Insurance

Why is it so important for seniors to manage insurance, particularly medical insurance? Medical facilities have been known to overbill, and patients may not even be aware of it. Duplicate billings may be sent to a patient’s insurance company, either by accident or intentionally, and the only way to catch this is by carefully examining the Explanation of Benefits (EOB) when it is received. They also frequently send an initial bill for the total amount while waiting for insurance benefits to be paid. If this total amount is paid prematurely, it can take a very long time to have it returned once insurance benefits are received. This is why medical bills should never be paid before receiving an EOB from all insurance companies involved. And trying to reconcile medical bills with EOBs can be very confusing, especially when more than one company is responsible for payment, as in Medicare and a supplement policy. It can also be difficult when a medical provider does not accept the patient’s insurance, and the patient must pay in full and get reimbursement from the insurance companies involved.

Also, the patient may find it necessary to make financial arrangements to pay the remaining balance not covered by insurance. This is particularly true in the case of hospital bills, which can be truly exorbitant. Even with Medicare and a supplement, a hefty balance can remain on a lengthy or catastrophic hospital stay. If this should happen, it is important for a senior to know how to apply for assistance in the form of reduced rates from the hospital’s financial aid department. Sometimes a hospital will ask the senior to put the outstanding balance on a credit card. This can be a big mistake because of high credit card interest rates, even if the credit limit is sufficient to allow it. Also, if rehabilitation or nursing home care should be required after hospitalization, Medicare only pays for a certain length of time and if certain medical requirements are met. Everything else will end up being the patient’s responsibility.

The patient and family must be aware of all of the costs involved and exactly what insurance coverage is available in order to make the best decision for the senior’s care. In all cases prior planning is key because no senior’s financial assets are unlimited. This is where long term care insurance can be very beneficial, but it must be purchased before the senior is diagnosed with a condition that could require its use. Otherwise, the senior becomes uninsurable.
There are a variety of different kinds of insurance: Medicare, Medicaid, Medigap or Medicare supplement insurance, Medicare Advantage insurance which combines Medicare and a supplement, group insurance, and private insurance. And there are long term care policies, dental policies, vision policies, and disability policies - all sorts of policies. And now Obama care is being thrown into the mix – it isn’t even definite yet and they’re already changing it! There’s no telling what the final impact of this will be.