

## Optometry Coding & Billing Alert

### Build a Better Business: Weigh Pros and Cons Before Kissing Medicare Goodbye

Reduced patient pool, satisfaction may trump easier payment process.

With the threat of significant Medicare reimbursement reductions in 2010, your practice is not alone if you're debating about contracting with Medicare.

The challenge: Before making any decisions that will affect your practice income and your patients, let our experts share the potential benefits and downfalls of a Medicare opt-out.

Know the Opt-Out vs. Non-Par Difference

"Opting out" of Medicare (or another payer contract) means removing your practice from the Medicare program. In this case, your practice can charge your patients whatever fee you set up for procedures and services, irrespective of Medicare's fees or coverage, 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.

Beware: "Opting out of Medicare is not the same as re-designating from par to non-par status," cautions **Will Rodgers**, president of Enterprise Medical Billing in Beaumont, Calif.

Non-par providers do not accept Medicare payments directly from their local Medicare contractors. Instead, as a non-par practice you would charge Medicare patients directly, and the MAC then directly reimburses the patient after you submit the nonassigned claim. Non-par providers are still subject to fee and coverage limitations -- and Medicare can still audit your practice if you're a non-par provider.

Crucial point: Opting out of Medicare is an irreversible two-year decision, which means your practice cannot opt back in to the Medicare program for two full years, Cobuzzi warns. "You also cannot be opted out of Medicare for one subset of patients and in Medicare for another subset of patients," she says. The two-year period begins on the date of the affidavit you file with CMS and your local Medicare carrier.

"A physician who decides to opt out of his or her Medicare Part B contract would have to have very specific and all-encompassing reasons for doing so," Rodgers says.

Look Forward to No Audits, Less Hassle

Most practices think the top benefit of no longer contracting with Medicare is not having to worry about looming fee schedule cuts from CMS every six months to a year. There are other pluses as well.

First, opting out can actually make providing complete care to patients easier. Some physicians commonly have to provide services Medicare does not cover, which leads to patients paying the bills themselves.

If some of your Medicare patients have to pay for portions of their care anyway, you may find that dropping Medicare is easier for your practice and your patients.

"There are some specialty providers who would probably not need to enroll in Medicare in the first place unless some other payer, such as Medicaid, required it," says Rodgers. "This would include those providers whose services are not covered by Medicare, such as pediatricians (most patients)."

Bonus: Because you will no longer be subject to any of Medicare's billing rules and regulations if you opt out, you may even be able to offer a discount from your standard fees to a Medicare patient who has financial need and is self-paying.

Depending on the circumstances, you may be able to offer the patient a discounted price and still charge more than Medicare would pay you.

#### Prepare for Decrease in Medicare Patient Population

If your practice does opt out of Medicare, you may suffer some ill effects along with the positives. Since most patients are used to either not paying for anything more than a deductible, copayment, or co-insurance, or they are used to paying you and then having Medicare reimburse them, you may lose a large percentage of your Medicare patients. "But do keep in mind that you can spend more time with each patient since your income per service will increase, making the number of patients that you need to see per day or week decrease," Cobuzzi says.

"Unless you have a clientele wealthy enough and willing to pay cash for everything, the downside to opting out would be financially devastating to almost any medical practice with a significant number of Medicare patients," says Rodgers.

Silver lining: This patient loss may not be a big deal for your practice, especially if you have a busy practice and derive higher income from non-Medicare patients or if Medicare doesn't cover most of the services you provide anyway, as mentioned earlier. You need to evaluate your patient base and your financial plan to determine exactly how opting out will affect your bottom line.

Here's how: Analyze your Medicare patients, the other insurers you contract with, and the type of care you're providing. Watch out for Medicare patients who may have secondary or supplemental insurance with a provision that guarantees coverage only if your practice bills Medicare first.

Ensure that you will still be able to receive payments from secondary or supplemental insurances by checking to see if your payers have certain filing requirements for providers who don't contract with Medicare.