

80.2 - General Rules

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

Medicare coverage policies specify which benefits are provided under the Medicare program and under what circumstances (including the clinical criteria under which the item or service must be provided). Medicare coverage policies have several sources:

1. National coverage determinations made by CMS;
2. Other coverage guidelines and instructions issued by CMS (e.g., Program Memoranda and Program Transmittals);
3. Legislative changes in benefits; and
4. Local medical review policies established by Medicare contractors for local areas.

As indicated in §10.1 of this subpart *Medicare cost plans* must provide all Medicare-covered benefits. Consequently, *Medicare cost plans*, must furnish, arrange, or pay for all new NCDs and legislative changes as soon as they take effect. This is true independent of whether the NCD or legislative change meets a criterion for **significant cost**. A determination of **significant cost** has no relevance to the *Medicare cost plan* program. For these services or benefits, the Medicare enrollee will be responsible for *Medicare cost plan* cost sharing as approved by CMS. The costs incurred by the *Medicare cost plan* for furnishing of these benefits may be included on their annual cost report.