



Understanding PAR and non-PAR Providers with Medicare



PAR and non-PAR Providers with Medicare

The Center for Medicare & Medicaid Services (CMS) is a federal agency within the Department of Health and Human Services that manages and oversees the Medicare program for beneficiaries. Physicians are required to comply with numerous laws and regulations related to various aspects of their practice within the Medicare program. Each year physicians have the opportunity to review and modify their contractual relationship within the Medicare program. Participating providers are referred to as 'PAR' while non-participating providers are referred to as 'Non-PAR'. Providers need to understand their options within the program to ensure proper reimbursement. The primary difference between being a PAR and a non-PAR Provider lies in how fees will be collected. The three Medicare contractual options available for physicians are as follows:

- Participating (PAR) providers can sign a participating agreement and accept Medicare's allowable charges as payment in full for all their Medicare patients.
- Non-participating (non-PAR) providers may elect to be non-PAR physicians, which permits them to make assignment decisions on a case-by-case basis and allows the option to bill patients more than Medicare allows for unassigned claims.
- In private contracting as a private contracting physician, the provider agrees to bill his/her patients directly and forego any payments from Medicare.

Physicians can change their status from PAR to non-PAR or vice versa annually. Once made, the decision is generally binding until the next annual contracting cycle. Medicare status can change in between contracting spans where the physician's practice situation has changed significantly, such as relocation to a different geographic area or a different group practice. To become a private contractor, physicians must give Medicare 30 days' notice before the first day of the quarter when the contract will take effect. Providers considering a change in their Medicare status must first determine that they are not bound by any contractual arrangements with hospitals, health plans, or other entities that require them to be PAR physicians. In addition, it is essential to understand and verify any state laws that have been enacted prohibiting [physicians](#) from balance billing their patients.

Participating (PAR) Providers with Medicare

Participating in the Medicare program means the healthcare professional agrees to accept assignments for all services provided to Medicare beneficiaries. By accepting an assignment, it states that the provider agrees to accept the amount approved by Medicare as the total payment for covered services. The deductible and/or coinsurance are applied to covered services and the beneficiary is responsible for these amounts. When a provider enrolls as a new provider to become a participant, Medicare allows 90 days from the date of your Provider Identification Number (PIN) notification to change your participation status. If a PAR agreement is received within 90 days of enrollment, the PAR effective date will be the postmark date on the envelope. Suppose the decision is made to enroll as a Medicare participating provider after the 90-day grace period. In that case, the individual provider must wait and complete a form during open enrollment and is obligated to remain a participant until the following annual enrollment period.

Why you should be PAR with Medicare?

- Your Medicare fee schedule amount is 5% higher than that of a non-participating provider.
- Collections from patients are much easier because Medicare reimburses 80% of the allowed charges to the provider and the practice will have to collect the remaining 20% from the beneficiary.
- Medicare will automatically forward Medigap claims to the proper insurer for payment when they receive the completed claim form. This "one-stop" billing eliminates the need to submit a separate bill to the supplementary insurer or beneficiary after receiving Medicare's payment.
- Participation also improves the relationship with the beneficiary as it helps reduce any out-of-pocket expenses that will be the responsibility of the beneficiary.

To learn more about the Understanding PAR and non-PAR Providers with Medicare, click here: <https://bit.ly/46cFguQ>, Contact us at info@medicalbillersandcoders.com/ [888-357-3226](tel:888-357-3226).