

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.

February 3, 2009

Be prepared, check your coverage

There are more and more Americans who have no medical insurance as fewer employers are offering group coverage, and more people have jobs (or no jobs) without the option of obtaining medical benefits through the employer. There is a segment of the population, however, who might be able to avoid gaps in coverage by planning ahead.

The U.S. Census Bureau recently released a report showing the number of uninsured Americans rose to 47 million in 2006. That number declined somewhat in 2007 due to the number of children enrolled in government insurance programs. A report from the Robert Wood Foundation in 2006 indicated that one in six adults from the ages of 50-64 is uninsured. Many other people are underinsured, a fact that they often are unaware of until there is a catastrophic illness or injury.

Medicare is available to adults once they are 65 years old. There are many Americans who retire early, however, and fail to plan for the gap between actual retirement age and Medicare eligibility age. Other persons successfully obtain Social Security Disability coverage, but fail to plan for the 25 month gap in coverage until Medicare is available to them. Furthermore, disabled persons who receive Medicare must usually apply for Medicare Part B at the point that they are eligible. Otherwise, many outpatient procedures will not be covered. An unexpected illness or an accident will reveal the fact that these persons are not covered by any insurance, or are underinsured, due to a cap in coverage, or care "out of network." Medicaid may be able to assist in payment to the hospital and doctors, but only after the ill or injured person divests himself or herself of resources. In other words, it will be required that the patient spend down their assets to meet the income and resource qualifications.

Another group of persons are qualified for Medicare, but do not take the time to understand the coverage they are purchasing. Medicare A and B by themselves are insufficient to provide coverage for the beneficiary, due to the high co-payments and deductibles for in-patient hospital care. Most people purchase a supplemental policy. It is important to know what benefits the supplemental policy provides, particularly related to nursing home. There are times that a policy fails to cover the co-payment for nursing home care which is covered by Medicare (currently \$133.50 per day). Oftentimes a slight increase in the monthly premium will result in a policy which covers this co-payment. Others persons elect Medicare Advantage coverage, unaware that nursing home care coverage is extremely limited.

The first step is to understand medical insurance that you do have, and what the coverage entails. Investigate continuing benefits that you had while employed through COBRA or by purchasing private health insurance. The premiums may seem costly, but the devastating costs of an unexpected illness or injury will make the investment valuable. There are lower cost insurance options available, similar to those available to children, for those who are managing the gap between the award of Social Security Disability and Medicare coverage. Finally, for those buying supplemental insurance to Medicare, be aware of what your insurance covers and what it does not.