

OPTING - OUT OF MEDICARE
Sandie Becker, CMC

In recent years, more and more providers are choosing to opt-out of the Medicare Program. This is not to say these providers are “not participating.” A non-participating provider carries a different connotation altogether. Apart from never enrolling in the Medicare Program, providers have three options available.

1. Participating – Providers must bill the Medicare contractor (Palmetto GBA) and accept Medicare’s allowed charges as payment in-full for all of their Medicare patients;
2. Non-participating – Providers are able to decide on a case-by-case basis whether to accept assignment or to have their patients be responsible for payment up to the limiting charge. Medicare has these amounts listed in the third column of the fee schedule, <http://www.palmettogba.com/J1B>.
3. Opt-Out – Providers opt-out of the Medicare Program entirely and contract with their Medicare patients privately. Neither the provider nor the patient may bill Medicare for any services provided (exception: emergency or urgent care situations) for two years.

Unfortunately, opting-out is not just an “I say, therefore, I am” decision. There are procedures that must be followed and rules that must be maintained. If a physician fails to maintain “opt-out” status by following the proper guidelines and fails to demonstrate within 45 days of a notice from the carrier of a violation of the opt-out rules that he or she has taken good faith efforts to maintain opt-out status, effective 46 days after the date of the notice, and for the remainder of the opt-out period:

- All of the private contracts between the physician and beneficiaries are deemed null and void;
- The physician’s opt-out of Medicare is nullified;
- The physician must submit claims to Medicare for all Medicare-covered items and services furnished to Medicare beneficiaries;
- The physician or beneficiary will not receive Medicare payment on the Medicare claims for the remainder of the opt-out period;
- The physician is subject to limiting charges provisions; and
- The physician may not attempt to once more meet the criteria for properly opting-out until the two-year opt-out period expires.

As a member of SCCMA-MCMS/CMA, physicians may access On-Call document #0151 entitled “Medicare Participation (and Non-Participation) Options.” This document provides answers to questions and steps to take pertaining to opting-out of Medicare, as well as providing requirements for affidavits and sample private contracts with patients. To access this and many other On-Call documents, sign on to <http://www.cmanet.org> and click CMA On-Call to access the library. You may also email sandie@sccma.org to request a copy.