

Dermatology Coding Alert

Reader questions: Collect Medicare Copay Up Front

Question: We have many patients on Medicare in our practice. When a Medicare patient presents, can we collect the 20 percent coinsurance at the time of the visit, or do we need to wait until we receive payment from Medicare itself?

Louisiana Subscriber

Answer: If you are a participating Medicare practice, you should be able to collect the standard 20 percent copayment of the Medicare participating fee schedule upfront in most situations. You cannot charge in excess of that rate, however. You also cannot charge a Medicare patient any extra charges or collections fees.

Watch out: Note that if you mistakenly overcharge the copay, such as with patients with Medicare and Medicaid or any other secondary insurance that directly pays you after Medicare pays the practice, you should refund the balance to the patient quickly. Medicaid patients are not responsible for the Medicare deductible or the 20 percent coinsurance when Medicare has paid more than the Medicaid allowable.

Depending on the Medigap policy, the deductible may be covered and be paid by the policy and all of the 20 percent copayments are paid by the Medigap policy. This is true even though Medicare may have only paid 80 percent of its allowable and may have subtracted the patient's outstanding deductible from that payment.

Your practice might also benefit from publishing a list of coinsurance requirements for standard procedures.