

Part B Insider (Multispecialty) Coding Alert

Reader Question: Know When You Can Write Off Employee Copays

Question: My physicians are looking at giving employees a courtesy for their co-pays but want something in writing stating it's okay. Is this practice acceptable?

Answer: The only thing you can get in writing that will hold up is something from the payer(s) that the employees have insurance coverage with and that your providers purchase your employee insurance from.

Bottom line: If that payer says it is okay -- in writing -- your doctors can waive the co-pays. Basically, written permission means that your physicians are purchasing a zero co-pay plan when the employees use their employer for healthcare. The key is that the payer must be informed and agree in writing.

Warning: Check with your practice's accountant as to whether this taxable income for your employees and treat it appropriately. This may be considered a taxable benefit for which your practice will have to determine the appropriate taxes for and add the tax to the employees' total taxes.