurity.gov**). Extra help benefits are based on your income limits and can greatly reduce your out-of-pocket costs.

If you are on Medicare Part A and Part B at the time of your transplant, Medicare Part B will pay for the immunosuppressive medications (80%), and Part D will only be paying for your non-immunosuppressive medications. If you are NOT on Medicare at the time of transplant, but obtain it later with Part D, then Part D would pay for both immunosuppressive and non-immunosuppressive medications. This is a very important point to understand about Medicare coverage for medications.

Prescriptions and Medicare Part B/Part D

On Medicare at the time of transplant	**NOT on Medicare** at the time of transplant Have Medicare coverage now
Anti-rejection drugs paid by: Medicare Part B and supplemental coverage	**Anti-rejection drugs paid by:** Medicare Part D or regular prescription coverage
Other medications paid by: Medicare Part D or regular prescription coverage	**Other medications paid by:** Medicare Part D or regular prescription coverage

Medicare Disability

If you are unable to work, you will want to contact the Social Security Office to apply for disability benefits related to your medical conditions. Medicare benefits will begin 24 months (two years) after you have been approved as being disabled. It is important for you to maintain other health insurance coverage during the 24 month waiting period. You may be able to continue existing employer insurance coverage through COBRA, which usually allows you to continue coverage for 18 months. You can take your disability approval letter to your employer for an extension of benefits to retain your coverage until the 24 month waiting period has passed.

When you are approved as disabled, contact your Transplant Financial Coordinator to advise them of your date of disability and to discuss your options for maintaining your coverage.

Secondary Insurance is Necessary

Medicare coverage alone is not sufficient to cover the costs of transplantation. If you have Medicare, you will need to apply for an additional policy to help cover the costs your Medicare will not pay. Your Transplant Financial Coordinator or Transplant Social Worker can assist you with resources to help you find a supplemental policy that will help cover your transplant needs.

Medicaid

If you find that your current insurance coverage does not cover you sufficiently, or if you are losing your group health insurance coverage, Medicaid may be an option for you. Patients must qualify on two levels to be considered for Medicaid.

- **Financial Status Qualifications:** Your income, the number of people in your home and your assets will be considered in qualifying based on financial status. You may qualify if you have a low income and no large assets (one home and one vehicle are exempt). All patients must qualify on the basis of their financial status to be considered for Medicaid coverage. If you are receiving disability income, it may impact the Medicaid coverage available to you; changing your coverage to a monthly spend down.
- **Other Qualifications:** Patients must qualify for **one** of the following in addition to qualifying based on financial status:
  - Age - You must be under 21 years of age or over 65 years of age.
  - Health Status - You qualify if you have been approved for Social Security Disability Income or if you are medically disabled for over one year.
  - Minor children in the home

Applying for Medicaid can be done through the Department of Human Services Office in the county where you live.

Children's Special Health Care Services (CSHCS)

The CSHCS program is part of the Michigan Department of Public Health. It provides health care benefits to patients under the age of 21 who are residents of Michigan and have a qualifying chronic disease. Patients with cystic fibrosis are covered by CSHCS for life and should contact their Transplant Social Worker for more information. The benefits may include lodging and transportation, as well as payment of medical expenses including transplant services. An affordability scale is used to decide whether families will receive free services or be expected to share in the cost of their child's care. Please contact your Transplant Social Worker for more information about this program and for assistance in the application process.

Prescription Drug Coverage

Prescription coverage is often the number one financial problem patients face after transplant. **Immunosuppressant medications are expensive, costing between $5,000 and $9,000 per month and must be taken for the rest of your life after transplant.** Transplant patients generally take many medications immediately following transplant. The number of medications and doses may decrease over time after transplant. After your transplant, you will typically take a combination of at least three immunosuppressive medications that could include the following:

- Cyclosporine (Neoral, Gengraf)
- Tacrolimus (Prograf)
- Mycophenolate (Cellcept)
- Mycophenolic acid (my fortic)
- Azathioprine (Imuran)
- Prednisone

You Should Know

Please remember that the University of Michigan Transplant Center is not responsible for coverage of your medications after your transplant.

Many patients will also need to take an antiviral or antifungal medication (Valcyte and Itraconazole) for six months or more following transplant. These medications are not immunosuppressive drugs and will cost approximately $2,500 per month for each prescription. **It is important to note that for many insurance plans, Valcyte and Itraconazole are considered specialty medications and will be subject to a higher co-pay amount. Individuals covered by Part D and who need Valcyte or Itraconazole can expect to fall into the donut hole fairly quickly and need to plan for how to continue to pay for this medication for the following months. The financial coordinator or social worker can talk to you about making a plan for Valcyte or Itraconazole if this out-of-pocket expense is not affordable.**

It is important that you keep your Transplant Financial Coordinator or Transplant Social Worker informed of any concerns that you have regarding medication coverage. If you do not have coverage and cannot afford to pay for your medications, your new organ transplant will fail.

Understanding Your Insurance Coverage — Questions to Ask Your Insurance Representative

Name of Representative _____ Date _____

BENEFITS/COVERED SERVICES	YES/NO	NOTES
Does my plan cover hospital charges?	Yes No	
Does my plan cover professional charges (also known as doctor fees)?	Yes No	
Does my plan cover prescription drugs?	Yes No	
Does my plan cover solid organ transplantation?	Yes No	
Does my plan have a "pre-existing condition" clause? If yes: How is the clause defined? If yes: Would my illness be considered a pre-existing condition?	Yes No Yes No	

BENEFITS/COVERED SERVICES	YES/NO	NOTES
Does my plan limit the number of transplants payable in a lifetime? If yes, what is the limit? If yes, does that limit apply for each organ? Does my plan have a maximum *annual* amount it will pay out each year? If yes, what is the maximum amount?	Yes No Yes No Yes No	
Does my plan have a maximum *lifetime* amount it will pay out over a lifetime? If yes, what is the maximum amount?	Yes No	
Are there coverage exclusions in my plan? If so, what are the exclusions? What period of time applies to the exclusion?	Yes No	
Does my plan cover any travel, meals and lodging expenses? If yes, does it cover for a family member as well as the patient? If yes, how much does it cover?	Yes No Yes No	

OUT-OF-POCKET COSTS	YES/NO	NOTES
Does my plan have deductible amounts? If yes, what are they?	Yes No	
Does my plan have copayment amounts? If yes, what are the amounts? If yes, what services do they apply to?	Yes No	
Is there a maximum out-of-pocket amount that I would be responsible for each year? If yes, what is the limit?	Yes No	
REFERRALS/AUTHORIZATONS	**YES/NO**	**NOTES**
Does my plan have any restrictions on which medical centers I can use (designated provider network)? If yes, is the University of Michigan Health System an approved provider?	Yes No Yes No	

REFERRALS/AUTHORIZATONS	YES/NO	NOTES
Will my plan cover my services at an out-of-network provider? If yes, will my out-of-pocket expenses be higher?	Yes No Yes No	
Does my plan utilize a network for managing transplant services? If yes, is the UMHS Transplant Center an approved provider?	Yes No Yes No	
Does my plan cover a consultation at one or more transplant centers?	Yes No	
Is a referral or authorization required for: Consultations? Transplant Evaluation/Testing? Medical Procedures?	 Yes No Yes No Yes No	
Who will be my case manager? How can I contact the case manager?		

PHARMACY	YES/NO	NOTES
Does my plan cover outpatient prescriptions? If so, how much are the copays?	Yes No	
Are prescriptions available by mail order? If so, how much are the copays?	Yes No	
Is there an approved list of covered medications? Will the plan ever approve use of medications as exceptions to the list? If yes, how is an exception requested?	Yes No Yes No	