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## Humana relents on recouping funds Insurer's error let seniors underpay for drug coverage

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By Jeffrey Krasner, Globe Staff | March 16, 2007

[Humana Inc.](#) will today send letters to more than 600 Massachusetts senior citizens telling them they will not have to repay money to the health insurance giant because of a billing error in a popular Medicare drug plan.

The unpaid fees could have cost some seniors hundreds of dollars, depending on their medications. State officials are still trying to find out exactly how the billing error occurred and whether it has been corrected.

In December, Humana sent letters to subscribers to its stand-alone drug coverage, one of the most popular plans for seniors who receive prescriptions from the Medicare drug benefit, called Part D.

"Humana charged you the wrong copayment amount when you received your prescriptions at the pharmacy," the letter said. "Humana is reviewing your account. If we find you were not charged the correct amount for prescriptions you filled in 2006, you will receive a letter telling you about the additional amount owed."

The letter sparked concern among some seniors in Massachusetts, as well as many more in Connecticut and New Jersey, where thousands were affected by the billing errors. In all, 13,730 subscribers were affected, mostly in the Northeast.

Martha King, a retiree living in Auburn, said she was "flabbergasted" when she received the letter.

"I couldn't believe that any company would think they could make their customers pay for their own mistakes," she said. "If Macy's charged you the wrong price on a coat, you wouldn't get a letter from them saying you need to pay another \$79."

Randy Garten, director of Massachusetts Prescription Advantage, a state program that helps residents buy medications, said he first heard of the problem in January. The Massachusetts residents affected were members of Prescription Advantage. Because of a computer coding problem, Garten said, they were wrongly classified as subscribers whose medications are fully subsidized.

Garten said he wants more of an explanation from Louisville, Ky.-based Humana.

"We'd like to hear what happened and what's changed for our working relationship going forward," he said.

Garten said he hasn't had similar large-scale billing problems with other insurance companies that provide drug coverage under Medicare Part D.

Tom Noland Humana's senior vice president for corporate communications, said in an e-mail that the company learned last summer it was placing members in improper billing categories.

The company said it was told to send the letters warning seniors about money they would have to repay at the request of the Centers for Medicare and Medicaid, the federal agency overseeing the prescription drug benefit.

But it was not until this month that the company was able to work out a solution with federal regulators under which seniors won't have to pay for Humana's mistake, Noland said.

"We will be granting a hardship waiver to all affected members in all affected states," Noland said.

In Connecticut, Governor M. Jodi Rell had threatened to block Humana's efforts to collect the unpaid bills. A Humana spokesman told the Associated Press this month that the company issued a "hardship waiver" that negated the back payments for its members in Connecticut.

"We're really pleased that Humana has taken the right steps and decided that these people, who are generally low income, won't have to pay back the money," said Vicki Gottlich, senior policy attorney for the nonprofit Center for Medicare Advocacy in Washington.

"But this is not an isolated case. There are still a lot of people around the country who are having premiums withheld improperly and are being threatened with disenrollment. It's endemic of the systemwide problems we're seeing in Part D."

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