

## SA-VIT COLLECTION AGENCY TIPS OF THE MONTH ARCHIVES



June 2010

### Charging Medicare Part B Beneficiaries Extra Fees

There are some changes in the Medicare federal health insurance program Part B coverage that affects physicians and other health organizations that treat individuals 65 and older and individuals with certain disabilities.

For providers that accept assignment there is no change in the law. For instance, if the doctor normally charges \$115 for an office visit, but the Medicare approved amount for the office visit is \$100, by accepting assignment the doctor agrees to accept \$100 as payment in full. Since Medicare generally pays 80 percent of the approved amount ( $\$100 \times .80 = \$80$ ). The beneficiary is then liable for the other 20 percent of the approved amount ( $\$100 \times .20 = \$20$  out-of-pocket cost).

However, if the provider does not accept assignment the doctor may charge up to 115 percent of the Medicare approved amount for the covered service known as the limiting charge. As an example, if the Medicare approved amount for the office visit is \$100, the limiting charge the doctor can bill is \$115. ( $\$100 \times 1.15 = \$115$ ). Since the provider did not accept assignment, he/she may bill the \$115 for the covered service. Under this scenario, Medicare would still only pay 80 percent of the approved amount ( $\$100 \times .80 = \$80$ ). However, now the beneficiary is liable for the 20 percent of the approved amount plus the \$15 excess of the approved amount ( $\$100 \times .20 = \$20 + \$15 = \$35$  out-of-pocket cost).

Also, based on the language of the Medicare assignment and limiting charge provisions, a provider of Medicare covered services may not bill anyone covered under Medicare an amount over the Medicare approved amount for assigned claims or any amount over the limiting charge for non-assigned covered services. Therefore, the addition of any fees (including interest, late fees, collection fees, etc.) to unpaid Medicare claims would violate Medicare provisions.

If you have questions send them to [info@savit.com](mailto:info@savit.com).