

840.5 Introduction

Medicare cannot generally pay for hospital or medical services furnished outside the United States except for care in qualified Canadian or Mexican hospitals. This chapter describes the health insurance services furnished outside the U.S. that are reimbursable under the Medicare program.

Under the Railroad Retirement Act, the RRB administers the hospital insurance part of the Medicare program for beneficiaries who receive services in Canada. The RRB acts as a fiscal intermediary to process claims for payment. Its functions include: coverage determinations, applying the deductible and coinsurance amounts, and determining if all conditions of payment are met.

Beneficiaries in Canada and other foreign countries may elect Part B benefits; premiums are paid in the same manner as for persons living in the United States. Foreign beneficiaries are not automatically enrolled for Part B benefits.

Most Part B services provided in foreign countries are not covered under Medicare. Generally, QRRBs who reside outside the U.S. can receive Part B benefits only for services provided in the United States. Therefore, only those QRRBs residing outside of the U.S. who intend to obtain medical services in the United States should consider enrollment for Part B coverage.

Part B benefits for services obtained in the United States by Canadian QRRBs who elect SMIB are not subject to any reduction because of entitlement to similar benefits under Canadian law.

See [RCM 3.8](#) for additional information about Medicare benefits for services performed outside of the United States.

840.5.1 Summary of Part A Benefits Outside the U.S.

Under the Railroad Retirement Act, payment can be made to any railroad retirement beneficiary for covered hospital insurance services furnished by a qualified Canadian hospital.

Hospital insurance claims from beneficiaries living in Canada sometimes include claims for "chronic care" services. The term "chronic care" refers to a level of care lower than acute inpatient hospital care and significantly higher than custodial care. For purposes of claims processing, always consider a claim for chronic care services to be the same as a claim for skilled nursing services.

In Mexico, inpatient hospital services are covered under the following situations:

1. An emergency occurs in the U.S. and the Mexican hospital is closer than the nearest U.S. hospital equipped to deal with the injury or illness.

2. A U.S. resident receives services in a Mexican hospital which is closer to or substantially more accessible to his or her residence than the nearest hospital within the U.S., regardless of whether or not an emergency exists.

840.5.2 Summary of Part B Benefits Outside the U.S.

Medical insurance benefits are limited to necessary physician and ambulance services furnished in connection with three specific situations.

Those situations are:

1. An emergency occurs in the U.S. and a Canadian or Mexican hospital is closer than the nearest U.S. hospital equipped to deal with the injury or illness;
2. A U.S. resident receives services in a Canadian or Mexican hospital which is closer to or substantially more accessible to his or her residence than the nearest hospital within the U.S., regardless of whether or not an emergency exists; or
3. A medical emergency occurs within Canada which requires admittance to a Canadian hospital while the beneficiary was traveling without unreasonable delay and by the most direct route between Alaska and another state. This provision does not apply when a beneficiary is vacationing in Canada.

840.10 Claims Under Part A In Canada

840.10.1 Application and Evidence Requirements

Every beneficiary living in Canada who is enrolled for hospital insurance coverage (HI-Part A) is provided with a Form RB-104 describing Part A benefits. An application, Form AA-104, must be filed for reimbursement of Part A services furnished in Canada. To claim payment, the beneficiary returns a completed Form AA-104 to the RRB with paid bills attached.

In addition, when private room accommodations are claimed, a statement by the doctor certifying that such accommodations were medically necessary is required. The application for benefits must be filed within the same time limits established for all Medicare claims. Forward claims involving services rendered in Canada to the Medicare Unit (MU) in Unemployment and Programs Support Division (UPSD).

840.10.2 Amount of Benefits

Hospital benefits for services provided in Canada are reduced by the greater of the following:

- The amount paid (or which would have been paid upon application) under a Canadian provincial health care plan; or

- The total of the deductible and coinsurance amounts (converted to Canadian funds).

The above reduction criteria are applied if the beneficiary did not receive payment under a provincial plan because he or she failed to apply for it. A reduction in the payment of benefits will not be applied if the beneficiary had an option to participate in a provincial plan, but elected not to do so.

Each type of service is computed separately, i.e., inpatient hospital care, skilled nursing care and home health service. The same deductible and coinsurance amounts apply to both domestic and foreign hospital insurance services.

840.10.3 Payment of Benefits

The RRB no longer uses the Western Benefits Association (WBA) of Ontario, Canada as its agent in Canada. The RRB has now designated the Specialty Medicare Administrative Contractor (SMAC) Palmetto GBA to act as its agent in Canada. This organization provides the RRB with the information required to make a reimbursement determination. The SMAC represents the RRB as an agent and advisor.

Upon receipt of certification and verification of information from Palmetto GBA regarding the claimed services, the RRB awards Part A benefits in the following priority:

- The individual who received the services if such individual paid for the services and submits documentary proof that such payment was made; or
- The provider of services if the beneficiary assigns payment.

See [RCM 3.8.10](#) and [RCM 3.8.11](#) for additional information.

840.15 Claims Under Part B In Canada

840.15.1 Application and Evidence Requirements

To claim Medicare benefits under Part B, a Canadian or U.S. resident who receives services in Canada must file a Form G-740s or CMS-1490S, Patient's Request for Medicare Payment. Itemized bills covering the claimed Part B services are also required. Form G-740s is available on RRAILS. Form CMS-1490S can be ordered from the Centers for Medicare & Medicaid Services or printed from www.medicare.gov. Each claim for benefits must include the beneficiary's residence where the services were rendered, the type of service and the nature of the illness or injury. This information is needed in order to determine whether the services can be covered under Part B. The claim for benefits must be filed within the same time limit established for all Medicare claims. Only the beneficiary may file for Part B benefits; assignment cannot be made. Underpayments, when the beneficiary is deceased, are handled the same as domestic claims. Forward any claims involving services rendered in Canada to UPSD-MU.

840.15.2 Amount of Benefits

For Canadian physician and ambulance services, the reasonable charge is:

- A. The lower of the prevailing charge for similar services in the U.S. locality which is closest to where the service was rendered; or
- B. The Canadian Provincial fee. The Medicare Part B carrier obtains the most recent schedule of fees published by the appropriate Canadian Province.

840.15.3 Payment of Benefits

Based on information secured from the beneficiary on the claim form, MU determines whether the services can be covered. If reimbursement is to be made, MU prepares a letter to the Medicare Part B carrier authorizing payment. If we determine that services cannot be covered, MU prepares a letter to the beneficiary explaining the reason for denial and provides Medicare appeal rights information.

840.20 Claims Under Part A In Mexico

When an individual asks about claiming HI benefits for services received in Mexico, question him or her fully to determine if the services are covered under Medicare. If the services appear to be covered, secure:

- A. Statement from beneficiary claiming reimbursement, containing description of illness or injury, and indicating circumstances causing use of the facility in Mexico; and
- B. Itemized hospital bills, or their equivalent.

Payment is made for necessary physician and ambulance services that meet the other coverage requirements of the Medicare program, and are furnished in connection with a covered foreign hospitalization.

Coverage of Physician and Ambulance Services furnished Outside the U.S.

Where inpatient services in a foreign hospital are covered, payment may also be made for the following:

- Physicians' services furnished to the beneficiary while he/she is an inpatient.
- Physicians' services furnished to the beneficiary outside the hospital on the day of his/her admission as an inpatient, provided the services were for the same condition for which the beneficiary was hospitalized (including the services of a physician who furnishes emergency services in Canadian waters on the day the patient is admitted to a Canadian hospital for a covered emergency stay) and,

- Ambulance services, where necessary, for the trip to the hospital in conjunction with the beneficiary's admission as an inpatient. Return trips from a foreign hospital are not covered.

840.25 Claims Under Part B In Mexico

To claim Part B services in Mexico, a beneficiary must file Form G-740S or CMS-1490S and itemized bills covering Part B service claims. All claims should be forwarded directly to the RRB. If the Medicare Unit (MU) determines that the requirements listed in 840.20 have not been met, MU will deny the claim and send notice to the beneficiary. If the requirements have been met, MU will hold any potentially allowable Part B claim until a MAC determination regarding the coverage of Part A services has been made. When the information regarding Part A coverage is available, MU will send the Part B claim together with pertinent information regarding the Part A determination to Palmetto Government Benefits GBA for consideration of whether the other requirements for Part B coverage have been met. Palmetto Government Benefits GBA will also handle any additional processing.

The beneficiary must file his or her own claim; the assignment method may not be used for Part B services received in Mexico.

In cases involving foreign ambulance services, the general requirements listed above are also applicable, subject to the following special rules:

- If the foreign hospitalization was determined to be covered on the basis of emergency services, Palmetto GBA will determine if the medical necessity requirements have been met.
- The definition of "physician" for purposes of coverage of services furnished outside the U.S., is expanded to include a foreign practitioner, provided the practitioner is legally licensed to practice in the country in which the services are furnished.
- Only the beneficiary may file for Part B benefits. The assignment method may not be used. However, where the beneficiary is deceased, the rule for settling Part B underpayments is applicable, i.e. payment may be made to the foreign physician or ambulance company on the basis of an unpaid bill, provided the physician or ambulance company accepts the MAC's reasonable charge determination as the full charge.
- The regular deductible and coinsurance requirements apply to physician and ambulance services.

