

Medicare Carriers Manual [14-3-2332]

2332. CHARGES IMPOSED BY IMMEDIATE RELATIVES OF PATIENT OR MEMBERS OF HOUSEHOLD

A. General

Do not pay under Part A or Part B of Medicare for expenses, which constitute charges by immediate relatives of the beneficiary or by members of his/her household. The intent of this exclusion is to bar Medicare payment for items and services furnished by physicians or suppliers, which would ordinarily be furnished gratuitously because of the relationship of the beneficiary to the person imposing the charge. This exclusion applies to items and services rendered by a related physician or supplier, even if the bill or claim is submitted by an unrelated individual or by a partnership or a professional corporation. It applies to items and services furnished incident to a physician's professional services (e.g., by the physician's nurse or technician) only if the physician who ordered or supervised the services has an excluded relationship to the beneficiary. The only exception is items furnished by an incorporated non-physician supplier.

B. Immediate Relative

The following degrees of relationship are included within the definition of immediate relative:

- Husband and wife;
- Natural or adoptive parent, child, and sibling;
- Stepparent, stepchild, stepbrother, and stepsister;
- Father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, and sister-in-law;
- Grandparent and grandchild; and
- Spouse of grandparent and grandchild.

NOTE: A brother-in-law or sister-in-law relationship does not exist between a physician (or supplier) and the spouse of his wife's (her husband's) brother or sister.

A father-in-law or mother-in-law relationship does not exist between a physician and his/her spouse's stepfather or stepmother.

A step-relationship and an in-law relationship continues to exist even if the marriage upon which the relationship is based terminates through divorce or through the death of one of the parties. Thus, for example, if a physician treats his step-father after the death of his natural mother or after the step-father and natural mother are divorced or if he treats his father-in-law or mother-in-law after the death of his wife, the services are considered to have been furnished to an immediate relative and are excluded from coverage.

C. Members of Patient's Household

These are persons sharing a common abode with the patient as a part of a single family unit, including those related by blood, marriage, or adoption, domestic employees, and others who live together as part of a single family unit. A mere roomer or boarder is not included.

D. Charges for Physician and Physician-Related Services

This exclusion applies to physician services, including services of a physician who belongs to a professional corporation, and services furnished incident to those services (e.g., by the physician's nurse or technician) if the physician who furnished the services

or who ordered or supervised services incident to his/her services has an excluded relationship to the beneficiary.

The term “professional corporation” means a corporation that is completely owned by one or more physicians and is operated for the purpose of conducting the practice of medicine, osteopathy, dentistry, podiatry, optometry, or chiropractic or is owned by other health care professionals as authorized by State law. Any physician or group of physicians, which is incorporated constitutes a professional corporation. (Generally, physicians who are incorporated identify themselves by adding letters such as P.C. or P.A. after their title.)

E. Charges for Items Furnished by Nonphysician Suppliers

This exclusion applies to charges imposed by a nonphysician supplier that is not incorporated, whether the supplier is owned by a sole proprietor who is related to the patient or by a partnership in which even one of the partners is related to the patient. The exclusion does not apply to charges imposed by a corporation (other than a professional corporation), regardless of the patient's relationship to any of the stockholders, officers, or directors of the corporation or to the person who furnished the service.