

# The Facts on Balance Billing

## What is balance billing?

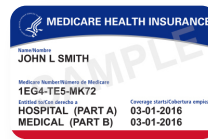
Dual eligible beneficiaries (“Medi-Medis”) are individuals with both Medicare and Medi-Cal. Medicare providers (like doctors and hospitals) cannot bill dual eligible beneficiaries for Medicare cost sharing. **This is known as balance billing, or “improper billing,” and is illegal under both federal and state law.** This means dual eligible beneficiaries cannot be charged for co-pays, co-insurance, or deductibles. Similarly, this protection also applies to Qualified Medicare Beneficiaries (QMBs).

Dual eligible beneficiaries or QMBs should never receive a bill for Medicare cost sharing. These beneficiaries should not pay for physician visits and other medical care when they receive Medicare-covered services. For beneficiaries in a Medicare Advantage plan, including a Medi-Medi Plan, beneficiaries should not pay for medical care when they receive covered services from a provider in their provider network. This applies to both Medicare and Medi-Cal providers. **Even if a Medicare provider is not enrolled in Medi-Cal, the provider may not bill the dual eligible beneficiary.**

## What are the exceptions?

Dual eligible beneficiaries may receive a bill for medical services if they have a:

1. Co-pay for Part D prescription drugs;
2. Monthly share of cost for unmet Medi-Cal costs; and/or
3. Service not covered by Medicare or Medi-Cal.



## How should providers bill for Medicare-covered services?

Generally, Medicare will pay 80 percent of the Medicare fee schedule. Medi-Cal is responsible for any Medicare cost sharing, with payment limited to Medi-Cal reimbursement rates. This is known as a “crossover claim.” For beneficiaries in Original Medicare, the Medicare Administrative Contractor processes the primary claim for Medicare payment and then forwards the claim to the Medi-Cal plan for the secondary Medi-Cal payment. For beneficiaries in Medicare Advantage (MA) plans, physicians should bill the MA plan the primary Medicare payment, and bill the Medi-Cal plan for the secondary Medi-Cal payment. **Providers do not need to be part of the Medi-Cal plan’s network to have these crossover claims processed and paid.** Providers can refer to the [Crossover Billing Provider Toolkit](#) for additional information.



### What should a dual eligible beneficiary do if billed by a health care provider?

If a health care provider has billed a dual eligible beneficiary for a Medi-Cal or Medicare covered service, **the beneficiary should not pay the bill**. Instead, the beneficiary should first try to resolve the issue with their health care provider, to tell them they should not have been billed because they receive both Medicare and Medi-Cal.

Providers must take immediate actions to fix the issue once they know that a beneficiary is dually eligible. The provider must refund any amounts already paid, stop the bill collection process, and work with credit reporting agencies to correct any issues caused by billing dual eligible beneficiaries. Providers can refer to the [Centers for Medicare & Medicaid Services \(CMS\) Medicare Learning Network \(MLN\) Matters Article](#) for additional information.

If the provider does not stop the bill collection process, then the dual eligible beneficiary should contact their MA health plan immediately to resolve the issue or contact 1-800-MEDICARE (1-800-633-4227) if they are enrolled in Original Medicare.

If neither the provider nor health plan resolve the issue, then a dual eligible beneficiary can contact the Medicare Medi-Cal Ombudsman at 1-855-501-3077 to ask questions about what actions to take next or contact the California Department of Managed Health Care Help Center at 1-888-466-2219 to file a complaint.

### Types of Dual Eligible Beneficiaries

#### Full Duals

“Full dual eligibility” means that someone is eligible for both Medicare and Medi-Cal. To have full dual eligibility, it means you qualify for full state Medi-Cal benefits as well as for Medicare. A person who qualifies for full dual eligibility may also qualify for a Dual Special Needs Plan (D-SNP). This is a type of Medicare Advantage plan that offers extra benefits beyond traditional Medicare and Medicaid.

Medicare pays for most of the covered care and benefits, but Medi-Cal pays some out-of-pocket costs for copays, coinsurance, deductibles and premiums. Medi-Cal also covers benefits that aren’t covered by a Dual Special Needs Plan, such as long-term care.

#### Partial Duals

“Partial dual eligibility” means a person qualifies for a Medicare Savings Program (MSP) but is not enrolled in Medi-Cal. MSPs are managed by the Medicaid program in each state. While MSPs cover certain Medicare costs, like Medicare Part A and Part B premiums, people with partial dual eligibility don’t receive full Medicaid medical benefits.

### Additional Resources

- » [California Welfare and Institutions Code Section 14019.4.](#)
- » [Section 1902\(n\)\(3\)\(B\) of the Social Security Act, as modified by section 4714 of the Balanced Budget Act of 1997.](#)