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Outpatient Services Payment for People with Medicare Part B

This fact sheet explains how Medicare pays for covered hospital outpatient department services if you have Medicare Part B (Medical Insurance) through Original Medicare. If you're in a Medicare Advantage Plan (like an HMO or PPO), contact your plan for more information.

Part B pays for many of the outpatient services you get in hospitals, like X-rays and emergency department visits. Part B also pays for partial hospitalization services in hospital outpatient departments and community mental health centers under the outpatient prospective payment system.

How the outpatient prospective payment system works

Under the outpatient prospective payment system, Medicare pays hospitals a set dollar amount (called the payment rate) to give certain outpatient services to people with Medicare. For most services, you must pay the yearly Part B deductible before Medicare pays its share. Once you meet the deductible, Medicare pays most of the total payment and you pay a copayment. For some services, you don't need to meet the yearly Part B deductible before Medicare pays (for example, for a screening mammography). The payment rate may vary based on where the hospital is located. Also, each year the rate is adjusted for other factors.

Part B services paid for under this system include, but aren't limited to:

- X-rays (radiology)
- Stitches for a cut
- The hospital charge for an emergency department or hospital clinic visit (doesn't include an amount for the doctor's services)
- Getting a cast
- Surgery that's safe to perform on an outpatient basis
- Observation to decide if you need inpatient care for an illness or injury
- Administration of certain drugs that you usually can't give yourself

Part B services paid for under this system (continued)

Medicare also uses the outpatient prospective payment system to pay for some services you get from other facilities, including:

- Splints, antigens, and casts you get from a home health agency if you aren't under a home health plan of care
- Splints, antigens, and casts if you're in hospice, for a condition unrelated to your terminal illness and related conditions
- Partial hospitalization services you get from a hospital outpatient department or community mental health center

What you pay

For most services, you pay:

- The yearly Part B deductible if you haven't already paid it for the year.
- A copayment for each service you get in an outpatient visit. For each service, this amount generally can't be more than the Medicare Part A (Hospital Insurance) deductible. If you get hospital outpatient services in a critical access hospital, your copayment may be higher and may be more than the Part A deductible.
- All charges for items or services that Medicare doesn't cover.

Example: Mr. Davis needs to get a cast on his leg. He goes to his local hospital outpatient department. Medicare pays \$140 for this procedure. His copayment for this procedure, under the outpatient prospective payment system, is \$28. Mr. Davis has already paid \$150 of his \$203 Part B deductible. To get the cast, Mr. Davis must pay \$81 (\$53 remaining deductible amount + \$28 copayment amount).

The amount you pay may change each year. The amount you pay may also be different for different hospitals.

Note: If you have a Medicare Supplement Insurance (Medigap) policy, other supplemental coverage, or employer or union coverage, it may pay the Part B deductible and copayment amounts.

If you paid more than the amount listed on your “Medicare Summary Notice” (MSN)

After Medicare gets a bill from the hospital, you’ll get an MSN. This notice will show how much you have to pay for the services you got. It will also show how much Medicare paid the hospital for the services. If you paid the hospital or community mental health center more at the time of service than what was listed on the MSN, call the provider and ask for a refund. Tell them you paid more than the amount listed on your MSN.

If you paid less than the amount listed on your MSN

If you paid less than what was listed on your MSN, the hospital or community mental health center may bill you for the difference unless you have another insurer who’s responsible for paying your deductible and copayments.

Your Medicare rights

If you have Medicare, you have certain guaranteed rights to help protect you. One of these is the right to appeal. You may want to appeal in any of these situations:

- You don’t agree with the amount that’s paid.
- A service or item isn’t covered, and you think it should be.
- A service or item is denied, and you think it should be paid.

The MSN tells you how to appeal a Medicare decision. The appeals information is on the back. For more information about your rights and protections, visit Medicare.gov.

If you’re concerned about the quality of your care

If you think the hospital or community mental health center isn’t giving you good quality care, call the Quality Improvement Organization in your state.

Call 1-800-MEDICARE (1-800-633-4227) to get the phone number.

TTY users can call 1-877-486-2048.

You have the right to get Medicare information in an accessible format, like large print, Braille, or audio. You also have the right to file a complaint if you feel you've been discriminated against. Visit [Medicare.gov/about-us/accessibility-nondiscrimination-notice](https://www.medicare.gov/about-us/accessibility-nondiscrimination-notice), or call 1-800-MEDICARE (1-800-633-4227) for more information. TTY users can call 1-877-486-2048.

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