



# MLN Matters



Information for Medicare Fee-for-Service Health Care Professionals

Related Change Request (CR) #:3897

MLN Matters Number: MM3897

Related CR Release Date: August 12, 2005

Related CR Transmittal #: 643

Effective Date: January 1, 2005

Implementation Date: November 14, 2005

## *Nature and Effect of Assignment on Carrier Claims*

**Note:** This article was revised to contain Web addresses that conform to the new CMS website and to show they are now MLN Matters articles. All other information remains the same.

### Provider Types Affected

Physicians and suppliers who are Medicare participating physicians/suppliers and nonparticipating physicians/suppliers who are required by law to accept assignment (direct payment) from Medicare carriers, including Durable Medical Equipment Regional Carriers (DMERCs) for covered Part B services, equipment, and supplies.

### Provider Action Needed

Providers need to be aware that on January 1, 2005, Medicare regulations at 42 C.F.R. 424.55 were amended to eliminate the requirement that beneficiaries formally assign claims to suppliers when suppliers are **required by law** to accept assignment. In other words, the beneficiary is not required to assign the claim to the physician or supplier in order for an assignment to be effective in "mandatory assignment" situations.

### Background

This action affirms the pattern that has emerged over time as the Social Security Act was amended in various sections to require suppliers to accept assignment for Medicare covered services whether or not the beneficiary actually assigned the claim to the supplier. The following is a synopsis of the CR3897 and the revised Medicare Claims Processing instructions (Chapter 1, Section 30.3.2) that are attached to CR3897:

- Physicians and suppliers who accept assignment from Medicare, by choice or by law, may not attempt to collect more than the appropriate Medicare deductible and coinsurance amounts from the beneficiary, his/her other insurance, or anyone else.

#### Disclaimer

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- If the physician/supplier is not satisfied with the amount allowed by Medicare, procedures are in place for appeal of the contractor initial determination.
- If an enrollee has private insurance in addition to Medicare the physician/supplier is in violation of his/her assignment if he/she collects from the enrollee or the private insurance an amount that when added to the Medicare benefit exceeds the Medicare allowed amount.
  - The beneficiary must continue to authorize the release of medical or other information necessary to process the claim.
  - A nonparticipating physician/supplier who accepts assignment for some Medicare covered services is not prohibited from billing the patient for services for which he/she does not accept assignment. Also, the nonparticipating physician/supplier is not precluded from billing a patient for services that are not covered by Medicare.
  - Physicians/suppliers should remember they may not attempt to “fragment” their bills. Fragmenting is defined as accepting assignment for some services and then billing the enrollee for other services performed at the same place and on the same occasion. When Medicare carriers become aware that services are being “fragmented” they will inform the physician/supplier that the practice is unacceptable and that he/she must either accept assignment or bill the enrollee for all services performed at the same place on the same occasion.

There is an **EXCEPTION**. In situations where assignment is mandatory, i.e., where a physician/supplier must accept assignment for certain services as a condition for any payment or for full payment to be made (e.g., clinical diagnostic laboratory tests, physician assistants), he/she may accept assignment for those conditional services without accepting assignment for other services furnished by him/her for the same enrollee at the same place and on the same occasion.

## Implementation

The implementation date for CR 3897 is November 14, 2005.

## Related Instructions

For complete details, please see the official instruction issued to your carrier/DMERC regarding this change. That instruction may be viewed by going to

<http://www.cms.hhs.gov/Transmittals/downloads/R643CP.pdf> on the CMS website.

For additional information relating to this issue, please refer to your carrier/DMERC. To find their toll free phone numbers go to

<http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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