

Insurance

Medicare: Par vs. Non-Par?

Making the Right Decision Can Positively Affect Your Revenue Cycle

Can Chiropractors Opt Out of Medicare?

First, you must be aware that “opting out” and being non-par are not the same thing.

Opting out refers to a physician’s ability to not bill Medicare at all. CMS determines which provider types can opt-out. These providers must file a valid affidavit with Medicare. After this, the provider can enter into a private contact with a Medicare beneficiary.

*Secondly, you must be aware that, under Medicare rules, **chiropractors are not eligible to opt out of Medicare**. If a chiropractor sees and treats a Medicare beneficiary, they must be enrolled in Medicare and follow Medicare’s guidelines.*

Introduction

2025 marks the 60th anniversary of President Lyndon Johnson signing the legislation creating Medicare, the federal health insurance program for people aged 65 or older, into law. When it began in 1965, approximately 19 million Americans enrolled in the program. Today, more than 67 million Americans – and more than 1.4 million Arizonans – are covered by Medicare. With so many covered lives in the state, it is imperative that all offices understand proper Medicare billing and how the billing decisions you make affect your revenue cycle.

Each year, when Medicare releases the new Medicare Physician Fee Schedule (MPFS), the AAC office gets questions about the fee schedule and exactly what the designations found in the schedule mean. This article is a primer on differences between participating and nonparticipating in Medicare.

Par Vs. Non-Par

There are two types of Medicare Part B providers: participating (Par) and non-participating (Non-Par). The vast majority of providers who provide Medicare-covered services (approximately 96 percent) are participating providers. Whether to be par or non-par basically comes down to this: how you collect your fees. Do you want to collect your fees up front, or are you willing to wait and receive an extra 5 percent in reimbursements?

Participating providers:

- Agree to “accept assignment” for all their Medicare patients. Accepting assignment means agreeing to accept Medicare’s fee schedule amount as payment in full for that

service (limiting charge provisions are not applicable). Accepting assignment also means the provider agrees to collect Medicare's portion of the payment directly from Medicare, rather than the patient.

- Have a higher fee schedule than nonparticipating providers (approximately 5 percent higher)
- May not collect any amount other than unmet co-pays, deductibles, and/or coinsurance from the beneficiary, usually 20 percent (Medicare pays 80 percent)
- "Assigned claims" processed more quickly
- Patients have less out-of-pocket costs

Non-participating providers:

- May be Non-Participating Not Accepting Assignment or Non-Participating Accepting Assignment
- Non-Participating Accepting Assignment collection is limited to the 20% of the non-participating fee schedule co-pay (if the patient's deductible is met). Medicare will pay directly to the doctor 80% of the non-participating fee schedule.
- Non-Participating Not Accepting Assignment may collect up to the Limiting Charge. However, the patient will be reimbursed by Medicare 80% of the non-participating fee schedule resulting in a higher out of pocket cost to the patient.
- Still have to bill Medicare for all Part B services so the beneficiary may be reimbursed
- Can still be audited or have their claims reviewed
- Have the same documentation and medical necessity requirements as participating providers

Limiting Charge – When Does It Apply?

The limiting charge only applies to *non-participating providers* when they *choose not to accept assignment*. The limiting charge is 115 percent of the approved fee schedule amount for non-participating providers.

Providers can find more information and learn how to manage their Medicare enrollment at:

<https://www.cms.gov/medicare/enrollment-renewal/providers-suppliers/chain-ownership-system-pecos/manage-your-enrollment>