

Kathleen Martin is an attorney with O'Donnell, Weiss & Mattei, P.C., and a newspaper columnist for The Mercury, which gave permission for this article to be reprinted.

September 4, 2016

Some new Medicare enrollees are not choosing their own plans

Anyone who is soon to be 65 years old and thus becoming eligible for Medicaid is familiar with the deluge of mail urging the soon-to-be beneficiary to choose a Medicare plan. Although traditional Medicare Part A is provided at no cost to most Americans, Part A alone will not cover co-payments for hospital stays and for nursing facility stays beyond 20 days. Most Medicare beneficiaries choose a supplement or Medigap plan and a prescription drug plan or perhaps a Medicare Advantage plan. Advantage plans are provided by private insurance companies and are usually HMOs or PPOs. The message here is that the consumer is making a choice, hopefully after reviewing his or her options and determining what is the best coverage for that person.

A recent Kaiser Health News expose as reported in Elder Law Answers recently indicates that some Medicare eligible beneficiaries are being signed up for an Advantage plan without their knowledge. (<http://www.elderlawanswers.com/about-to-turn-65-your-health-insurer-may-be-automatically-enrolling-you-in-its-own-medicare-plan-15716>). Therefore even if you take the time to determine what type of Medicare coverage you wish to have, the decision may have been made for you under a process authorized by the federal government called “seamless conversion.” Unfortunately, this process is not well known and the notification is often lost in the flood of mail that the soon-to-be-beneficiary receives.

Many new Medicare beneficiaries are covered by a commercial or Medicaid health plan prior to becoming 65 years old. These insurers may also operate a Medicare Advantage plan, as an alternative to traditional Medicare. The federal government has authorized some insurers to shift their beneficiaries to their Advantage plan to permit “seamless coverage.” The insurer needs to have prior approval from Medicare and then must send a letter to the beneficiary explaining the new benefit and the need to affirmatively opt out within 60 days. But as Judy Hanttula of Carlsbad, New Mexico discovered, despite believing that she had done all she needed to do regarding Medicare, she was enrolled in a Medicare Advantage plan that subsequently refused to pay for her surgery. She was left with a \$16,622 medical bill. Since she had felt that she made her choice as to Medicare coverage, she ignored all mail after that related to Medicare. Fortunately, with the assistance of an attorney from the Center for Medicare Advocacy, Medicare officials disenrolled Ms. Hanttula from the Advantage plan and restored her traditional Medicare coverage.

Representative Jan Schakowsky (D-Ill.) wants Congress to build in stronger consumer protections. In the meantime, consumers are warned to be very attentive when switching to Medicare coverage that their pre-Medicare insurer did not “seamlessly convert” their coverage to Medicare without their being aware of it, and is now asking them to opt out.

Besides needing to pay attention to applying for Medicare Part B and Part D in a timely fashion to avoid penalties, and doing the research to determine what sort of Medicare coverage is best in your situation, you now need to watch for a conversion to a plan that you did not choose. Better read all of that mail now.