

Medicare enrollment and participation...know your options.

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Physicians, non-physician providers, and other health care suppliers must enroll in the Medicare program to be eligible to receive Medicare payment for covered services provided to Medicare beneficiaries. In addition, as the new calendar year approaches, many enrolled physicians ask questions about participation options and implications.

What is Medicare participation?

Medicare participating physicians agree to always accept assignment for all services furnished to Medicare beneficiaries. Agreeing to always accept assignment means the physician agrees to the Medicare-allowed amounts as full payment for a service and to collect no more than the Medicare deductible and coinsurance from the beneficiary.

What are my options for participation in Part B Medicare?

There are two options of participation within Medicare, participation and non-participation. Both options require the provider to file claims to Medicare.

Medicare participation

Participating (PAR) providers agree to take assignment, 80 percent that Medicare pays the provider and 20 percent that is applied to the patient's co-payment, as payment in full for all Medicare covered services for the calendar year. The patient, or possibly the patient's secondary insurer, is responsible for the 20 percent co-payment. The provider cannot bill the patient for amounts in excess of the Medicare allowed amount.

Non-participation in Medicare

Non-participating (non-PAR) providers are permitted on an individual claim basis to determine if they will or will not accept assignment. Medicare-approved amounts for services provided by non-PAR providers (including the 80 percent from Medicare plus the 20 percent copayment) are set at 95 percent of Medicare-approved amounts for PAR providers. However, non-PAR providers can charge more than the Medicare approved amount.

The maximum amount that non-PAR providers can charge for *unassigned* claims is called the "limiting charge." The "limiting charge" for a service is an amount equal to 115 percent of the Medicare approved amount for non-PAR providers. See the Table "Medicare participation options" for additional information.

Medicare participation options* (service with \$100 Medicare allowable amount)			
Payment arrangement	Total payment rate	Amount from Medicare	Payment amount from patient
PAR physician	100% Medicare fee schedule = \$100	\$80 (80%) carrier direct to physician	\$20 (20%) paid by patient or supplemental

			insurance
Non-PAR/assigned claim	95% Medicare fee schedule = \$95	\$76 (80%) carrier direct to physician	\$19 (20%) paid by patient or supplemental insurance
Non-PAR/unassigned claim	Limiting charge of 115% of 95% Medicare fee schedule (effectively, 109.25%) Medicare fee schedule = \$109.25	\$0	\$76 (80%) paid by carrier to patient + \$19 (20%) paid by patient or supplemental insurance + \$14.25 balance bill paid by patient

*Available at: <http://www.ama-assn.org/ama1/pub/upload/mm/399/medicare-par/know-options-medicare-participation-guide.pdf>.

What is opting out of Medicare?

Opting out of Medicare allows certain providers (physicians, and selected non-physician providers (clinical, psychologists, clinical social workers, physician assistants, nurse practitioners, clinical nurse specialists, certified registered nurse anesthetists, certified nurse midwives) the ability not to participate in the Medicare program. These providers may enter private contracting agreements with Medicare beneficiaries and charge without being subject to the Medicare Physician Fee Schedule.

Opting out may *not* be made on a claim-by-claim or patient-by-patient basis. Once a provider has opted out of Medicare, they cannot submit claims to Medicare for any of their patients for a two-year period.

However, a provider who opts out can order, certify or refer a beneficiary for Medicare covered items and services, as long as the provider is not paid for the services, except for emergency and urgent care services. For example, if a physician who has opted out of Medicare refers a patient for services, such as durable medical equipment or inpatient hospitalization, those services would be covered by Medicare.

If I participate in Medicare am I required to accept new patients?

No. Medicare participation does not require a physician practice to accept new Medicare patients. The Medicare participation agreement only directs how much physicians may charge Medicare patients for services.

What if I have opted out of Medicare but furnish emergency or urgent care services to a Medicare beneficiary?

Physicians who have opted out of Medicare can furnish emergency or urgent care services to a Medicare beneficiary even if they have not previously entered into a private contract with the patient, if the provider:

- Submits a claim to Medicare in accordance with Medicare payment requirements and other Medicare instructions including but not limited to complying with proper coding of emergency or urgent care services furnished by physicians who have opted out of Medicare.
- Collects no more than the Medicare limiting charge

What is the deadline for Medicare participation in 2014?

Typically, physicians have from November 15 to December 31 of each year to change their Medicare participation or nonparticipation status, and any changes would take effect January 1 of the following year.

How do I enroll in Medicare?

To enroll in Medicare, physicians and non-physician providers must have a National Provider Identifier (NPI). The NPI is a unique identification number for covered health care providers. Covered health care providers and all health plans and health care clearinghouses must use the NPIs in the administrative and financial transactions adopted under the Health Insurance Portability and Accountability Act (HIPAA).

To apply for an NPI go to <https://nppes.cms.hhs.gov/NPPES/Welcome.do>.

Once a physician or non-physician provider has obtained an NPI, they can apply for enrollment in the Medicare program or make a change in their enrollment information using: the paper enrollment application process (form CMS-855) or the Internet-based Provider Enrollment, Chain and Ownership System (PECOS).

Once an NPI is issued, a health care professional may apply for enrollment in the Medicare program or make a change in enrollment information using the paper application process (form CMS-855) or the Internet-based Provider Enrollment, Chain, and Ownership System (PECOS).

Paper enrollment form

While Medicare enrollment application forms (CMS-855) may be filled out using the computer, signatures are required to be handwritten. Completed paper applications and all supporting documentation must be mailed to the Medicare fee-for-service contractor serving your state or geographic area. To find the Medicare fee-for-service contractor serving your state or geographic location, please go to http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/Downloads/contact_list.pdf. Completed applications should not be mailed to the Centers for Medicare & Medicaid Services in Baltimore, Maryland.

Internet-based enrollment

The internet-based PECOS may be used instead of the Medicare enrollment application (CMS-855). Physicians and non-physician providers may access Internet-based PECOS by using the User IDs and passwords that they established when they applied on-line to the National Plan and Provider Enumeration System (NPPES) for their NPIs. For additional information regarding the Medicare enrollment in the Internet-based PECOS, go to http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/MedEnroll_PECOS_PhysNonPhys_FactSheet_ICN903764.pdf