



DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care
Financing Administration

Region V
105 West Adams
Chicago, Ill 60603

JUNE, 1995

CHICAGO REGIONAL STATE LETTER NO: 36-95

SUBJECT: Billing Medicaid Recipients for Missed Appointments--
INFORMATION

As a result of a recent inquiry from a State in another Region, our Central Office has provided the following policy clarification regarding billing Medicaid recipients for missed appointments.

After careful reevaluation, the HCFA Administrator has decided to maintain the long-standing Medicaid policy which does not permit providers to bill program recipients who miss scheduled appointments. This policy is based on the reasoning that a missed appointment is not a distinct reimbursable service, but a part of providers' overall costs of doing business. Furthermore, the Medicaid rate covers the cost of doing business, and providers may not impose separate charges on recipients.

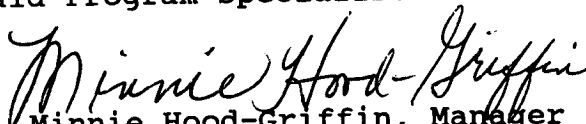
When a provider establishes a charge for a service, the charge generally takes into consideration a variety of overhead expenses the provider incurs in conducting its business. For example, a physician typically incurs operating expenses for staff, supplies and facility expenses such as rent and utilities. In addition, providers do not generally charge patients separately for use of waiting room, receptionist, supplies or utilities. Instead, these costs are factored into the provider's charge for the service. While we recognize that Medicaid payments are generally less than the amount charged by providers for the services, the Medicaid payment, like those of private payors, nevertheless reflects payment for the costs of doing business. Additionally, regulations at 447.15 require that "... the State plan must provide that the Medicaid agency must limit participation in the Medicaid program to providers who accept, as payment in full, the amounts paid by the agency"

If the Medicaid payment did not reflect the costs of doing business, providers would be free to charge Medicaid recipients

Page 2
Chicago Regional State Letter

the costs associated with operating its business because these charges would be for things beyond that covered by the Medicaid program. In addition, policy which permits providers to bill for missed appointments may harm access to services. Such a result would also be inconsistent with the statutory intent of the provisions at section 1902(a)(1) which require, among other things, that the State plan provide safeguards to assure that care and services are delivered in a manner consistent with the best interests of the recipient.

If there are additional questions concerning this issue, please contact your Medicaid Program Specialist.


Minnie Hood-Griffin, Manager
Operations Team
Division of Medicaid

Originating Component: Operations Team
Division of Medicaid