

40.1 - Financial Responsibility - General

(Rev. 77, Issued: 10-28-05, Effective Date: 10-28-05)

(42 CFR 417.414(c)) The *Medicare cost plan* assumes financial responsibility to provide reasonable reimbursement to its enrollees for:

- Emergency services; and
- Urgently needed services (as defined above);

even:

- From providers and suppliers outside the *Medicare cost plan*;

and even:

- In the absence of the *Medicare cost plan*'s prior approval.

The *Medicare cost plan* also assumes financial responsibility for:

- Services that were initially denied, but later granted, due to an appeal by the enrollee.

(42 CFR 417.452) A *Medicare cost* plan may impose:

- Deductibles;
- Coinsurance; or
- Copays;

for any of the services which it provides except for influenza vaccines for which no copays may be charged.

The *Medicare cost plan* may impose annual, semi-annual, quarterly, monthly or any other periodic limits on the Optional Supplemental Benefits it offers its enrollees provided these limits are not prohibited by State law.

The *Medicare cost plan* may not impose caps on any Medicare covered benefit unless original Medicare also imposes a cap (for example, the 100-day limit on SNF benefits).

The deductibles and coinsurances may be paid by or on behalf of the enrollee in the form of a:

- Premium;
- Membership fee;
- Charge per unit; or
- Other similar charge.

(42 CFR 417.454) The *Medicare cost plan* must agree to charge its Medicare enrollees only for the:

- Deductible and coinsurance amounts applicable to furnished Medicare covered services;
- Premium and cost-sharing charges for services offered as supplemental benefits provided that the sum of the amounts the *Medicare cost plan* charges its Medicare enrollees for these services does not exceed the actuarial value for those services (42 CFR 417.452(d)(3));
- Charges for services not covered under the plan; and
- Services for which Medicare is not the primary payer if payment for the services has been made to the enrollee (42 CFR 417.528(b)(2)).