**Medicare Red Tape Relief Project**

Submissions accepted by the Committee on Ways and Means, Subcommittee on Health

Date: August 25, 2017

Name of Submitting Organization: Physicians Advocacy Institute

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Statutory ✓

Regulatory

**Please describe the submitting organization’s interaction with the Medicare program:** PAI is a not-for-profit advocacy organization focused on securing fair and transparent payment for physicians. PAI’s Board is comprised of CEOs/former CEOs of state medical associations from California, Connecticut, Georgia, Nebraska, New York, North Carolina, South Carolina, Tennessee and Texas and a Kentucky physician. A significant portion of the members of these and other states’ medical societies treat Medicare patients and submit claims to Medicare.

**Short Description:** Limits on private contracts between patients and physicians

**Summary**: Medicare private contracting is the practice whereby the physician and patient agree that the patient will pay for covered services out-of-pocket. CMS interprets current law to prohibit this practice unless the physician completely “opts-out” of Medicare for two years, or unless a service is either not covered by Medicare or deemed by the Medicare carrier not medically necessary. Medicare does not reimburse either the physician or the patient for any portion of the claim when the physician has “opted out” of Medicare. This often forces patients to terminate relationships with their physicians after they opt-out of the Medicare program.

Medicare reimbursement to physicians has not kept up with rising costs of doing business. As a result, more and more physicians are opting out of Medicare altogether or are limiting their Medicare patient panel in favor of higher reimbursing commercial patient panels.

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**Related Statute/Regulation:** 42 U.S.C 1395a

**Proposed Solution**: Amend the statute to allow beneficiaries to enter into a contract with any physician – regardless of Medicare opt-in or opt-out status – for any item or service covered by Medicare. Beneficiaries could submit claims for Medicare payments at an amount that would be charged if the physician participated in Medicare.