

Balance Billing Prohibition

This provider bulletin is intended for all providers who serve Original Medicare or a Medicare Advantage (MA) plan recipients. Providers are encouraged to take steps to ensure Qualified Medicare Beneficiary recipients are not balance-billed for services.

Background

All Original Medicare and MA providers and suppliers—not only those that accept Medicaid—must not charge individuals enrolled in the QMB program for Medicare cost-sharing. Providers who inappropriately bill individuals enrolled in QMB are subject to sanctions. Providers and suppliers may bill State Medicaid programs for these costs, but States can limit Medicare cost-sharing payments under certain circumstances.

Billing of QMBs is prohibited by Federal law

Federal law bars Medicare providers and suppliers from billing clients enrolled in the QMB program for Medicare Part A and Part B cost-sharing under any circumstances. The QMB program provides Medicaid coverage of Medicare Part A and Part B premiums and cost sharing to low income Medicare clients.

QMB is an eligibility category under the Medicare Savings Programs and providers and suppliers may bill State Medicaid agencies for Medicare cost-sharing amounts. However, as permitted by Federal law, States can limit Medicare cost-sharing payments under certain circumstances. Regardless, individuals enrolled in the QMB program have no legal liability to pay Medicare providers for Medicare Part A or Part B cost-sharing. Medicare providers who do not follow these billing prohibitions are violating their Medicare Provider Agreement and may be subject to sanctions (see Sections 1902(n)(3)(C), 1905(p)(3), 1866(a)(1)(A), and 1848(g)(3)(A) of the Act).

Inappropriate Billing of QMB Individuals Persists

Despite Federal law, providers and suppliers continue to improperly bill clients enrolled in the QMB program. Many clients are unaware of the billing restrictions (or concerned about undermining provider relationships) and simply pay the cost-sharing amounts. Others may experience undue distress when unpaid bills are referred to collection agencies.

Ways to promote compliance with QMB billing rules

Take the following steps to ensure compliance with QMB billing prohibitions:

- Establish processes to routinely identify the QMB status of Medicare clients prior to billing for services. Use the Medicare 270/271 HETS data provided to Medicare providers, suppliers, and their authorized billing agents to verify a client's QMB status.
- Providers and suppliers may also verify clients' QMB status through ProviderOne or by asking clients for other proof, such as their ProviderOne services card.
- Ensure that billing procedures and third-party vendors exempt individuals enrolled in the QMB program from Medicare charges and that you remedy billing problems should they occur. If you have erroneously billed individuals enrolled in the QMB program, recall the charges (including referrals to collection agencies) and refund the invalid charges they paid.
- Determine the billing processes that apply to seeking payment for Medicare cost-sharing from the States in which the client resides.
- To receive the Medicaid remittance advice, claims review and processing, states require all providers, including Medicare providers, to enroll in their Medicaid system. Providers should contact the Health Care Authority for additional information regarding Medicaid provider enrollment.