

Part B Insider (Multispecialty) Coding Alert

READER QUESTION: Straight From the Listserve--Know the Ropes of Medicare Opt-Outs

Question: In anticipation of the July 1 Medicare rate cut, our physicians are considering opting out of Medicare. Can you offer any advice on this?

Answer: Before you pursue opting out of Medicare, take a look at what rewards you'll reap for doing so. One benefit would be not having to worry so much about looming fee schedule cuts from CMS every six months to a year.

Opting out can actually make providing complete care to patients easier for some physicians. 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 dropping Medicare easier.

Important: You can still see Medicare patients in your practice even if you opt out of Medicare. You have to have a private contract with any Medicare Part B beneficiary before treating him. 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.

Keep in mind: When you bill the patient's secondary payer, you may not get paid if you don't contract with Medicare. Some insurers, such as Medigap, only pay if Medicare pays.

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.

If your practice does opt out of Medicare, you may suffer some ill effects with the positives. By opting out, you may lose a portion of your patient base. You need to evaluate your patient base and your financial plan to determine exactly how opting out will affect your bottom line.

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 carriers have certain filing requirements for providers who don't contract with Medicare.