MedBillsAssist

Medical Claims Solutions

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Medical Insurance After Divorce

I recently received a call from a desperate lady with large medical bills. Her case is unfortunate. She was divorced two years ago. Part of her settlement included that her ex-husband provide her with medical insurance for two years. It seemed to be a good thing and she proceeded to use the insurance. One year later she was diagnosed with cancer. Having good medical insurance, her bills for doctors and hospitals were paid. Then after almost two years the insurance terminated her coverage retroactively, and her insurance started to take back payments from the medical providers. She is now drowning in medical bills she didn't think she had.
Looking into the circumstances, it had been discovered that the ex-husband did not report the divorce to the employer, nor to the insurance company.

Once the divorce and date of divorce surfaced, the insurance company terminated her coverage and backdated the termination to the date of divorce.

Unfortunately, the insurance company is correct. Employer based insurance only covers spouses and children. This is a classic situation of what you don't know can hurt you.
The proper medical insurance for the ex-wife should have been coming from COBRA, or the ex-husband should have purchased an individual medical insurance for her.
Did the attorneys know medical insurance rules? Where these rules explained to the couple? Did the now ex-husband understand the rules and the requirement to report his divorce to the employer for insurance reasons? Should the ex-wife trusted the settlement, the attorneys and the ex-husband to do the right thing for her?
The best advise I could give her is to go back to the attorneys. The husband is responsible for all of the medical bills for the two years period, as stated in the divorce settlement. Suing the attorneys for negligence would be the second step for her and for the ex-husband.

Insurance Termination Letters

Insurance companies are very early this year! I keep getting concerned calls from my clients about their insurance termination letters by year end. Many of this year's termination notices are sent to seniors, who are on Medicare. All letters state that they will be offered a replacement policy. However that information is usually on the third page. By the time a person reads that page anxiety already had set in. I have been reading these letters and tell my clients to be patient.

Most people blame the termination notice on the Affordable Care Act (ACA). Despite the fact that ACA allows insurance companies to continue with these plans, under the grandfather provision of ACA for older plans.

The grandfathered policies, while expensive, have and are providing good coverage for the members with these policies. In certain views, they may exceed ACA requirements and it is up to the insurance companies, if they want to continue or cancel these policies. The insurance companies always had the option to cancel policies and offer replacements, even prior to ACA.

The replacement policies will be ACA compliant and it remains to be seen how they'll compare to existing policies. My best advise is to wait until these replacement policies become known.

Quote of the Quarter

Quote David Feinberg, M.D., president of UCLA Health System

"As an industry, we lag other sectors in being able to deliver a smooth, easy experience....There is no excuse for this waste of money and human quality of life. We can and must do better."

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Medicare Open Enrollment

Open enrollment starting on October 15th and ends on December 7th. This is the time to evaluate present prescription plans, change back to traditional Medicare or change to a Medicare Advantage plan.
Medicare Advantage plans have a significant limitation. The medical provider has to be in network with the specific Medicare Advantage plan. For example Memorial Sloan is not in network with the United Healthcare Medicare Advantage HMO plans.
Doctors and other medical service providers, such as labs and freestanding radiology facilities, also need to be in network.
As a general advise I always tell my clients that, if they live in greater New York City area, they should keep traditional Medicare.

Most people received letters that their plans are changing and some drugs covered under their present plan will be assigned a different tier. It is good news if the tier number is decreasing and a bad news, if the tier number is increasing.

A general trend is that plans are getting a bit more expensive and the coverage is decreasing.

The out of pocket coverage gap will increase to $4,700. The good news is the increased discounts in the coverage gap. Brand name drugs will have a 55% and generic drugs will have a 35% discount.
Shopping around is advisable to ensure that the best option is selected for year 2015.

Definitions:

CMS: Center for Medicare and Medicaid Services

ACA: The Patient Protection and Affordable Care Act

GHI: Group Health Incorporated—a subsidiary of Emblem Health

Tier: Tier is a reference to the group of drugs assigned to each category. For example tier 1 is the lest expensive generic drug

12 ACA Facts

1. All legal US residents are eligible to sign up
2. Policy choices depends on the state of residence
3. Subsidies are available for those who qualify
4. Open enrollment starts on November 15, 2014
5. Special enrollment is available for those who qualify
6. People with Medicare coverage are not eligible to participate
7. Employer sponsored health insurance more likely offers more coverage and protection
8. Signing up through the Insurance Exchanges are optional
9. People can purchase private insurance from brokers or directly from insurance companies
10. People presently on COBRA can wait until their policy ends , then sign up for an ACA insurance plan; it is called special enrolment
11. A promise from President Obama , if you like your insurance plan you can keep it, was just a misguided promise. Policies created after March 2010, that did not comply with the ACA were terminated , never to be reinstated again. Policies issued prior to 2010 are in mercy of the insurance companies
12. The actual penalty for not having medical insurance is estimated to be 1% of taxable income in 2014, per family member

Legal Issues or Who is in Trouble this Time?

New York state attorney general reached a 3.5 million agreement with GHI insurance company. It created a consumer assistance fund to provide financial relief for New York City employees with a Comprehensive Benefit Plan from GHI.
GHI failed to adequately disclose out-of-network reimbursement rates for their members. It has been discovered that GHI rate for New York City employees are tied with a 1983 fee schedule and have not been updated since.
Eligible employees will receive mailed notification from GHI with instructions how to apply for assistance.

MedBillsAssist

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