

Avoiding Insurance Problems After You Quit Working While On Medicare

By Woodrow Wilcox

One of the clients of this firm came to me for help. I am in the process of helping him. I thought that sharing the basic problem and resolution would be helpful to some people who read this column.

The client enrolled in Medicare at age 65, but continued to work part time because of the excellent and inexpensive insurance that he got through his employer. Paying the small premium while he worked was cheaper than buying a Medicare supplemental insurance policy. This made sense. This was smart thinking by the client.

But, eventually, the client quit the job and bought a Medicare supplemental insurance policy. The client experienced problems because Medicare never was notified that the client had quit the job and stopped having the employer subsidized insurance. So, when the client's medical bills didn't get processed correctly, the client had a problem.

To correct this problem, I worked with the client to get a letter of insurance termination from the employer's insurance company. Such a letter was not sent to either the client or Medicare when the client lost the employer provided insurance.

Once we get a copy of the termination letter to Medicare, we will have the client request a reprocessing of all claims since the date of termination of the previous insurance. The reprocessing will correct the matter and payments will be made for the client's medical bills.

While the client worked and had insurance, Medicare was the secondary insurance. After the client quit the job and lost the insurance, Medicare became the primary insurance. In each case, the claims are processed differently.

Other senior citizens who quit a job and change from an employer provided insurance to a Medicare supplemental policy can avoid this billing problem by being proactive. Ask the employer's insurance company to provide a LETTER OF TERMINATION OF COVERAGE. Then, send a copy of that letter to Medicare promptly. That will minimize the chances of you having the same problem as our client.

Written on September 24, 2007 by Woodrow Wilcox