

10 – Introduction

(Rev. 99, Issued: 05-27-11, Effective: 05-27-11, Implementation: 05-27-11)

42 CFR 422.4(a)(3)

A Medicare Advantage private fee-for-service (PFFS) plan is an MA plan that:

- Pays providers of services at a payment rate determined by the plan on a fee-for-service basis without placing the provider at financial risk;
- Does not vary the payment rates for a provider based on the utilization of that provider's services, except under the following two circumstances (refer to section 60 of this chapter):
 - A PFFS plan may vary the payment rates for a provider based on the specialty of the provider, the location of the provider, or other factors related to the provider that are not related to utilization and do not violate the provider antidiscrimination rules under 42 CFR 422.205.
 - A PFFS plan may also increase the payment rates for a provider based on increased utilization of specified preventive or screening services.
- Does not restrict members' choices among providers that are lawfully authorized to provide services and agree to accept the plan's terms and conditions of payment; and
- May not require prior notification (refer to section 90.3 of this chapter).