

SHIFTING COSTS TO SENIORS

By Woodrow Wilcox

One of the agents at this insurance agency handed me copies of papers that a client brought about an unpaid balance on a bill from a hospital. Of a bill from a local hospital with total original charges of \$6,155.63, all but \$71.52 was paid. The client has a very good policy with a very good insurance company and did not expect to have to pay anything.

Sadly, I had to inform the client that the bill was her bill. It was the bill for “self-administered drugs” which Medicare would not consider for payment. If Medicare will not pay for something, a Medicare supplement insurance policy will not pay for it either.

Following is part of the letter that I sent to the client to explain the surprise charge.

The balance of the bill from the hospital is \$71.52. It is your bill. Accompanying this letter are copies of some articles that I wrote to alert senior citizens to this rather new federal policy.

The current administration reclassified certain situations in which a senior citizen is in a hospital but treated as an “out-patient”. The federal government requires doctors and hospitals to follow the new definitions of when someone is in a hospital but classified as an “out-patient” rather than an “In-patient”. If doctors and hospitals do not follow the new definitions, then Medicare will reject the entire claim and pay nothing.

When a senior citizen is an “in-patient” nearly all medicines are covered under Medicare Part A. When a senior citizen is an “out-patient”, almost no prescription medicines are covered under Medicare Part B.

At this time, no practical and efficient system has been created to help senior citizens to get the medicines paid by a Medicare Part D policy for prescription drugs. This leaves senior citizens with an unexpected bill for prescription drugs whenever they use a hospital. It saves the federal government money by shifting costs of health care from the Medicare system and onto senior citizens. It helps pharmaceutical companies to make money outside the somewhat price controlled system of Medicare Part D.

I have a good record of helping our clients to save money by correcting medical billing mistakes in the Medicare system. But, this charge – a “Self-administered Drug” charge – is no mistake. It is a charge that results from a new federal policy (since 2009) which is intentionally shifting some health care costs from the federal government onto seniors. For this reason, I can not help you to reduce or eliminate this bill.

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