

Understanding Medicare Assignment and Its Impact on Members

Nearly 98% of providers nationwide accept Medicare assignment, but there are providers who do not accept Medicare or have “opted out.” Medicare assignment or “accepting assignment” means a provider accepts Medicare as full payment for a covered service. A member may have lower out-of-pocket costs if he or she gets care from this type of provider instead of one that does not accept assignment or has opted out of Medicare.

See below for more information on these types of providers and how a member may be impacted:

SCENARIOS:

Provider accepts Medicare assignment: The provider will accept Medicare’s reimbursement rates. The member will not be responsible for the difference of the billed charges and Medicare’s reimbursement rates.

Provider does not accept Medicare assignment: The provider will accept the Medicare-approved amount for services in certain cases. This is also known as “non-participating” with Medicare. The member may have to pay for services up front and be reimbursed up to 115% Medicare reimbursement rates for covered services.

Reimbursement: The member can submit the claim to Blue Cross and Blue Shield of Texas (BCBSTX). We will then pay the claim to the member at the Medicare limiting charge of 115% of the Medicare-allowed fee. If the provider has charged more than the 115% limiting charge, the member will not be reimbursed by the plan for the portion of the bill over the 115% limit. The member will need to pursue a refund from the provider directly.

Example: Robert sees Dr. Smith, a non-participating provider and pays him \$200 after the visit. The Medicare-allowed amount for the visit is \$80. Because Medicare limits what the provider can charge for covered services to 115% of the allowed amount for the service, Robert will be reimbursed \$92. The remaining \$108 will not be reimbursed.

\$200 Total Robert pays Dr. Smith

\$92 115% of the allowed amount of \$80 paid by BCBSTX to Robert

\$108 Robert may seek this refund from Dr. Smith

Filing a Claim: If the provider does not accept Medicare assignment and refuses to bill BCBSTX, the member may need to pay the full billed amount of the services directly to the provider at the time of service and submit the bill to BCBSTX for reimbursement. There is no reimbursement form to complete, however the member can submit a claim for reimbursement in writing to:

Blue Cross Medicare Advantage (Claims)
PO Box 4195
Scranton, PA 18505

Please include the following documentation:

- Copy of receipt showing payment was made
- Member name and complete ID listed on the card including all letters and numbers
- An invoice showing services rendered OR another form of documentation that includes
 - Diagnosis (or DX codes if available)
 - Procedure (or CPT codes if available)
 - Name and address of servicing provider

Provider opts Out of Medicare: These providers do not accept Medicare at all and have signed an agreement to be excluded from the Medicare program. Members who see them will not be reimbursed for services, even if the services are covered by Medicare.

Additional Information: Less than 2% of providers opt out of Medicare. A member may see a provider who has opted out of Medicare; however, the visit will not be paid for by the plan or Medicare.

Look up providers who have opted out:

<https://www.medicare.gov/forms-help-resources/find-providers-whove-opted-out-of-medicare>

PPO plans provided by Blue Cross and Blue Shield of Texas, which refers to HCSC Insurance Services Company (HISC) and GHS Insurance Company (GHSIC). PPO employer/union group plans provided by Health Care Service Corporation, a Mutual Legal Reserve Company (HCSC). HCSC, HISC, and GHSIC are Independent Licensees of the Blue Cross and Blue Shield Association. HCSC, HISC, and GHSIC are Medicare Advantage organizations with a Medicare contract. Enrollment in these plans depends on contract renewal.