

Optometry Coding & Billing Alert

Build a Better Business: Navigate the Medicare Opt-Out Process in 3 Easy Steps

No Medicare does not equal no contracts.

If you decided that 2011 is the year your practice is going to scrap Medicare, follow this plan to ensure you don't miss any essential components when you're solidifying your no-Medicare plan.

1. Notify Medicare That You're Opting Out

First, file an affidavit with your Medicare contractors informing them that your physician is opting out. If you are already a participating provider, CMS states, "To opt out of Medicare, a participating physician must first terminate his or her Medicare Part B participation agreement," says **Barbara J. Cobuzzi, MBA, CPC, CENTC, CPC-H, CPC-P, CPC-I, CHCC**, president of CRN Healthcare Solutions, a coding and reimbursement consulting firm in Tinton Falls, N.J., and senior coder and auditor for The Coding Network.

Tool: You can find samples of the form online at specialty association Web sites and even some Medicare carrier Web sites. For instance, you can get National Government Service's form at www.ngsmedicare.com/pdf/medicareoptoutaffidavit.pdf.

The affidavit needs to: state the date when you will opt out of Medicare outline the standard terms of the agreement.

Example: The affidavit should state that the provider agrees not to charge Medicare for any service and not to represent himself as a participating provider with Medicare.

In the past, you had only one time each year when Medicare allowed you to terminate Medicare participation. You now have more chances as CMS expanded termination options to a quarterly basis: Jan. 1, April 1, July 1, and Oct. 1.

Crucial: You must give your carrier a 30-day prior notice. Send in the opt-out affidavit with an effective date of the beginning of the next quarter.

Don't forget: You also need to notify your patients that you are opting out of Medicare and that you're no longer a Medicare provider. That way, you don't violate the terms in the affidavit you submit to your contractor.

2. Create a Patient Contract

If your practice decided to opt out of Medicare, but your providers plan to still see Medicare patients (which you can do), you'll need solid patient contracts. "The provider has to have a written 'private contract' with each Medicare beneficiary to whom [the provider] provides any service, except in a life-threatening emergency," explains **Will Rodgers**, president of Enterprise Medical Billing in Beaumont, Calif.

This contract must, among other things, inform your patients that you are no longer part of Medicare and therefore, neither they nor the provider will receive any reimbursement from Medicare. You will be able to treat patients with Medicare coverage just like before, but you won't bill Medicare for the services. Instead, you will bill any secondary or supplementary insurance the patient may have, or bill the patient directly. For example, "Medigap insurance will not pay if you are opted out since Medigap pays only secondary to Medicare payment," Cobuzzi says.

Remember: Medicare has several requirements for what it considers an acceptable private contract. Beware that the contracts "have to be made available to CMS upon request, even long after the two-year opt-out period ends," Rodgers

says.

3. Set Up Internal Processes to Avoid Claim Errors

Finally, implement procedures within your office to ensure that:

- You never file a Medicare claim
- You do not provide the information to your patient to file a Medicare claim.

Rule breaker: Two exceptions to this are emergency or urgent care, and providing covered services that Medicare would deem unnecessary.

Don't miss: Set up reminder notices either electronically or on a paper calendar so that you know when the two-year optout period expires. If you decide to opt out again, you'll need to fill out another affidavit.

Resource: "Most of the information on the process and requirements of opting-out can be found in the Medicare Benefit Policy Manual, Chapter 15, Transmittals 40.7 through 40.40 (rev. 109, 8-7-09)," Rodgers offers. You can view the manual online at www.cms.hhs.gov/Manuals/downloads/bp102c15.pdf.