

# A Few Important Medicare Caveats ...

Over the past month, I have heard a few horror stories that I'd like to share in the hope that they will help unsuspecting seniors from falling prey to these pitfalls. They're not meant to scare anyone but rather to provide information in this exceptionally complex area of the health insurance world. As always, you are welcome to contact me if you'd like to discuss these stories or if you'd like to learn how WMI's Medigap products can help protect you from these risks.



## Air Ambulance? You better have Medicare Part B!

According to recent KFF news report, 70-year-old Debra Prichard had Medicare Part A (hospital coverage) but she had decided to forego Medicare Part B (non-hospital coverage) in order to save the \$165/month premium cost.<sup>1</sup> After suffering a stroke in 2023, she was rushed to the hospital via helicopter ambulance and sadly died soon thereafter. The cost of the 79-mile flight was a whopping \$81,739.40! Had Ms. Prichard carried Part B coverage, Medicare would have reduced the allowable cost of the air ambulance to about \$10,000 and paid their 80% share, and she would have either paid the balance herself or submitted it to her Medicare Supplement carrier for payment if she had a Medigap policy. Unfortunately, because Ms. Prichard didn't carry Part B coverage, Medicare denied the claim outright and Ms. Prichard's heirs were left holding the bag for the full \$81,739. Last I heard, the air ambulance company was refusing to reduce the bill and was attempting to collect the full charge.

<sup>1</sup> <https://kffhealthnews.org/news/article/air-ambulance-flight-surprise-bill-medicare-part-b/>



## Beware Fraudulent Billing!

Over the past month, two separate individuals have told me fraudulent bills were submitted to Medicare in their name for "urinary catheter tubing." One person was billed more than \$19,000 for 19 catheters, and the other was billed more than \$3,000 for three catheters they never used. Sadly, but somewhat unsurprisingly, Medicare paid these fraudulent claims without investigating further! Fortunately, the two astute individuals immediately called their Medicare Supplement insurers before the balances on the fraudulent claims could be processed and they were able to make sure everything else was denied. Medicare has assured them they will be going after the fraudsters and attempting to recoup the incorrectly paid funds, but I'm sure we can all agree it would have been much better if the claims would have been investigated and denied in the first place.

**Lesson:** Always carefully review claims and explanations of benefits (EOBs) for accuracy and legitimacy and immediately notify your insurance provider and Medicare if something seems amiss.



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### Don't Delay Medicare Drug Coverage *(even if you don't need it!)*

For two years I had been  
telling a friend of mine

who was new to Medicare to make sure to subscribe to a Medicare Part D drug plan or else he would be penalized when he finally did. Despite my repeated advice, he delayed signing up for even a cheap plan because he didn't use many prescriptions and when he did, they only cost him \$4.00 per fill so he didn't think it was necessary. When he finally got around to enrolling in a Part D drug plan, he learned the hard way the importance of enrolling when first eligible because Medicare dinged him with a permanent late enrollment penalty (currently \$0.347 per month times the number of months of non-enrollment). In his case, this worked out to about \$100 per year ... forever!

**Lesson:** Unless you carry other creditable prescription drug coverage, enroll in a Medicare Part D prescription drug plan when first eligible even if you don't think you need it. There are many plans that are almost free so in order to protect yourself from a permanent late enrollment penalty, choose and enroll in a Medicare drug plan as soon as your Medicare becomes effective.



### Pick Up Travel Insurance When Leaving the U.S.

In most cases, Medicare  
won't pay for health care  
services or supplies when  
you're outside of the U.S.

and its territories. There are some Medicare Supplement policies that cover these medical services at 80% up to a maximum of \$50,000, but a medical emergency in a foreign country can easily blow through that cap and leave the member holding the bag for the excess charges. Case in point, WMI had an insured in Montana who suffered a medical emergency while traveling in Canada. He was hospitalized for ten days and incurred a hospital bill of \$72,259.28 USD. WMI paid the maximum benefit under the policy, but the insured was left with a balance of more than \$22,000!<sup>2</sup>

**Lesson:** Because Original Medicare generally doesn't cover medical expenses incurred outside the U.S. (and Medigap plans have a lifetime maximum of \$50,000 or exclude coverage altogether), it may be wise to enroll in a travel insurance policy that covers foreign medical care due to emergencies while traveling abroad.

**Corollary Lesson:** Medicare Advantage Plans usually do not cover any medical treatment when traveling internationally; however, some plans cover certain medical care under limited conditions while traveling so carefully review your policy before departing. Although Medicare Advantage plans usually cover emergency and urgent care while traveling in the U.S., these plans have very strict requirements and limitations even while traveling domestically.

<sup>2</sup> I should note that WMI's Medicare Supplement policies are the same as the Medicare Supplement policies sold by other insurance carriers. The federal government develops the Medigap templates and all insurance companies must ensure their plans follow the required policy language and pay the required benefits even if it means not all out-of-country medical costs are fully covered.

If you have questions about Medicare and Medigap policies or would like a free copy of the federal government's Medicare handbook, please visit our website at [wmimedigap.com](http://wmimedigap.com) or contact our office at (801) 263-8000.