

220 - Applying Recoveries to the Cost Report

(Rev. 30, 09-05-03)

Total reimbursable Medicare enrollee costs must be reduced by the value of services for which Medicare is not the primary insurer.

In addition, the Part A and Part B deductible should be computed based only upon amounts for which Medicare is the primary insurer. When the primary payer is a WC plan, a no-fault insurer, or an EGHP, the amounts paid by the primary payer are credited to the deductibles. Therefore, the entire charge should be considered in computing the deductibles. The bases for offsets are:

- The amount recoverable; or
- A member month ratio.