

Balance Billing Prohibition-A Crucial Protection

The prohibition against balancing billing is a crucial protection. Without it, low income Medicare beneficiaries will be cut off from access to their Medicare benefit.

Individuals who receive Medicare and Medicaid services, known as dual eligibles, cannot afford Medicare's 20% co-pay for services. Dual eligibles are universally acknowledged to be an extremely vulnerable and medically fragile group. 85% of have incomes below 150% of the federal poverty line.¹ In general, the Medicare program covers 80% of Medicare approved charges, and Medicare beneficiaries are required to pay the remaining 20% of the Medicare-approved fee-for-the service.² Because Medicaid payment rates are very low and state Medicaid programs are only required to make copayments up to the Medicaid rate, Medicaid usually fails to pay the difference.³

With balance billing protections, these individuals maintain access to the Medicare benefits that they or their spouse has earned. They can continue to see Medicare providers knowing that they will not be subject to bills they cannot pay and ultimately collection proceedings. Without balance billing protection, dual eligible individuals are afraid to see Medicare providers and amass medical debt that they cannot pay.

Balance billing is a bedrock protection. Without it, a low income Medicare beneficiary is effectively cut off from access to their Medicare benefit.

The balance billing protection as currently defined is inadequate because many Medicare providers still are unwilling to accept patients without full Medicare reimbursement. One positive development is the Section 1202 Affordable Care Act provision that sets Medicaid rates for primary care at the same level as Medicare.⁴ The provision is important as it has the effect of giving primary care providers who serve dual eligibles the full Medicare payment. But that ACA provision sunsets in two years and only applies to primary care. A better long-term fix is needed to ensure continued access to needed care. Until then, the balance billing prohibition is a crucial protection.

¹ Jacobson, G., Neuman T., & Damico, A., (April 2012). Medicare's Role for Dual Eligible Individuals, *Kaiser Family Foundation Medicare Policy*, 2. Retrieved from www.kff.org/medicaid/upload/2186_06.pdf.

² Center for Medicare Advocacy, Medicare Part B. Retrieved from <http://www.medicareadvocacy.org/medicare-info/medicare-part-b>.

³ Burke, G., & Prindiville, K., (November 2011). Improving the Qualified Medicare Benefit Program For Dual Eligibles, *National Senior Citizens Law Center*, 6. Retrieved from www.nsclc.org/wp-content/uploads/2011/11/Improving-QMB-for-Duals-Brief.pdf.

⁴ Public Law 111-152, "Health Care and Education Reconciliation Act of 2010."