When and How to Enroll in Medicare Parts A, B, C, D

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I. INTRODUCTION TO MEDICARE

In 1965, Congress enacted our only national health insurance program. Officially known as "Health Insurance for the Aged and Disabled", Title XVIII of the Social Security Act was intended to provide a basic level of heath care for the aged.[1] Medicare was based on a private health insurance model. It requires deductibles and copayments by the insured and it pays only a portion of the cost of certain services. It is not a welfare program and eligibility is not based on assets or income of the insured. Bill Gates can qualify for Medicare if he meets the nonfinancial criteria. The program is administered by the Centers for Medicare and Medicaid Services. The Medicare program is totally financed by federal funds.[2] There are several parts that make up the Medicare program Parts A, B, C, and D. Originally there were only two parts to the entire Medicare program Part A and B. Parts A and B are commonly referred to as Fee For Service (FFS) Medicare. One of the first major changes in the Medicare program was the creation of Part C. Part C introduced the concept of managed healthcare or health maintenance organizations (HMOs or PPOs) to Medicare beneficiaries. Part C is commonly referred to as Medicare Advantage.

On December 8, 2003, the new Medicare Prescription Drug, Impovement, and Modernization Act of 2003 was signed into law and Medicare Part D was created. Part D is possibly the most dramatic change to the Medicare system since its inception. Part D is known to most of the world as the "prescription drug benefit" of Medicare. Prior to Part D Medicare did not have a benefit for most medications. The new Part D created a short term program that provided a Discount Drug Card to beneficiaries. The true drug benefit program started in 2006.

The creation of Part C and Part D dramatically changed the Medicare program as prior to their inception the existing Medicare program A & B were totally creatures of the Federal Government. Part C and D brought private for profit entities into the Medicare mix. The benefits of Part C and D are are provided by private companies under rules and guidelines set forth by Medicare but they are totally private non-governmental entities. In order to understand how the current four parts of Medicare coexist and provide health benefits to millions of Americans we first have to start with and understanding of the Medicare Program as it existed at it creation in 1965. When Medicare was first created there were two parts to the system.

The first part is called "Hospital Insurance Benefits for the Aged and Disabled" or "Part A Medicare". Its benefits pay the costs of inpatient hospital and other institution-provided inpatient care as well as home health care. It is referred to as "Part A" because the basic law is found in Part A of Title XVIII of the Social Security Act.

The second part of the Medicare program is called "Part B" officially known as "Supplementary Medical Insurance Benefits for the Aged and Disabled." This part of the program is voluntary in that the insured must elect to have this coverage and pay a premium for the benefit. The premium is quite low for the coverage the program affords. This part of Medicare covers physicians' services, durable medical equipment, outpatient therapy, diagnostic x-rays, and laboratory tests.

These two programs are the backbone of the health care system for the majority of our elderly population. Almost every client the elder law attorney will encounter will be covered under these parts of the Medicare program or under the Medicare HMO program know as "Part C". It has been the author's experience that the majority of Medicare recipients are fairly well satisfied with the Medicare program as it is today. Medicare enrollees that are in traditional fee for service Medicare are able to select the doctor of their choice and are almost always able to obtain hospital care at the hospital of their choice. Experience shows that the main complaint that most beneficiaries have concerns what is call a Medicare Summary Notice (MSN), formerly known as an Explanation of Medicare Benefits (EOMB). These are the notices that are sent to the person when Medicare Part B pays a bill. Although several attempts have been made over the years to simplify these statements they are still undecipherable by most humans.

Beneficiaries with Original Medicare get a MSN in the mail every 4 months for their Medicare Part A and Part B covered services. The MSN shows all the services or supplies that providers and suppliers billed to Medicare during that period, what Medicare paid and the maximum amount the person owes to a provider. If the beneficiary did not have any services or medical supplies during the period the beneficiary would not receive an MSN.

It is critical for the elder law or disability attorney to be knowledgeable about the Medicare program because one of the primary concerns of elder or disabled clients will be obtaining and paying for medical care. The quickest way for an an attorney to build trust and confidence with the elder client is to differentiate their practice from other law offices by demonstrating that you are aware of the things that matter most to your clients and that you have special knowledge concerning these matters. A thorough knowledge of the Medicare program is essential to advising clients about health care matters. Further, no matter what other characteristics disabled or elder law clients have in common besides their chronological age or that they are disabled, they will almost always be Medicare recipients.

There is one other critical part to understanding Medicare and the importance of the program to an elder law and disability attorneys. The Medicare program has been amended many times since its inception. The current Medicare program is subject to major changes by bills pending in the Congress during the writing of this paper. The possible changes in the Medicare program and the coverage it provides are the source of more worry and anxiety among our elderly and disabled population than words can convey. By staying abreast of the changes in the Medicare program and assisting elderly clients in understanding and dealing with the inevitable changes, the attorney provides an invaluable service to clients by helping them deal with the stress, anxiety and worry that invade their life every time they turn on the evening news or read the daily paper. Not only must the attorney learn and understand the workings of the current program, he or she must continually update that knowledge in light of the changes that occur in the system almost daily.

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