

SA-VIT COLLECTION AGENCY TIPS OF THE MONTH ARCHIVES



November 2007

Collecting Medicare Deductibles and Coinsurance

You must be careful when forgiving Medicare deductibles and coinsurance amounts that are owed by patients. The Medicare manual states:

“Physicians and suppliers who routinely waive (do not bill the beneficiary for) coinsurance and deductible amounts may be in violation of the Medicare statutes, and subject to criminal prosecution, and have an overpayment assessed against them.”

It goes on to list the consequences of routine waiver of deductible and coinsurance amounts.

“Physicians are hereby notified that Medicare will:

- develop and recover overpayments on previous claims where the waiver has been discovered; and
- suspend or exclude physicians and suppliers from participation in the program; and
- treat all future instances of routine waivers as criminal in nature, subject to referral to the Office of Inspector General.”

However, it is possible to waive an occasional deductible and coinsurance amounts and these waivers should be documented on the patient’s financial record. The manual goes on to state:

“Waiver of payment of the deductible and coinsurance would not be in violation of law when:

- a reasonable effort has been made to collect the amount considered by Medicare to be the beneficiary’s responsibility; and

- the beneficiary had no third-party payer to pick up that payment or the third-party's payment does not satisfy the full coinsurance/deductible amount; and
- the beneficiary cannot pay the remaining coinsurance and/or deductible amount because of financial hardship."

If you send the accounts of patients covered by commercial insurance to your collection agency, you should also send similar accounts of patients covered by Medicare insurance, unless they fall under the waivers shown above.

Information from Federal Register/ Vol.63,No.57/ Wednesday, March 25, 1998/Proposed Rules
Website: <http://oig.hhs.gov/authorities/docs/hipaacmp.pdf>