40.2 - Services Furnished Under Arrangements

(Rev. 30, 09-05-03)

The Part B physician and supplier services that the HCPP furnishes under arrangement are grouped into two categories for apportionment purposes. The basis the HCPP uses to pay for a service determines in which category the service is grouped. The two categories are:

- Services furnished under an arrangement that provides for the HCPP to pay for the service on a fee-for-service basis; and

- Services furnished under an arrangement that provides for the HCPP to pay for the service on some basis other than fee-for-service.

If the arrangement provides for the HCPP to pay for these services on a FFS basis, the total cost for the services furnished under such arrangement shall be apportioned between Medicare enrollees and others based on the ratio of charges for Medicare-covered services furnished to Medicare enrollees to total charges for services furnished to all enrollees and nonenrolled patients. (See payment limitations contained in Chapter 18, Subchapter B, §§30.) If apportionment on this basis would result in Medicare bearing the cost of furnishing services to individuals who are not Medicare enrollees, the Medicare share must be determined on another basis (approved by CMS) to ensure that Medicare pays only for services furnished to Medicare enrollees.

If the arrangement provides for the HCPP to pay for these services on some basis other than FFS, the reasonable cost the HCPP pays, under the financial arrangement for the services furnished, shall be apportioned between Medicare enrollees and others based on the ratio of Medicare-covered services furnished to Medicare enrollees to total services furnished to all enrollees and nonenrolled patients. If apportionment on this basis would result in Medicare bearing the cost of furnishing services to individuals who are not Medicare enrollees, the Medicare share must be determined on another basis (approved by CMS) to ensure that Medicare pays only for services furnished to Medicare enrollees.