

Financial Planning

For a kidney/pancreas transplant

This chapter covers financial concerns related to a kidney or kidney/pancreas transplant.

Transplant Costs

Transplants are costly. Planning your finances is a key part of planning for transplant. You need to find out what your insurance will cover and what you will need to pay yourself. You will decide how you will cover both short-term and long-term costs.

Short-term Costs

In the short term, you will need to plan for these expenses:

- Transplant surgery and your hospital stay
- Living costs while you are off work during recovery
- Lodging, food, and transportation in Seattle, if you live outside the area

Long-term Costs

In the long term, you will need to cover the costs of the medicines you will take for the rest of your life after transplant.

Paying for the Transplant

Health Insurance

Most health insurance plans will pay for a kidney or pancreas transplant. But, plans vary in what they cover. Some will cover many of the costs of transplant, but others may require that you pay many of the costs out of pocket.



Planning your finances is a key part of planning for transplant.

Check your healthcare plan carefully to find out:

- **If UWMC or University of Washington Physicians (UWP) is contracted:**

Call your insurance company to find out if UWMC and UWP are contracted. Give them these tax ID numbers:

- UWMC's tax ID number: 916001537
- UWP's tax ID number: 911220843

The contract status will determine whether you will use in-network or out-of-network benefits. Some plans do not have out-of-network benefits. If this is true for your plan, and UWMC or UWP is not contracted, you will need to pay out of pocket for all charges.

- **About coverage for your stay in the hospital:**

Does your health plan have a *deductible* you need to pay? A deductible is what you pay for covered healthcare services before your insurance plan starts to pay. This amount depends on your plan.

After you pay your deductible, you must pay either a *copayment* (copay) or *coinsurance* for covered services. Your insurance company pays the rest.

- **Copay:** If you have a copay for every day that you are in the hospital, you will pay a fixed amount for the services that are covered by your healthcare plan. The copay amount can vary for different services, such as drugs, lab tests, and visits to specialists. For example, your copay for a clinic visit might be \$20. Your copay for a hospital stay might be \$100 a day, up to a maximum of \$300.
- **Coinsurance:** If your policy pays a percent of the costs of your hospital stay (such as 80%), the portion you pay out of pocket (such as 20%) is your coinsurance. If you have coinsurance, it usually means you will be paying more than if you have a copay.

- **About waiting periods:**

A waiting period is the time that must pass before coverage takes effect for an employee or dependent covered by a job-based health plan. For example, some plans require that you have the plan for at least 1 year before it will cover transplant costs. Check these waiting periods any time you change insurance carriers.

- **About coordinating benefits:**

If you have more than 1 insurance plan, such as through your work and your spouse's work, check with the secondary policy to find out about *coordination of benefits*. Find out how and if the secondary policy will cover expenses that are left over after your primary insurance pays.

Medicare

Medicare is a health insurance plan that is run by the Social Security Administration. The plan is managed by Centers for Medicare and Medicaid Services (CMS). The plan covers people who have end-stage renal disease, have had a permanent disability for at least 2 years, or are at least 65 years old.

There are 2 basic parts of Medicare:

- **Part A** covers hospital stays, including a kidney transplant, skilled care, hospice, and some home healthcare. It also covers your doctor's fees while you are in the hospital.
- **Part B** covers doctor fees when you visit a clinic, but not while you are in the hospital; lab, radiology, durable medical equipment (DME), services at an ambulatory surgery center (ASC), and some home healthcare. It also covers approved costs related to your clinic visits.

Medicare has deductibles and copays. With a kidney transplant, these can add up to thousands of dollars. Most people cannot afford a kidney transplant if they have only Medicare. This means they also need other health insurance.

Medicare Supplements or “Medigap” Policies

These policies supplement your Medicare coverage. Most times, they pay Medicare copays and deductibles. They often cover things that Medicare won't cover. Having both Medicare and a supplement will likely cover most costs of a kidney transplant.

Medicare Part D

If you have Medicare Part A, or Parts A and B, you can sign up for Part D. This is the Medicare Prescription Drug Program. It covers some drugs, but not all.

If you want to add Part D, you will pay an extra monthly fee (*premium*). Part D has a range of premiums and benefit levels.

Part D can cover many of the medicines you will take after transplant. But, Part D does not pay for your immunosuppressive drugs. Those are covered under Part B of Medicare.

- If you have both Medicare and Medicaid, you also have Part D. You will not pay an extra monthly fee or deductibles for Part D. You might have to pay a small copay for some medicines.
- If you do not have Medicaid, you may have to pay a monthly fee, a yearly deductible, and copays for each prescription drug.

- If you are low-income and do not have Medicaid, Medicare can provide a subsidy that pays the monthly fee, deductibles, and copays. To apply for the low-income subsidy, call Social Security at 800.772.1213 or visit www.ssa.gov. You may have to wait until Medicare's open enrollment period at the end of every calendar year to apply for Part D.

Medicaid

Medicaid is a health insurance plan run by the state government and managed by CMS. It is paid for by the federal government and individual states.

Medicaid is for people who have very low incomes and are medically disabled. It will pay 100% of covered healthcare expenses. Talk with your social worker to see if you qualify.

In 2010, the Affordable Care Act expanded the Medicaid program to cover all adults with income below 138% of the federal poverty level. Washington state has expanded its Medicaid program since the Affordable Care Act was introduced. But, some states have not chosen to expand their Medicaid program. You can learn more at www.healthcare.gov.

Review Your Coverage

If you have not already done so, review your health insurance coverage with your transplant financial counselor. The financial counselor can make sure you have enough coverage for your transplant.

Paying for Medicines

Most times, transplant medicine costs are too high for people to afford without the help of health insurance. Check your prescription insurance coverage. Know what your expected copays or deductibles will be. You will be on many medicines after transplant, and each one will have a copay.

It is very important to keep your health insurance coverage after your transplant. Your medicines can cost \$12,000 to \$15,000 a year. Even with health insurance, you may have to pay part of these costs.

Here are some questions to ask about your prescription drug coverage:

- Does your insurance cover prescriptions at a certain percent, such as 50%, 80%, or 90%? Or, do you pay a copay per prescription, such as \$10 per prescription for a month's supply of the drug?
- Does your insurance provide different coverage based on whether the drug is a generic or a name brand? People with transplants are often prescribed name-brand medicines that do not have generic forms. Name-brand medicines can be very costly. Find out if your policy requires you to pay a higher copay or a percent for these medicines.

- Does your insurance offer a mail-order pharmacy? Some mail-order pharmacies allow you to get a 3-month supply of medicines for a lower copay than if you fill your prescriptions at a local pharmacy and get only a 1-month supply.

Medicaid

Medicaid covers the cost of most prescriptions. You might have a small copay for some medicines. If you have both Medicare and Medicaid, your prescriptions will be covered under Medicare Part D, not Medicaid.

Talk with your financial counselor if you are not sure if you qualify for Medicaid, or if you have questions about what program will pay for your medicines.

Medicare

If you have Medicare Part B, there are limits on what prescription drugs are covered after transplant. Here are some rules for how prescription coverage under Part B works:

- Medicare Part B covers immunosuppressive drugs at 80% for at least 3 years after a transplant. You (or your other insurance) will pay the 20% copayment. Medicare Part B will not cover any other outpatient medicines.
 - At 3 years after a transplant, your Medicare outpatient prescription drug coverage will end unless:
 - You are 65 years of age or older
- Or:
- You have been on Social Security Disability (SSD) for at least 2 years

If you meet either of these 2 conditions, your Medicare outpatient immunosuppressive drug coverage will continue beyond 3 years after your transplant. But, Medicare drug coverage will not continue more than 3 years after a transplant if you are on Supplemental Security Income (SSI), unless you are at least 65 years old. SSI is a different program than SSD (see the last page of this chapter).

- Medicare Part D will not cover your immunosuppressive drugs, unless you did not have Medicare at the time of your transplant. But, it will cover the many other medicines you will take after a kidney transplant. Part D will last only as long as you are eligible for Medicare. This means that if your Medicare Parts A and B end 3 years after a transplant, your drug coverage under Medicare Part D will also end at that time.

- If you have other insurance coverage through an employer or a spouse, Medicare will be your secondary insurance for the first 30 months of Medicare coverage. This means your other insurance pays first. If part of the medicine bill is still left after your insurance pays, that part can be billed to Medicare.
- Medicare is always your primary insurance if you have an individual health insurance policy.
- After 30 months of Medicare coverage, Medicare will become your primary coverage. This means all your medical bills will need to be billed to Medicare first. Any left-over parts of the bill can be sent to your other insurance.
- Some pharmacies will not bill Medicare Part B for prescription medicines. But, most pharmacies are able to bill Part D drug plans. If your pharmacy cannot bill Part B, please talk with your transplant social worker or pharmacist about different pharmacy options.
- Mail-order pharmacies that specialize in transplant medicines will do all your billing for you, including billing Medicare. If you have other insurance besides Medicare, the mail-order pharmacies will check to see if they can bill that insurance for you, too.
- If you do not have insurance coverage for some medicines, some drug companies have financial aid programs that may be able to help you. Ask your pharmacist or social worker about these programs.

Income While You Are Not Working

Some employers provide disability income insurance. There are 2 types of disability insurance: short-term and long-term.

Short-term Disability Insurance

This insurance pays part of your salary, often about 60%, while you are off work for a health reason. It usually covers your salary for 3 to 6 months.

Long-term Disability Insurance

This insurance pays part of your salary, often 60%, for as long as you are disabled and cannot work. But, you will usually need to be disabled for at least a certain amount of time, such as 90 days, before benefits will begin.

- **Social Security Disability (SSD)** – The Social Security Administration (SSA) has its own definition of disability for illnesses such as kidney disease or diabetes. To be eligible for SSD, your disabling condition must have lasted at least 1 year already, or be expected to last at least 1 year. Most transplant patients are not disabled for that long. This means they cannot rely on SSD to provide income while they are off work after a transplant.

Applying for disability can take many months. And, SSA must consider you disabled for at least 5 months before benefits begin.

If you are approved for SSD, the amount you receive each month is based on how much money you have paid into Social Security through payroll taxes.

- **Supplemental Security Income (SSI)** – This is a disability income program through the SSA. It is for disabled people who have not worked enough to pay much into the Social Security and are not eligible for SSD.

The SSI disability rules are the same as for SSD. But, SSI has strict income and financial limits.

If you are already on SSD or SSI before your transplant, there is a chance you will lose these benefits after your surgery. Depending on why you were first declared disabled, Social Security could decide you have recovered enough after your transplant to return to work. This would only happen after formal review by Social Security.

Contact your transplant social worker or primary care provider if Social Security starts an eligibility review.

If You Do Not Have Disability Insurance

If you do not have disability insurance, you will need to plan for the time you cannot work after transplant. Many people put aside money to help pay bills. Others borrow money from friends and family.

Fundraising is also an option. There are groups that help transplant patients raise money for expenses such as copays, travel, lodging, or lost income. If you want to try fundraising, talk with your social worker for ideas.

