



Quick Facts About Paying for Outpatient Services for People with Medicare Part B

In the Original Medicare Plan, Medicare Part B (Medical Insurance) pays for many of the outpatient services you get in hospitals, like x-rays and emergency room visits. Part B also pays for partial hospitalization services in community mental health centers. These services are paid for under the outpatient prospective payment system.

How the outpatient prospective payment system works

Under the outpatient prospective payment system, hospitals are paid a set amount of money (called the payment rate) to provide certain outpatient services to people with Medicare. The payment rate includes the following:

- Medicare's payment amount for the service you get
- Your yearly Medicare Part B deductible (\$135 in 2008) (if you haven't already paid it for the year)
- Your copayment amount

The payment rate isn't the same for all hospitals. The Medicare payment amount is also adjusted each January to reflect what people are paid to work in hospitals in the area where you get services.

Medicare pays for these Part B services under this system

- X-rays (radiology)
- Stitches for a cut
- An emergency room visit
- A hospital clinic visit
- Getting a cast
- Surgery that is safe to perform on an outpatient basis
- Observation to decide if you need inpatient care for an illness or injury
- The administration of certain drugs that you can't give yourself



Services paid for under this system (continued)

Medicare also uses the outpatient prospective payment system to pay for some services you get from other facilities, including the following services:

- Some Part B services for inpatient hospital care (like diagnostic x-rays). These services will be paid if you don't have Medicare Part A or have used up all of your Part A benefits.
- Some preventive shots/vaccines (for example, a flu shot), antigens, casts, and splints you get from a home health agency or comprehensive outpatient rehabilitation facility
- Splints, antigens, and casts you get as a hospice patient to treat a non-terminal illness
- Partial hospitalization services you get from a hospital outpatient department or community mental health center

Medicare uses a different payment system for these Part B services

Some outpatient services are covered by Medicare, but aren't paid for under the outpatient prospective payment system. Medicare pays for these services under other Medicare payment systems (such as the Medicare Physician Fee Schedule). These services include the following:

- Clinical diagnostic laboratory services
- Screening and diagnostic mammograms
- Ambulance services
- Physical therapy, occupational therapy, or speech-language therapy services
- Orthotics, non-implantable prosthetics, or durable medical equipment
- Maintenance dialysis for End-Stage Renal Disease (permanent kidney failure requiring dialysis or a kidney transplant). (Emergency dialysis may be covered)
- Outpatient hospital services from critical access hospitals (small hospitals that give limited outpatient and inpatient hospital services to people in rural areas)
- Outpatient services from an Indian Health Service hospital
- Outpatient services from any hospitals in Maryland. (Maryland hospitals are paid under their state's payment system.)
- Outpatient services from any hospital in Guam, Saipan, American Samoa, or the Virgin Islands



What you pay

For services paid for under the outpatient prospective payment system, you pay the following:

- The yearly Medicare Part B deductible (\$135 in 2008)
- A copayment amount for each service you get in an outpatient visit. For each service, this amount can't be more than the Medicare Part A inpatient hospital deductible (\$1,024 in 2008).
- All charges for items or services that Medicare doesn't cover

The amount you pay may change each year.

Example: Mr. Davis needs to have his cast removed. He goes to his local hospital outpatient department. The hospital charges \$150 for this procedure. His copayment amount for this procedure, under the outpatient prospective payment system, is \$20. Mr. Davis has paid \$85 of his \$135 Medicare Part B deductible. To have his cast removed, Mr. Davis must pay \$70 (\$50 remaining deductible amount + \$20 copayment amount).

Note: If you have a Medigap (Medicare Supplement Insurance) policy, other supplemental coverage, or employer or union coverage, it may pay for the Medicare Part B deductible, and copayment or coinsurance amount.

Important: Sometimes hospitals provide outpatient services at locations off of their main campus. If you get medical care at a hospital outpatient department that isn't located on the hospital's main campus, you may have to pay more for your care. The hospital must tell you in writing how much more you will have to pay. If your doctor isn't sure which services you may need, the hospital may estimate how much you will have to pay. You (or the person who makes medical decisions for you) must get this information before you get the service, except in emergencies.

What if I paid more than the amount listed on my Medicare Summary Notice?

After Medicare receives a bill from the hospital, you will get a Medicare Summary Notice showing what the hospital was paid for the services provided. If the amount you paid the hospital or community mental health center at the time of service is more than what is listed on the Medicare Summary Notice, call the provider and ask for a refund explaining that there is a difference between what you paid and the amount listed on your Medicare Summary Notice.



What if I paid less than the amount listed on my Medicare Summary Notice?

If you paid less than the amount listed on your Medicare Summary Notice, the hospital or community mental health center may bill you for the difference.

What rights do I have as a person with Medicare?

If you have Medicare, you have certain guaranteed rights to help protect you. One of these is the right to appeal. You may want to appeal in any of the following situations:

- You don't agree with the amount that is paid.
- A service or item isn't covered, and you think it should be.
- A service or item is denied, and you think it should be paid.

For more information about your rights and protections, visit www.medicare.gov on the web to view the booklet, "Your Medicare Rights and Protections." Under "Search Tools," select "Find a Medicare Publication."

What can I do if I am concerned about the quality of my care?

If you think the hospital or community mental health center isn't giving you good quality care, call the Quality Improvement Organization in your state. Call 1-800-MEDICARE (1-800-633-4227) to get the telephone number. TTY users should call 1-877-486-2048.