

## MISSED APPOINTMENTS CAN COST PATIENTS: CMS SAYS PROVIDERS CAN CHARGE FOR MISSED APPOINTMENTS

On June 29, 2007, the Center for Medicaid & Medicare Services (“CMS”) implemented a new policy that will allow physicians, providers, and suppliers to charge Medicare beneficiaries for missed appointments. See CMS Change Request # 5613. Prior to this new policy, CMS precluded physicians, providers, or suppliers from charging Medicare patients for missed appointments because CMS considered missed appointments as part of the overall cost of doing business.

Effective October 1, 2007, Physicians, providers, and suppliers may now bill Medicare beneficiaries *directly* for missed appointments provided that **all** patients (Medicare and non-Medicare patients) are billed and charged the same amount for missed appointments. The charge for a missed appointment should reflect an amount indicative of a missed business opportunity and should not be a charge for the service itself (to which the assignment and limiting charge provisions apply).



Hospital providers must play by slightly different rules. In most instances, hospitals are also allowed to charge a beneficiary for a missed appointment. Hospitals may charge a Medicare beneficiary for a missed *outpatient* appointment, provided all patients are charged equally. However, hospitals are not allowed to charge a Medicare beneficiary for a missed *inpatient* appointment as it would violate federal regulations. Under federal regulations, hospital inpatient departments are not allowed to charge a patient for a failure to remain an inpatient for any agreed-upon length of time or for failure to give advance notice of departure from the provider's facilities. See 42 C.F.R. 489.22.

Providers should note that Medicare does not make any payments for missed appointment fees/charges that are imposed by physician, providers or other suppliers. Therefore, providers should not bill Medicare for missed appointments. Providers must bill the patient directly. Claims for missed appointments sent to Medicare will be denied with the reason code 204 (This service/equipment/drug is not covered under the patient's current benefit plan.).

To implement the CMS missed appointment policy into practice providers should:

- Have a written policy on missed appointments that is provided to all patients. (Providers may also want to obtain patients signatures to acknowledge receipt of this policy as an extra preventive measure).
- Ensure that your missed appointment policy applies equally to all patients
- Ensure that billing staff is aware that Medicare beneficiaries should be billed directly for missed appointments.
- Ensure that charge for missed appointment is reflective of a missed business opportunity and not the cost of the service itself.

For complete details regarding charges for missed appointments, see CMS Change Request 5613 available at <http://www.cms.hhs.gov/Transmittals/downloads/R1279CP.pdf>

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