PacificCPE

COURSE
82256A

# Medicare Enrollment, Claims, and the Appeals Process

Knowing how Medicare works is only part of the picture—understanding how to use it matters just as much. This course focuses on the procedural side of Medicare: how and when to enroll, how claims are submitted and processed, and what clients can do if a claim is denied or a coverage decision doesn't go their way. For professionals advising clients who are newly eligible for Medicare or dealing with billing disputes, this course offers practical, step-by-step guidance that goes beyond the basics and into real-world application.

CREDIT HOURS **2** | FIELD OF STUDY **BUSINESS** | EXAM QUESTIONS **10**

Start Course ↓ | Final Exam Copy ↓

## Assignment

- Study the full course materials included here.
- Complete the review questions after each chapter.
- Answer 10 final exam questions.
- Final exam is scored immediately, 70% or better passes.
- Certificate of completion is available in your account.
- Failed exams can be retaken free of charge.

## Course Objectives

- Identify the requirements for application to Medicare.

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# Chapter 1: MEDICARE PROCEDURES: ENROLLMENT, CLAIMS, AND APPEALS

*Chapter Objective*

**After completing this chapter, you should be able to:**

- Identify the requirements for application to Medicare.

Chapter 1 of course 82255A described the eligibility rules for Medicare. Most people are eligible for Part A hospital insurance free of charge; if you aren't, you can enroll by paying a monthly premium. Part B medical insurance coverage is available to most people age 65 and older, and everyone covered pays a monthly premium for it. And Part D—which covers some of the cost of prescription drugs you take at home— is available to anyone who is eligible for Part A or B. Everyone who enrolls in Part D pays a monthly premium for prescription drug coverage, except those who are also eligible for Medicaid or who receive a special Part D low-income subsidy.

This chapter explains:

- How to enroll in Medicare Part A and Part B
- How to get Medicare to pay its share of your medical bills once you're enrolled
- What portion of the bill you must pay yourself
- How to read the notice Medicare sends you
- How to appeal a Medicare decision regarding your claim, and
- The separate procedures for enrolling in a Part D plan, switching Part D plans, requesting an exception to a Part D plan's formulary or another access restriction, and appealing a Part D plan's decision.

Note that Medicare Part C (Medicare Advantage) plans can replace Medicare Part A and Part B, and often cover drugs by incorporating a Part D plan. Medicare Advantage, and how to enroll in it, is covered separately in Chapter 2 of course 82257A.

### ENROLLING IN PART A: HOSPITAL INSURANCE

Medicare Part A, also called "hospital insurance," covers most of the cost of inpatient care in a hospital. Part A also sometimes covers the cost of inpatient care at skilled nursing and rehabilitation facilities and home health care. Most people age 65 or older are eligible for Part A coverage. Some

will receive it automatically and free of charge, along with their Social Security benefits. Others will need to enroll and possibly pay a monthly fee.

**Those Who Receive Social Security Benefits**

If you're under age 65 and already receive Social Security retirement, dependents, or survivors benefits or Railroad Retirement benefits, you don't need to do any paperwork to enroll in Medicare Part A hospital insurance. Social Security will automatically enroll you, and coverage will take effect on your 65th birthday. About 3 months before your 65th birthday, Medicare will mail you a Medicare card and information sheet.

Since Medicare Part A is free for people age 65 or over who receive Social Security benefits, automatic enrollment provides excellent supplemental coverage even if you have other health care coverage.

*Caution!*

**No new contributions to health savings accounts.** Once you are enrolled in Medicare (Parts A and B, or Part A alone), which you receive automatically once you claim Social Security benefits at age 65 or older, you're no longer allowed to make new pretax contributions to your health savings account (HSA). You can continue to use the funds already in your HSA account, however. This is true even for employees with HSA health plans who continue to work.

If you receive Social Security disability benefits for 2 years, regardless of your age, you'll be automatically enrolled in Medicare Part A, effective 24 months from the date Social Security declared that your disability benefits should begin. The Medicare card you receive in the mail will indicate that you're enrolled in both Part A and Part B. If you don't want to be enrolled in, and pay the monthly premium for, Part B, there's a form for you to sign indicating your rejection of Part B, which you send to Medicare. If you do want to be enrolled in both Parts A and B, you don't have to do anything. Just sign your Medicare card and keep it handy.

### *Managed Care Plans Handle Medicare Paperwork*

Many people who are about to qualify for Medicare have an HMO or other managed care insurance plan that they intend to keep when they become eligible for Medicare. Other people decide to join a Medicare Advantage HMO or other managed care plan when they first become eligible for Medicare.

If you intend to remain with your current insurance plan when you become eligible, your plan can sign you up for Medicare and will then coordinate its benefits with Medicare's. Begin this process two to three months before you become eligible for Medicare.

Similarly, if you decide to join a Medicare Advantage managed care plan for the first time when you become eligible for Medicare, you can sign up for Medicare at the same time you sign up for the plan. Try to get the paperwork started at least two months before your Medicare eligibility begins.

Medicare Advantage managed care plans are discussed in Chapter 2 of course 82257A.

If you don't receiving Social Security benefits but don't receive your Medicare card in the mail within a month of your 65th birthday, or within a month of your 24th month of disability benefits, contact your local Social Security office or call the national Social Security office at 800-772-1213.

**Those Who Aren't Receiving Social Security Benefits**

If you're soon to turn 65 but you're not receiving Social Security retirement, dependents, or survivors benefits, Railroad Retirement benefits, or federal civil service retirement benefits, you must apply for Medicare Part A either online on the official Social Security Administration website at www.ssa.gov/ medicare or at your local Social Security office. If you're going to apply for retirement or other Social Security benefits to begin on your 65th birthday, you can apply for Medicare at the same time, at your local Social Security office.

### *Your Medicare Card*

When you're enrolled in Medicare, you'll be sent a Medicare card that states:

- Your name
- Whether you have both Part A and Part B coverage or just Part A
- The effective date of your Medicare coverage, and
- Your health insurance claim number—also called your "Medicare number."

Always carry your Medicare card with you. You may be asked to present it when you seek medical treatment at a hospital, a doctor's office, or another health care provider.

Also, you must include your Medicare number on all payments of Medicare premiums or correspondence about Medicare.

If you lose your Medicare card, you can have it replaced by applying in person at your local Social Security office or by calling the toll-free information line at 800-MEDICARE, or Social Security's main office at 800-772-1213. Alternatively, you can apply for a new card online at www.medicare.gov.

**Who Is Eligible**

If you're eligible for Social Security benefits, you can receive free Medicare Part A coverage at age 65 whether or not you actually claim your Social Security benefits.

For example, many people who continue working after reaching age 65 don't claim retirement benefits until later. Still, they can receive free Part A Medicare coverage by applying for it at their local Social Security office.

Also, if you aren't automatically eligible for free Part A coverage, you can purchase it for a monthly premium. The amount of the premium depends on how many work credits you or your spouse have earned. (See "Part A: Hospital Insurance" in Chapter 1 of course 82255A for details.)

**When to Apply**

Whether you wish to claim Social Security benefits and Medicare, or just Medicare, apply well before you turn 65. You can apply as early as 3 months before your 65th birthday.

Signing up early is important for two reasons: First, it will ensure that your coverage begins as soon as you're eligible, the month of your 65th birthday. Second, if you wait more than 3 months after your 65th birthday to enroll, you won't be allowed to enroll in Part B until the following January 1, and your eligibility won't begin until July 1 of that year. (See "Enrolling in Part B: Medical Insurance," below, regarding delayed enrollment.)

*Caution!*

**Avoid delays in Part B coverage.** If you don't enroll in both Parts A and B during your initial enrollment period, not only will your enrollment in Part B be delayed, but you'll also have to pay a higher monthly premium for it. (See "Enrolling in Part B: Medical Insurance," below, for details.)

### When Benefits Begin

If you apply for Part A of Medicare within 6 months after you turn 65, your coverage will date back to the month of your 65th birthday. But if you apply after that, your coverage will date back only up to six months before the month in which you applied. If your Medicare eligibility is based on disability, however, your coverage will date back up to one year before the date on which you apply.

### Appealing Denial of Coverage

Eligibility for coverage by Part A of Medicare depends solely on your age and on the number of Social Security work credits you or your spouse have acquired. (See "Part A: Hospital Insurance" in Chapter 1 of course 82255A for a review of the eligibility requirements.) You can be denied coverage by Medicare Part A only if there's a dispute about whether you've reached 65, about the number of your or your spouse's work credits, or about the validity of your marriage.

Decisions about these matters are handled not by Medicare but by Social Security. And, like any other decision of the Social Security Administration, a decision denying eligibility for Medicare Part A hospital insurance coverage can be appealed. The appeal process is discussed later in this chapter.

## ENROLLING IN PART B: MEDICAL INSURANCE

Medicare Part B, referred to as "medical insurance," covers doctors' services plus laboratory, clinic, home therapy, and other medical services you receive—other than when you're an inpatient in a hospital or skilled nursing facility. Most people age 65 are eligible for Part B.

Everyone must pay a monthly premium to enroll, although some people pay for Part B in the premiums they pay to their Medicare Advantage plan (see Chapter 2 of course 82257A).

This section explains who is automatically enrolled in Part B, who must take steps to enroll, and when to do so.

### Those Who Receive Social Security Benefits

If you're younger than 65 and already receiving Social Security retirement, Railroad Retirement, dependents, or survivors benefits, you'll be automatically enrolled in both Medicare Part A and Part B within 3 months of turning 65. Your coverage will become effective on the month of your 65th

birthday. Near that time, you'll be sent your Medicare card through the mail, along with an information packet. The monthly premium for Part B coverage will be deducted automatically from your Social Security benefit, beginning with the first month after your 65th birthday.

If you don't want Medicare Part B coverage—perhaps because you or your spouse are still working and you're covered by an employment-related health plan—notify Social Security of that fact on the form that comes with your Medicare card. If you reject Part B coverage when you're first eligible for it, you can enroll in Part B later on, although only during the first three months of any year. And if you enroll later, your premiums will be higher unless you've been covered by a comparable employer-sponsored health plan (see "Delayed Enrollment," below).

**Those Who Don't Receive Social Security Benefits**

If you're turning 65 but aren't eligible for Social Security benefits—or aren't yet going to claim benefits to which you're entitled—you can still enroll in Part B medical insurance either online on the official Social Security website at www.ssa.gov/medicare or at your local Social Security office.

You can enroll during an initial period of 7 months, which begins 3 months before the month you turn 65 and ends 3 months after the end of the month you turn 65. For example, if you turn 65 in July, your initial enrollment period starts April 1 and ends October 31. However, the earlier you enroll during this initial period, the better. If you enroll during the three months before you turn 65, your coverage will begin on the month of your 65th birthday. If you enroll during the remaining four months of your initial enrollment period, your coverage might be delayed from one to three months after you sign up, depending on how long it takes to process your application.

**Delayed Enrollment**

If you don't enroll in Part B medical insurance during the 7-month period just before and after you turn 65, but later decide you want the coverage, you can sign up during any general enrollment period. These are held January 1 through March 31 every year. If you sign up any time during one of these general enrollment periods, your coverage will begin on July 1 of the year you enroll.

Your monthly premium will be higher if you wait to enroll during one of the general enrollment periods instead of when you turn 65, unless you've been covered during that previous period by a comparable employer-sponsored health plan (see "No-Penalty Late Enrollment," on the next page).

For each year you were eligible for Part B coverage but didn't enroll, your premium will be 10% higher than the basic premium.

### *No-Penalty Late Enrollment If Covered by Current Employment Health Plan*

If you're covered by a group health plan based on your own or your spouse's current employment, you can enroll in Part B coverage after your 65th birthday without having to wait for the open enrollment period and without any penalty. This exception refers only to a group health plan based on current employment, not to one based on retirement benefits from employment.

If you've delayed signing up for Medicare Part B because you've been covered by a health plan based on current employment, you can sign up for Part B coverage within seven months of the date you or your spouse end that employment—or of the date the health coverage ends, whichever comes first—without getting a late enrollment penalty. You can also sign up for Part B at any time while you're still covered by your health plan.

If you sign up while you're still covered by a group health plan based on current employment, or during the first full month that you no longer have this coverage, your Part B coverage will begin the first day of the month you sign up. You can also choose, instead, to have your coverage (and the monthly premium you must pay) begin with any of the following three months. If you sign up during any of the remaining seven months of your special enrollment period, your Part B coverage will begin the month after you sign up.

To enroll in Part B after age 65 (when you already have Part A), you can fill out a *Request for Enrollment in Medicare Part B* (Form CMS40B) and bring it or mail it to a Social Security office. If for any reason you're not already enrolled in Medicare Part A, you can sign up for both Part A and Part B online at https://secure.ssa.gov/iClaim/rib (you can't sign up online for Part B only) or by logging into your Social Security account.

## MEDICARE'S PAYMENT OF YOUR MEDICAL BILLS

Medicare doesn't handle day-to-day paperwork and payments between patients and doctors or other health care providers. It contracts out this work to what are called Medicare carriers or intermediaries. These are huge private corporations, such as Blue Cross or other large insurance companies, each of which handles claims for an entire state, and sometimes for more than one state.

The Medicare intermediary in your state receives, reviews, and pays claims. It sends notices that tell you and the medical provider the amount of benefits paid, the amount of your medical bill that has not been paid, and the amount the health care provider is legally permitted to charge. (See "Your *Medicare Summary Notice*," below, for more on these notices.) And it's with the intermediary that you'll initially correspond if you want to appeal a decision about Medicare coverage of health care charges. (See "Appealing the Denial of a Claim," below, for appeal procedures.)