

Medicare Private Contracting FAQ's

What if I want to continue coming to my doctor at West Lake Family Practice?

For those who would like to stay with us, the Federal Government requires that each patient sign an understanding which explains that Medicare will not be reimbursing them or us anything whatsoever. Once again, this does not mean that you will be restricted in using your Medicare with any other physician or for any laboratory, radiology or hospital expenses. It only applies to our care. **There will be NO change in your Medicare benefits. Your Medicare and secondary insurance benefits will continue to be in full effect for lab, x-rays, hospital services and for services you receive from all doctors contracted with Medicare. This change only affects our charges. There will be NO changes in our medical services to you.**

What if I have another PRIMARY insurance (e.g., Aetna, BlueCross, etc.)?

If Medicare is secondary to another private insurance that we accept (**not** a Medicare supplement), we will send a claim to that primary insurer and they will process it as usual. But, if they then pass along any charges to Medicare (which could happen, in theory, but we've never seen it), Medicare will not pay since we will no longer be in their system.

What if I have another SECONDARY insurance (e.g., Aetna, BlueCross, etc.)?

If you have a secondary private insurance (**not** a Medicare supplement), you will be given a payment receipt for our services which you may send to your secondary insurance for reimbursement and which may also be useful to you for tax purposes, but it cannot be sent to Medicare. In our experience, most insurers do not tend to reimburse these expenses, although there have been a few successes with persistence. (We would love hearing back about any successes that you have so that we can pass along that information to others!)

Why are we taking these measures?

As you may know, it is voluntary for doctors to contract with Medicare. Once contracted, he/she must comply with Medicare's numerous restrictions/regulations (often quite complex and confusing) and can only be paid the fixed amount that Medicare will allow. Over the last few years, Congress has passed and the President has signed into law profound changes in the Medicare Program, dramatically affecting both patients and physicians. The general public, as well as many physicians, are completely ignorant of these changes.

The most important statute produced new definitions of "fraud and abuse" for the Medicare Program. The occurrence of the simplest clerical error has now been redefined as "abuse" of the Medicare Program and each inadvertent clerical error is potentially subject to prosecution, with fines up to \$2000 per error. Medicare actively enlists patients to turn their doctor in for billing errors and has hired large numbers of individuals whom it pays a bounty for each error they believe they find. Medicare has now indicated that, even if the computer coding mistake is innocent and there is no intent to defraud, severe penalties may nevertheless be imposed.

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FAQ's cont.

Another reason for us was that Medicare fees are not keeping pace with inflation and rising overhead costs. Every year Medicare fees are slated to drop due to a flawed formula used to adjust fees. And every year Congress either allows the fee cuts or reverses them at the 11th hour. The downfall started when Medicare payments to physicians were cut by 5.4% in 2002. In 2003, Congress this time blocked an additional 4.4% cut and replaced it with a modest increase of 1.6%. Late in 2003, they again blocked scheduled rate cuts for 2004 and 2005 and provided 1.5% increases for those years. Last minute action yet again averted cuts in 2006 - but instead of an increase, Congress froze fees at the 2005 level for two years. After averting a 10.1% decrease with a 0.5% hike for 2008 and a 5% decrease with a 1.1% increase for 2009, Congress will again have to address the issue before January 1, 2010 to avoid a whopping 20% across-the-board cut to the Medicare fee schedule.

To put this into perspective, a new patient visit that Medicare reimbursed \$61.17 for in 2001, today would pay \$62.94. That's only a 2.8% increase in pay over the same span of years that saw both the cumulative U.S. Retail Price Inflation and U.S. Wage Inflation rates go up 29%.

How much will it cost to continue seeing my doctor at West Lake Family Practice?

Fortunately, as Family Physicians we do not perform major surgical or other procedures that can be quite costly. Also, our charges are reasonable given that we pass on our administrative cost savings to our patients.

Sample fees for Established Patient Visits (as of Feb 2009):

Level of Service	Examples	Fees
15 minute visit	Single new problem (e.g., shoulder pain, bronchitis); or simple follow-up on 1 to 2 stable ongoing conditions (e.g., high blood pressure and cholesterol).	\$65
30 minute visit	2-3 new problems; or 3-4 stable ongoing conditions.	\$95
45 minute visit	multiple or complex problems; or Complete Physical/Wellness screening	\$175

When does the opt-out change begin?

We have made the decision to opt-out of Medicare effective August 1, 2009. We will still be offering you our medical services, but it will be outside of the Medicare payment system. You will be asked to pay us directly for our services just as we do with our non-Medicare patients. Due to Medicare regulations, you will receive no reimbursement from Medicare, the Federal Government or secondary (medigap) insurance for our services.

What do I need to do?

Nothing - until you come in for an office visit on or after August 1, 2009. At that time we are required by the Federal Government to have any Medicare participant we care for sign what is called a private contract. That's it. A copy of this private contract is available on our website at www.westlakefamilypractice.com if you would like to look it over in advance.