

## Medicare Summary Notice (MSN) Case Study

Eleanor has Original Medicare. She recently received a Medicare Summary Notice (MSN) in the mail that lists the outpatient health care services she received in the last three months. Eleanor wants to know why the MSN says it is not a bill, yet there are a number of dollar amounts listed on it. She also wants to know how much she will owe her doctor, because she is worried that she will owe \$870.

**Here is Eleanor’s MSN:**

March 18, 2020 Marsha Glaser M.D., (555) 555-1234 Glaser Primary Care						
Service Provided & Billing Code	Service Approved?	Amount Provider Charged	Medicare-Approved Amount	Amount Medicare Paid	Maximum You May Be Billed	See Notes Below
Office visit - 986532	Yes	\$250	\$170	\$136	\$34	
X-ray - 102030	Yes	\$620	\$425	\$340	\$85	
Total for Claim #06-2498-365-096		\$870	\$595	\$476	\$119	

(Note: All billing codes and dollar amounts are examples and do not reflect actual Medicare billing codes or costs.)

### How can you help Eleanor?

#### 1. Explain what the MSN is.

First, let Eleanor know that the MSN is not a bill, but rather a summary of the services she has recently received. The different dollar amounts are a record of what the doctor asked Medicare to pay, what Medicare actually paid the doctor, and what Eleanor will owe Dr. Glaser for the services.

Since the MSN is not a bill, Eleanor will not need to pay anything until she receives a bill from Dr. Glaser's office. She should compare amounts listed on the bill from Dr. Glaser's office with the amounts in the "Maximum You May Be Billed" column. The bill from Dr. Glaser's office should match what the MSN says Eleanor may be billed.

If the amounts are different, Eleanor should contact Dr. Glaser's billing department and share the MSN with them so they can correct the mistake.

## **2. Next, explain the difference between the amount the provider charged and the Medicare-approved amount.**

Eleanor was worried that she will owe her provider for the full amount listed in the "Amount Provider Charged" column, since that is what her provider charged.

Let Eleanor know that those amounts are what provider charged **Medicare** for the service. It is not the amount that her provider will charge **her** for the service. Medicare has set an amount that provider or supplier is paid for a particular service or item. This is known as the Medicare-approved amount. When a provider takes assignment and accepts Original Medicare, that means they accept the Medicare-approved amount as full payment, even if they initially charge Medicare for a different amount.

Medicare pays the provider a percentage of the Medicare-approved amount, which is 80% for most Part B-covered services. On Eleanor's MSN, note that Medicare paid her provider \$136 for the office visit, which is 80% of \$170, the Medicare-approved amount. Medicare does not base its payment on the amount charged by the provider.

The amount that Eleanor owes for Part B-covered services is usually a coinsurance of 20% of the approved amount. The Maximum You May Be Billed Column says Eleanor can be billed \$34 for the office visit, which is 20% of the Medicare-approved amount of \$170.

The MSN list many different costs, which can be confusing when trying to figure out how much someone will owe their provider. The "Maximum You May Be Billed" column is the main part of the MSN that Eleanor should use to learn about how much she will owe her provider.

## **3. Lastly, show Eleanor how to protect herself from health care fraud.**

Medicare fraud occurs when someone knowingly deceives Medicare to receive payment when they should not, or to receive higher payment than they should. For example, a provider commits fraud if they knowingly bill Medicare for services that someone never received or if

they bill Medicare for services that are different from the ones someone received (usually more expensive services).

Since Eleanor's MSN lists all of the items and services for which her provider billed Medicare, she can use it to ensure that they are only billing for the procedures she actually received. Let Eleanor know that she should keep a calendar or list of her doctors' appointments and services and check it against her MSN when she receives it. If there are any services listed that she did not receive, or any providers whose names she does not recognize, she should call the provider's billing department right away to check if an error has been made.

Eleanor can also compare her MSN with bills she has received from her provider's office or pharmacy. If her provider charged her for more than the amount listed in the "maximum you may be billed" section of her MSN, she should contact her provider's office to see if there has been a mistake.

If Eleanor suspects fraud has occurred, she can report it by contacting 1-800-MEDICARE (633-4227) and her local Senior Medicare Patrol (SMP).