

Ask The Welfare Fund – June 2009

QUESTION: I am a retired Principal who is Medicare eligible. I recently had several doctors tell me Medicare rejected my claim, indicating I was still employed and that Medicare was my secondary coverage. What happened and what do I do?

ANSWER: You have been caught in a system glitch caused by one of Medicare's outside vendors. Wellpoint (the company which owns Empire Blue Cross/Blue Shield) sent information to Medicare in April incorrectly indicating that a number of participants were still employed. Since Medicare is secondary if someone over 65 is still working, Medicare rejected the claims and directed they be sent to the primary carrier. If you call Medicare (1-800-MEDICARE) and speak with the Coordination of Benefits unit they should be able to straighten out your account. Please note that it may take 2 weeks for all the systems used to be properly updated: simply ask the doctors to wait two weeks before resubmitting your claim.

QUESTION: I am an Assistant Principal in the Bronx. My son graduated from college in May 2008 and was on COBRA until he found a job. He started a job in September, and his benefits were in place October 1st. he was laid off due to the economy May 1st. How can I put him back on COBRA?

ANSWER: Unfortunately, he can not be placed back on COBRA with the City or with the Welfare Fund. Once a COBRA participant has been covered by another plan, he/she must obtain COBRA benefits to continue that plan. Please have your son contact his former employer's human resources department to enroll in COBRA. This needs to be done very soon, since there is a 60-day period after losing benefits to apply for COBRA. The good news is that he may qualify for the subsidized COBRA plan through the newly enacted "economic stimulus plan" allowing him to pay only 35% of the normal cost for the first 9 months of coverage. The human resources people at his former employer will be able to handle all the paperwork.

QUESTION: I am the welfare fund administrator. When I visited my cardiologist for my regular checkup last week, the office staff requested picture id, which they scanned into the computer system. When I asked why, they indicated it was in compliance with the "Red Flag Rule". What are they talking about.

ANSWER: Finally! I get to answer my own question! The "Red Flag Rule" is a part of the Fair and Accurate Credit Transactions (FACT) Act of 2003 that requires creditors to develop a written program to prevent identity theft. You may have been asked to show your driver's license when using a Visa or MasterCard recently, which is a way that stores are implementing

these requirements. Doctors are included in the regulation since the government says that if a doctor provides treatment, and does not collect payment in full (they collect only your co-payment and bill the insurance or bill insurance then bill you the remaining balance) a creditor. The American Medical Association aggressively fought doctor's inclusion in this regulation, but obviously were unsuccessful. I suggest you do as I did and use a school id rather than a driver's license which could be stolen by the doctor's administrative staff (and you thought that CSA Id would never be used).