

# Medicare Private Contract

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## Background

A change in the Social Security Act, effective January 1, 1998, permits Medicare beneficiaries and physicians to contract privately outside of the Medicare program. Under the law as it existed prior to January 1, 1998, a provider was not permitted to charge a beneficiary more than a certain percentage in excess of the Medicare fee schedule amount (limiting charge). The law now permits providers and beneficiaries to enter into private arrangements through a written contract under which the Beneficiary may agree to pay the Physician more than that which would be paid under the Medicare program.

However, beneficiaries and providers who take advantage of this provision are not permitted to submit claims for payment or to expect payment for those services from Medicare. The purpose of this contract is to permit the Beneficiary and the provider to take advantage of this change in the Medicare law, and it sets forth the rights and obligations of each. Furthermore, this agreement is limited to the financial agreement between provider and Beneficiary, and is not intended to obligate either party to a specific course or duration of treatment.

This private contract agreement is between the provider and beneficiary noted below. The beneficiary is a Medicare Part B beneficiary and is seeking services covered under Medicare Part B. The provider above has informed the beneficiary or their legal representative they have opted-out of the Medicare Program.

**The current Medicare opt-out period is from:** \_\_\_\_\_

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## Provider Obligations

**The provider noted above:**

- Is excluded from participating in Medicare Part B under §§1128, 1156 or 1892 or any other section of the Social Security Act.
- Is NOT excluded from participating in Medicare Part B under §§1128, 1156 or 1892 or any other section of the Social Security Act.

**The provider further acknowledges that:**

This contract shall not be entered into with the beneficiary, or the beneficiary's legal representative, during a time when the beneficiary requires emergency care services or urgent care services, except that the physician may furnish emergency or urgent care services to a Medicare beneficiary in accordance with 42 C.F.R. § 405.440.

They shall provide a copy of this contract to the beneficiary, or to their legal representative, before items or services have been furnished to the beneficiary under the terms of this contract.

They will provide such treatment as may be mutually agreed upon by the parties and at mutually agreed upon fees.

They will not submit any claims for payment under the Medicare program for any items or services even if such items or services are otherwise covered by Medicare.

They must retain this contract (with original signatures of both parties to this contract) for the duration of the opt-out period, and that it shall be made available to the Centers for Medicare and Medicaid Services (CMS) upon request.

# Beneficiary Obligations

## Beneficiary obligations are as follows:

The beneficiary or their legal representative has read and agree to the following terms of the private contract by signing below:

I, or my legal representative, accept full responsibility for payment of the provider's or practitioner's charge for all services furnished by this provider/practitioner;

I, or my legal representative, understands that Medicare limits do not apply to what the provider/practitioner may charge for items or services furnished by the provider/practitioner;

I, or my legal representative, agree not to submit a claim to Medicare or to ask the provider/practitioner to submit a claim to Medicare;

I, or my legal representative, have been informed of the expected or known expiration date of the opt-out period; which is to;

I, or my legal representative, understand that Medicare payment will not be made for any items or services furnished by the provider/practitioner that would have otherwise been covered by Medicare if there was no private contract and a proper Medicare claim had been submitted;

I, or my legal representative, enter into the contract with the knowledge that the beneficiary has the right to obtain Medicare- covered items and services from providers and practitioners who have not opted out of Medicare, and that the beneficiary is not compelled to enter into private contracts that apply to other Medicare covered services furnished by other physicians or practitioners who have not opted out;

I, or my legal representative, understand that plans do not, and that other supplemental plans may elect not to, make payments for items and services not paid for by Medicare;

I, or my legal representative, agree this contract was not entered into during a time when the beneficiary required emergency care services or urgent care services.

## Provider Signature:

\_\_\_\_\_ Date: \_\_\_\_\_

## Beneficiary Signature:

\_\_\_\_\_ Date: \_\_\_\_\_