

80.2 - Certain Provider Costs

(Rev. 4, 10-01-01)

A HMO/CMP has the option to have hospitals and SNFs, that furnish covered services to the HMO/CMP's Medicare enrollees, obtain payment directly from Medicare on the HMO/CMP's behalf (See Chapter 17, [Subchapter B](#)). When the HMO/CMP opts for this alternative, these providers are each paid the cost for the Medicare covered services furnished to the Medicare enrollee. This determination is made using Medicare's payment principles or Medicare's prospective payments, as appropriate, and the amounts paid are deducted from the payments to the HMO/CMP.