



Does your doctor or supplier accept “assignment?”

This is the official government booklet that explains...

- What assignment is
- How assignment works
- Who assignment helps

If you are in the Original Medicare Plan, ask your doctor or supplier “Do you accept assignment?”

Assignment could save you money.

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Note: The information in this booklet was correct when it was printed. Changes may occur after printing. For the most up-to-date information, look at www.medicare.gov on the web. Or, call 1-800-MEDICARE (1-800-633-4227). A Customer Service Representative can tell you if the information has been updated. TTY users should call 1-877-486-2048.

Does your doctor or supplier accept “assignment?” is not a legal document. The official Medicare program provisions are contained in the relevant laws, regulations, and rulings.

Introduction

Medicare pays for much of your health care, but not all of it. If you are in the Original Medicare Plan, your out-of-pocket costs depend partly on whether your doctor or supplier of health care equipment and supplies (like wheelchairs, oxygen, braces, and ostomy supplies) agrees to accept the Medicare-approved payment amount. When doctors and suppliers agree to accept the **Medicare-approved amount**, they **accept assignment**.

This booklet explains Medicare assignment. Assignment affects how much you will have to pay out-of-pocket for some Medicare health care services, supplies, and equipment.

When doctors or suppliers give you a service, health care supplies, or equipment, they decide how much they will charge for it. Medicare decides in advance how much it pays for those covered doctor services, health care supplies, and equipment. Medicare pays part of the bill—and you pay part of the bill. If you have purchased a **Medigap policy** (Medicare supplement insurance), it may pay part of the bill. These payment amounts may be different depending on where you live or where you get the service or supply.

If a doctor or supplier doesn't agree to accept assignment, you might pay more for your doctor services, health care supplies, and equipment.

Read this booklet to learn

- What assignment is.
- How assignment works.
- Who assignment helps.

First, you will read basic information about Medicare. This information will help you know if assignment can help **you** save money.

Note: Terms in red are defined on pages 15–16.

If you have questions about Medicare or assignment, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. You may also look at www.medicare.gov on the web.

What does Medicare cover?

Medicare has

1. **Part A (Hospital Insurance)** - Part A helps pay for care in a hospital, **skilled nursing facility**, hospice, and for some home health care.

Most people don't have to pay a monthly payment (**premium**) for Part A because they (or a spouse) paid Medicare taxes while they were working. Assignment doesn't apply to services covered by Part A.

2. **Part B (Medical Insurance)** - Part B helps pay for doctors, outpatient hospital care, and some other medical services that Part A doesn't cover, such as the services of physical and occupational therapists, and some home health services. Part B helps pay for covered doctor services that are **medically necessary**.

You pay the Medicare Part B deductible (\$100 per year in 2004), and the Part B premium (\$66.60 per month in 2004). Rates can change yearly. In some cases, the premium amount may be higher if you didn't choose Part B when you first became eligible.

Assignment only applies to the services and supplies covered by Part B.

If you aren't sure if you have Part B, check your red, white, and blue Medicare card. If you have Part B, "Medical (Part B)" is printed on the lower left corner of your card. If you still aren't sure, call your local Social Security office, or call Social Security at 1-800-772-1213.

If you don't have Part B, you are responsible for the full cost of doctors' services and supplies. If you have health coverage through an employer or union, or if you have purchased a **Medigap policy** (Medicare supplement insurance), check to see if you have coverage for these costs.

How do I know if I have Part B?

Note: Terms in red are defined on pages 15–16.

Assignment only works with the Original Medicare Plan.

People with Medicare can get their health care from

1. The Original Medicare Plan (also known as fee-for-service) - This plan is available everywhere in the United States. It is the way most people get their Medicare Part A and Part B health care. You are usually charged a fee for each health care service or supply you get.

Assignment only works with the Original Medicare Plan.

2. Medicare Advantage Plans (the new name for Medicare + Choice) which include
 - ◆ Medicare Managed Care Plans
 - ◆ Medicare Preferred Provider Organization Plans
 - ◆ Medicare Private Fee-for-Service Plans
 - ◆ Medicare Specialty Plans

Assignment doesn't apply if you are in a Medicare Managed Care Plan, a Medicare Preferred Provider Organization Plan, or a Medicare Private Fee-for-Service Plan.

In the Original Medicare Plan, what do I pay for Part B services or supplies?

What you pay for Part B services and supplies includes

- ◆ The monthly Part B **premium** of \$66.60 (in 2004).
- ◆ The yearly Part B **deductible** of \$100 (in 2004). This amount may change each year. Each year you must pay the Part B deductible before Medicare starts to pay its share.
- ◆ The **coinsurance**, which is usually 20% of the Medicare-approved amount.
- ◆ The cost of services and supplies Medicare doesn't cover (for example, cosmetic surgery). A more complete list is in the *Medicare & You* (CMS Pub. No. CMS-10050) handbook.
- ◆ Extra costs if the doctor or supplier doesn't accept assignment.

Note: Terms in red are defined on pages 15–16.

What does Medicare pay for Part B services or supplies?

Medicare lets doctors and suppliers know exactly what Medicare sets as the payment amount for each type of service and supply. This payment amount is the **Medicare-approved amount**.

After you have paid your yearly Part B **deductible**, Medicare pays 80% of the **Medicare-approved amount** (or the actual charge if it is less) for services and supplies.

Who does assignment help?

To find out if assignment can help you, answer these two questions.

Do you get your Medicare health care from the Original Medicare Plan?

Do you have Medicare Part B?

Yes	No

If you answered yes to both of these questions, keep reading to see how using a doctor or supplier who accepts assignment could help you save money!

What is “assignment” in the Original Medicare Plan?

Note: Terms in red are defined on pages 15–16.

Assignment is an agreement between people with Medicare, their doctors and suppliers, and Medicare. The person with Medicare agrees to let the doctor or supplier request direct payment from Medicare for covered Part B services, equipment and supplies. Doctors or suppliers who agree to (or must by law) accept assignment from Medicare can’t try to collect more than the proper Medicare deductible and coinsurance amounts from the person with Medicare, their other insurance, or anyone else.

When doctors and suppliers agree to accept assignment they accept the Medicare-approved amount as payment in full. If a doctor or supplier chooses not to accept assignment, their costs are often higher, which means **you may pay more**.

Are there situations when doctors, suppliers, or pharmacies must accept assignment?

Yes. Doctors, suppliers, and pharmacies must accept assignment in these situations:

- ◆ For lab tests covered by Medicare.
- ◆ If you are also enrolled in **Medicaid** and your State helps pay your health care costs.
- ◆ For Medicare-covered drugs and biologicals that are billed to a Durable Medical Equipment Regional Carrier (DMERC) under the **durable medical equipment**, prosthetics, orthotics and supplies benefit. An example would be the medicine used in a nebulizer for people with asthma. DMERCs are private companies that contract with Medicare to pay bills for durable medical equipment.
- ◆ For Medicare-covered ambulance services.
- ◆ For Medicare-covered drugs provided by a pharmacy or supplier.

Note: All enrolled pharmacies and suppliers must submit claims for glucose test strips. You can't send the claim in yourself.

In the situations above

1. Your supplier or doctor has a legal obligation to send in this claim on an assigned basis. If they don't, call the Office of the Inspector General at 1-800-447-8477. TTYusers should call 1-800-377-4950.
2. If you paid your provider for this service or supply, they must reimburse you under Medicare law.
3. If you have trouble finding a supplier who accepts assignment, you may want to think about using a mail order pharmacy.

Note: Some health care providers who aren't medical doctors, such as medical social workers, must also accept assignment for their services.

How does assignment work?

Doctors and suppliers decide each year how they will handle assignment. There are three ways to handle assignment.

1. Always accept assignment, which means they participate in Medicare (see page 7).
2. Accept assignment on a case-by-case basis and accept it in this case (see page 8).
3. Never accept assignment, or choose not to accept assignment in this case (see pages 9–10).

How do I know if my doctor or supplier accepts assignment?

You should ask doctors and suppliers if they accept assignment before you get health care services or supplies. Your Medicare Carrier (a company that handles your Part B bills for Medicare) can tell you which doctors in your area accept assignment. Your Durable Medical Equipment Regional Carrier (a company that handles your supply bills for Medicare) can tell you which suppliers in your area accept assignment.

Ask pharmacies and suppliers if they are enrolled in Medicare. This will help ensure that a claim will be sent in to Medicare.

You may find your Medicare Carrier's or your Durable Medical Equipment Regional Carrier's phone number:

- ◆ By calling 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.
- ◆ By looking at www.medicare.gov on the web.

1. Always accept assignment (participates in Medicare).

When doctors or suppliers always accept assignment

◆ They agree to accept the Medicare-approved amount (the fee Medicare sets as reasonable for a covered medical service or supply) as **payment in full**. Their payment comes from Medicare (80% of the Medicare-approved amount) and you (20% of the Medicare-approved amount).

▲ Medicare’s share is paid directly to the doctor or supplier. This doesn’t apply to suppliers unless they furnished a physician’s service.

▲ Your share is paid to the doctor or supplier by you, or by any supplemental insurance you may have, like a Medigap policy or employer insurance that pays second to Medicare.

Example: Mr. Jones’ doctor or supplier always accepts assignment. The charge for the health care service or supply he needs is \$150. Assume that Mr. Jones has paid his Part B deductible for the year.

	Doctor	Supplier
Amount charged	\$150	\$150
Medicare-approved amount	\$100	\$100
Mr. Jones pays 20%	\$20	\$20
Medicare pays doctor or supplier 80%	\$80	\$80

If a doctor or supplier participates in Medicare, they agree to **always** accept assignment.

The most Mr. Jones or his **Medigap policy** (Medicare supplement insurance), if he has one, will have to pay for this service, supply, or equipment is \$20. He may have to pay it when he sees the doctor or gets his supplies or equipment.

2. Accept assignment on a case-by-case basis, and accepts it in this case.

Doctors and suppliers who don't participate in Medicare can choose to accept assignment on a case-by-case basis. This means

- ◆ They agree to accept the Medicare-approved amount (the fee Medicare sets as reasonable for a covered medical service or supply) as **payment in full**. Medicare pays its share and you pay your share.
 - ▲ The Medicare-approved amount for the services is reduced by 5% because the doctor doesn't participate in Medicare. This doesn't apply to suppliers unless they furnished a physician's service.
 - ▲ Then Medicare's share is paid directly to the doctor or supplier.
 - ▲ Your share is usually the remaining 20% of the Medicare-approved amount.

Example: Mr. Jones' doctor or supplier will accept assignment in this case. The charge for the health care service or supply he needs is \$150. Assume that Mr. Jones has paid his Part B deductible for the year.

	Doctor	Supplier
Amount charged	\$150	\$150
Medicare-approved amount of \$100 (reduced by 5% for doctors)	\$95	\$100
Mr. Jones pays 20%	\$19	\$20
Medicare pays doctor or supplier 80%	\$76	\$80

Note: Terms in red are defined on pages 15–16.

The most Mr. Jones or his **Medigap policy** (Medicare supplement insurance), if he has one, will have to pay the doctor is \$19. The most he will have to pay the supplier is \$20. He may have to pay it when he sees the doctor or gets his supplies or equipment.

3. Never accept assignment, or doesn't accept assignment in this case.

There is a difference in what doctors and suppliers can charge and accept if they don't accept assignment.

If a **doctor** doesn't accept assignment

- ◆ He or she can charge up to 15% more than the Medicare-approved amount. This is called the **limiting charge**.
- ◆ The Medicare-approved amount for the doctor's service is reduced by 5%.
- ◆ **You may have to pay the entire bill** (your share and Medicare's share) at the time you get the service.
- ◆ The doctor can accept more than the limiting charge for a few items and services as listed on page 12.

Example: Mr. Jones' doctor doesn't accept assignment for a service. The charge for the health care service he needs is \$150. Assume that Mr. Jones has paid his Part B deductible for the year.

	Doctor
Amount charged	\$150
Medicare-approved amount of \$100 is reduced by 5% for doctors	\$95
Most doctor or supplier can accept (up to 15% more than the Medicare-approved amount for doctor)	\$109.25
Mr. Jones pays the doctor the difference between what Medicare pays (\$76) and the doctor can accept (\$109.25)	\$33.25
Medicare pays Mr. Jones	\$76

Mr. Jones may have to pay his doctor \$109.25 at the time he sees him. He will get \$76 later from Medicare, and he may get reimbursed more money if he has a **Medigap policy (Medicare supplement insurance).**

Note: Terms in red are defined on pages 15–16.

In this example, Mr. Jones could have saved \$14.25 if his doctor accepted assignment.

3. Never accept assignment, or doesn't accept assignment in this case. (continued)

If a **supplier** never accepts assignment, or doesn't accept it in this case

- ◆ **There is no limit** to what the supplier can charge over the Medicare-approved amount unless the supplier furnished a physician's service.
- ◆ **You may have to pay the entire bill** (your share and Medicare's share) at the time you get the supply or equipment.

Example: Mr. Jones' supplier doesn't accept assignment for a supply. The charge for the health care supply he needs is \$150. Assume that Mr. Jones has paid his Part B deductible for the year.

	Supplier
Amount charged	\$150
Medicare-approved amount	\$100
Most supplier can accept (whatever amount they charge for the particular supply)	\$150
Mr. Jones pays the supplier the difference between what Medicare pays (\$80) and what the supplier charges (\$150)	\$70
Medicare pays Mr. Jones	\$80

Mr. Jones may have to pay the supplier \$150 when he gets the equipment or supply. He will get \$80 from Medicare, at a later date, and he may get reimbursed more money if he has a **Medigap policy (Medicare supplement insurance).**

See page 5 for situations when doctors or suppliers must accept assignment.

In this example, Mr. Jones could have saved \$50 if his supplier accepted assignment.

How does assignment work if I sign a private contract with a doctor? Does the limiting charge apply?

Assignment doesn't work with a private contract. A private contract is an agreement between you and a doctor, podiatrist, dentist, or optometrist who has decided not to give services through the Medicare program.

Under a private contract

- ◆ Medicare won't pay the doctor or you for the services you get.
- ◆ You will have to pay whatever the doctor charges you and **there is no limit** to what can be charged.
- ◆ No claim should be submitted for the service. Medicare won't pay if a claim is submitted.
- ◆ If you have a **Medigap policy**, it won't pay anything for services under a private contract. Contact your Medigap insurance company before you get the service.
- ◆ Many other insurance plans won't pay for the service either.

Talk with someone in your State Health Insurance Assistance Program before signing a private contract (see pages 14 and 16).

Example: Mr. Jones signs a private contract with his doctor. The charge for the health care service he needs is \$600. Assume that Mr. Jones has paid his Part B deductible for the year.

	Doctor
Amount charged	\$600
Medicare-approved amount	Doesn't apply
Mr. Jones pays	\$600
Medicare pays	\$0

Note: Terms in red are defined on pages 15–16.

Mr. Jones may have to pay the entire bill of \$600 at the time of service. Medicare won't pay him or the doctor anything for this service. His Medigap policy (Medicare supplement insurance), if he has one, won't pay either.

Does the limiting charge apply to all services and supplies given by doctors and suppliers who don't accept assignment?

Note: Terms in red are defined on pages 15–16.

Are there any health care providers who must always accept the approved amount as payment in full?

No, the **limiting charge** (up to 15% more than the Medicare-**approved amount**) doesn't apply to all services, supplies, or equipment given by doctors and suppliers who don't accept assignment. This means the doctor or supplier can charge more than 15% above the approved amount. There is no limit to what can be charged by doctors and suppliers who don't accept assignment for items and services such as

- ◆ Durable medical equipment (like wheelchairs, walkers, and oxygen).
- ◆ Ambulance services.
- ◆ Vaccinations (shots).
- ◆ Some drugs that are covered by Medicare Part B, like certain cancer drugs.
- ◆ Prosthetics and orthotics.
- ◆ Surgical dressings.

Yes. Some providers must agree to accept the amount that Medicare pays as payment in full, all the time. You don't have to ask them if they accept assignment. The providers who must accept the Medicare-approved amount **all the time include**

- ◆ Hospitals.
- ◆ **Skilled nursing facilities.**
- ◆ Home health agencies.
- ◆ Comprehensive outpatient rehabilitation facilities.
- ◆ Providers of outpatient physical and occupational therapy or speech pathology services.

How can I be sure that Medicare will pay its share for covered prescription drugs?

If you get Medicare-covered prescription drugs or supplies, ask if the pharmacy or supplier is enrolled in the Medicare program. If not, Medicare won't pay.

All enrolled pharmacies must accept assignment for Medicare-covered prescription drugs or biologicals. If you have paid your \$100 yearly (in 2004) Part B deductible, you only have to pay your 20% coinsurance when you get these items. The Part B deductible may increase each year.

A new law was recently passed that adds important new prescription drug benefits to the Medicare program. In 2004, Medicare-approved drug discount cards will be available to help you save on prescription drugs. A discount card with Medicare's seal of approval can help you save on prescription drugs. In 2006, a prescription drug benefit will be added to Medicare that pays some, but not all, of your prescription drug costs. All people with Medicare will be able to enroll in plans that cover prescription drugs.

For More Medicare Information

Look at www.medicare.gov on the web for up-to-date Medicare information and to view or print publications. Or, call 1-800-MEDICARE (1-800-633-4227) for more information or to order free copies of publications. TTY users should call 1-877-486-2048.

Words to Know

Coinsurance - The percent of the Medicare-approved amount that you have to pay after you pay the deductible for Part A and/or Part B. In the Original Medicare Plan, the coinsurance payment is a percentage of the cost of the service (like 20% for Part B services).

Deductible (Part B) - The amount you must pay for health care before Medicare begins to pay, either for each benefit period for Part A, or each year for Part B. These amounts can change every year.

Durable Medical Equipment - Medical equipment that is ordered by a doctor for use in the home. These items must be reuseable, such as walkers, wheelchairs, or hospital beds. DME is paid for under Medicare Part B and Part A for home health services.

Limiting Charge - The highest amount of money you can be charged by doctors and other health care providers who don't accept assignment for a covered service. The limit is 15% over Medicare's approved payment amount. The limiting charge only applies to certain services and doesn't apply to supplies or equipment.

Medicaid - A joint federal and state program that helps with medical costs for some people with low incomes and limited resources. Medicaid programs vary from state to state, but most health care costs are covered if you qualify for both Medicare and Medicaid.

Medically Necessary - Services or supplies that:

- ◆ are proper and needed for the diagnosis or treatment of your medical condition;
- ◆ are provided for the diagnosis, direct care, and treatment of your medical condition;
- ◆ meet the standards of good medical practice in the medical community of your local area; and
- ◆ aren't mainly for the convenience of you or your doctor.

Medicare-Approved Amount - The fee Medicare sets as reasonable for a covered medical service. This is the amount a doctor or supplier is paid by you and Medicare for a service or supply. It may be less than the actual amount charged by a doctor or supplier. The approved amount is sometimes called the "Medicare-approved amount," or the "approved charge."

Medicare Managed Care Plan- These are health care choices in some areas of the country. In most plans, you can only go to doctors, specialists, or hospitals on the plan's list. Plans must cover all Medicare Part A and Part B health care. Some plans cover extras, like prescription drugs. Your costs may be lower than in the Original Medicare Plan.

Medicare Preferred Provider Organization (PPO) Plan - A Medicare Advantage Plan in which you use doctors, hospitals, and providers that belong to the network. You can use doctors, hospitals, and providers outside of the network for an additional cost.

Words to Know

Medicare Private Fee-for-Service Plan -

A private insurance plan that accepts people with Medicare. You may go to any Medicare-approved doctor or hospital that accepts the plan's payment. The insurance plan, rather than the Medicare program, decides how much it will pay and what you pay for the services you get. You may pay more for Medicare-covered benefits. You may have extra benefits the Original Medicare Plan doesn't cover.

Medicare Specialty Plan - A

Medicare Advantage Plan that provides more focused health care for some people. These plans give you all your Medicare health care as well as more focused care to manage a disease or condition such as congestive heart failure, diabetes, or End-Stage Renal Disease.

Medigap Policy - Medicare supplement insurance policy sold by private insurance companies to fill the "gaps" in Original Medicare coverage. Except in Massachusetts, Minnesota, and Wisconsin, there are ten standardized plans, labeled Plan A through Plan J. Medigap policies only work with the Original Medicare Plan.

Part A (Hospital Insurance) - Hospital insurance that pays for inpatient hospital stays, care in a skilled nursing facility, hospice care, and some home health care.

Part B (Medical Insurance) -

Medicare medical insurance that helps pay for doctors' services, outpatient hospital care, durable medical equipment, and some medical services that aren't covered by Part A.

Premium - The periodic payment to Medicare, an insurance company, or a health care plan for health care coverage.

Private Contract - A contract between you and a doctor, podiatrist, dentist, or optometrist who has decided not to offer services through the Medicare program. This doctor can't bill Medicare for any service or supplies given to you and all his/her other Medicare patients for at least 2 years. There are no limits on what you can be charged for services under a private contract. You must pay the full amount of the bill.

Skilled Nursing Facility - A facility that provides skilled nursing or rehabilitation services to help with recovery after a hospital stay.

State Health Insurance Assistance Program (SHIP) - A state program that gets money from the federal government to give free health insurance counseling to people with Medicare.

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TTY users should call 1-877-486-2048.

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(1-800-633-4227). Los usuarios de TTY deben llamar al 1-877-486-2048.