

Medicare: Participating, Not Participating and Opting Out

If the provider participates ("par"), he agrees to accept the Medicare-approved amount as payment in full "" called *accepting assignment* "" and Medicare will pay 80 percent of this approved amount, after the deductible is met. The patient is responsible for the deductible and the other 20 percent. The provider cannot charge patients any more than the Medicare-approved amount.

If the provider does not participate ("non-par"), he does *not* accept the Medicare-approved amount as payment in full (does not accept assignment), but nonetheless treats Medicare patients. He can charge up to 15 percent more for his services (called the limiting charge) than the Medicare-approved amount and can request full payment up front from patients. He probably should request payment in full, because Medicare will send the payment to the patient when the provider does not accept assignment.

If the provider opts out of Medicare entirely, he is not subject to the Medicare limits on charges and does not submit claims to Medicare. In this situation, the provider asks the patient to sign a private contract in which the patient accepts responsibility for the full cost of the services. In the case of this contract, Medicare will *not* pay for any portion of the services the patient receives.