

# Medicare Advantage Billing Rules

**Medicare Advantage (MA)** is becoming an even more popular option for seniors, with greater than one third of all Medicare beneficiaries (20.4 million or 34%) enrolled in 2018. Unfortunately, the rules to bill under MA are more complicated than under traditional Medicare. To determine how to bill for physical therapy services when MA is involved, you need to know if you are a Medicare participating provider, if you are enrolled with the MA plan, and if the MA plan has out of network benefits.





### QUESTION #1

I'm enrolled in the Medicare program as a **participating provider** and **not enrolled** with the Medicare Advantage (MA) plan. The MA plan **does** have out of network (OON) benefits. Must I submit a claim to the MA carrier and are there limitations on how much I can charge the patient?



### ANSWER #1

Regarding the submission of a claim to the MA plan, you would need to contact the specific MA plan for their process of handling claims submission for an OON provider. The MA plan may require the provider to submit the claim to the MA carrier or may allow the provider to provide the claim to the MA beneficiary and then the MA beneficiary would submit the claim to the MA carrier and be reimbursed by the MA carrier.

Since the MA plan does have OON benefits, there is a financial limit as to how much financial responsibility the MA beneficiary bears for the therapy services they received. The provider must accept as payment in full the amount the plan pays the non-contracting provider, which is the summation of what the plan pays and the patient's cost sharing responsibility and cannot charge anything further (basically, the sum of the cost sharing paid by the enrollee and the reimbursement of the plan must at least equal the amount the provider would have received had (s)he rendered services to an enrollee in Original Medicare). You are not allowed to balance bill the patient the difference between what the MA plan paid you plus the patient's financial responsibility and your charges for that visit.



### QUESTION #2

I'm enrolled in the Medicare program as a **non-participating provider** and **not enrolled** with the Medicare Advantage (MA) plan. The MA plan **does** have OON benefits. Must I submit a claim to the MA carrier and are there limitations on how much I can charge the patient?



### ANSWER #2

Regarding the submission of a claim to the MA plan, you would need to contact the specific MA plan for their process of handling claims submission for an OON provider. The MA plan may require the provider to submit the claim to the MA carrier or may allow the provider to provide the claim to the MA beneficiary and then the MA beneficiary would submit the claim to the MA carrier and be reimbursed by the MA carrier.

Since the MA plan does have OON benefits, there is a financial limit as to how much financial responsibility the MA beneficiary bears to the provider for the therapy services they received. The MA plan must pay the non-contracting, non-participating Medicare provider the difference between the enrollee's cost-sharing and the original Medicare limiting charge, which is the maximum amount that original Medicare requires an MA plan to reimburse a provider. The enrollee pays only plan-allowed cost-sharing, which equals either: the copay amount, if the Medicare Advantage Organization (MAO) uses a copay for its cost-sharing; or the coinsurance percentage multiplied by the limiting charge, if the MAO uses a coinsurance method for its cost-sharing. If using the coinsurance rate, take the coinsurance percentage rate for this service (for example, 20% = .20) and multiply by 1.15 (115% limiting charge) = 0.23 or 23%. This is the new coinsurance percentage rate that you may use to determine the enrollee's cost sharing. Note that enrollees and providers may always request a written advance determination of coverage regarding plan coverage of out-of-network services.



### QUESTION #3

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### QUESTION #4

I'm **enrolled** in the Medicare program as a **participating provider** and **not enrolled** with the Medicare Advantage (MA) plan. The MA plan **does not** have OON benefits. Must I submit a claim to the MA carrier and are there limitations as to how much I can charge the patient?



### ANSWER #4

Excluding emergency or urgently needed services, since the MA plan has no OON benefits and you are not contracted with the MA plan, the MA patient must compensate the provider in full for the therapy services they received. However, if the enrollee obtains a service from an out of network provider because the service in question was not available through their plan, the plan may be obligated to cover the service. Enrollees can always appeal the MA plan's denial of payment for services. Note that enrollees and providers may always request a written advance determination of coverage regarding plan coverage of out of network services.



### QUESTION #5

I'm **enrolled** in the Medicare program as a **non-participating provider** and **not enrolled** with the Medicare Advantage (MA) plan. The MA plan **does not** have OON benefits. Must I submit a claim to the MA carrier and are there limitations on how much I can charge the patient?



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### QUESTION #6

I'm **not enrolled** in the Medicare program and **not enrolled** with the Medicare Advantage (MA) plan. The MA plan **does not** have OON benefits. Must I submit a claim to the MA carrier and are there limitations as to how much I can charge the patient?



### ANSWER #6

Excluding emergency or urgently needed services, since the MA plan has no OON benefits and you are not contracted with the MA plan, the MA patient must compensate the provider in full for the therapy services they received. However, if the enrollee obtains a service from an out of network provider because the service in question was not available through their plan, the plan may be obligated to cover the service. Enrollees can always appeal the MA plan's denial of payment for services. Note that enrollees and providers may always request a written advance determination of coverage regarding plan coverage of out of network services.



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