

# HOW MEDICARE ASSIGNMENT CAN FUEL KICKBACKS



## 1. Assignment = Direct Medicare Payment to Doctor

When a doctor accepts Medicare assignment, they agree to:

- Accept Medicare's allowed amount as full payment
- Bill Medicare directly and receive payment from Medicare, not the patient

This locks the doctor into fixed, government-set reimbursement rates, often lower than private pay rates.

## 2. High-Volume, Low-Reimbursement Pressure

Because Medicare reimbursement is often low for routine cataract surgeries, many assigned providers feel pressured to:

- Increase surgical volume to maintain profitability
- Depend on a steady flow of referrals from optometrists or primary care providers



## 3. The Kickback Problem

To secure these referrals, some ophthalmologists offer illegal financial incentives (kickbacks) to referring providers (e.g., optometrists)

- This could be cash, gifts, or disguised payments through "comanagement fees," inflated consultation fees, or bogus services.
- These arrangements violate the Anti-Kickback Statute and Stark Law but persist because the low reimbursement drives the desire for guaranteed patient volume.



## 4. Ethical Practices Like Non-Assignment to Avoid This Trap

- Non-assignment providers aren't as reliant on high-volume, low-margin surgery.
- By setting fair fees independently (within Medicare's limiting charge rules), they avoid the financial desperation that can lead to kickbacks and unethical referral agreements.



## Summary:

Medicare Assignment locks doctors into low fees, incentivizing volume-based business models. This creates pressure to secure patient referrals through kickbacks, undermining ethical, patient-first care. Non-assignment allows ethical practices to stay financially sustainable without resorting to these illegal incentives.



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