MSA MEDICAL SERVICES ADMINISTRATION

Bulletin

Michigan Department of Community Health

Distribution: All Provider 03-09

Issued: September 1, 2003

Subject: Medicaid Benefit Reductions
Continuation of Fee Reductions

Effective: October 1, 2003

Programs Affected: Medicaid

In order to maintain the Medicaid program spending within the approved FY 2003-04 funding levels for the Michigan Department of Community Health (MDCH), the following reductions are being initiated or continued effective October 1, 2003.

Ambulatory Services
The following reductions will be effective for dates of service on and after October 1, 2003 for beneficiaries age 21 and older:

- Chiropractic Services (Provider Type 14) – No services provided by a Chiropractor will be covered.
- Hearing Aid Dealers (Provider Type 90) – No services or products provided by a Hearing Aid Dealer will be covered.
- Podiatrists (Provider Type 13) – No services provided by a Podiatrist will be covered.
- Dental Services (Provider Types 12 and 74) – The adult dental benefit is limited to the following emergent/urgent services for the relief of pain and/or infection only. These emergent/urgent services will continue to be covered for beneficiaries age 21 and over (including nursing facility residents). Routine examinations, prophylaxis, restorations, and dentures will not be covered.

Procedure Code	Short Description
D0140	Limited oral evaluation-problem focused
D0220	Intraoral, periapical, first film
D0230	Intraoral, periapical, each additional film
D7140	Extraction, erupted tooth or exposed root
D7210	Extraction of tooth, erupted
D7220	Extraction of tooth, soft tissue impaction

Procedure Code	Short Description
D7230	Extraction of tooth, partial bony impaction
D7240	Extraction of tooth, complete bony impaction
D7260	Oroantral fistula closure
D7261	Primary closure of a sinus perforation
D7510	Incision and Drainage (intraoral soft tissue)

If a beneficiary has a current prior authorization on file, providers have 180 days from the date the services were prior authorized to complete the services, according to existing Medicaid guidelines. No updates or extensions will be granted if the services are not completed within the initial prior authorization service dates.

Medically-necessary services for Medicaid beneficiaries under age 21 continue to be covered by Medicaid even though the services may not be covered for beneficiaries age 21 and over.

Nursing Facilities

The 1.85% rate reduction for nursing facilities outlined in MSA Bulletin Nursing Facilities 03-01 issued February 7, 2003 will continue in FY 2003-04. The rate reduction will continue to be applied as outlined in the February 7, 2003 bulletin. This is not a new reduction, but is a continuation of the reduction from the previous fiscal year.

Federal law requires that nursing facility residents with a patient-pay amount be allowed to use their patient-pay to purchase non-covered medical services. "Patient-pay" is the amount that a resident pays each month to the nursing facility to cover their care. The patient-pay amount is determined by FIA at the time of Medicaid eligibility determination. Nursing facility residents may use their patient-pay in one of two ways:

1. Purchase private insurance to cover non-Medicaid covered services. A resident may purchase insurance to cover services that Medicaid does not pay for. If a resident chooses to purchase insurance, they may request that the cost of the insurance be deducted from their patient-pay obligation. The resident is responsible for paying the insurance premium. To request this deduction from patient-pay amount, the resident or their representative should bring a copy of the policy and cost to their local FIA office. The FIA Eligibility Worker will review the information and issue a letter indicating a revised patient-pay amount.

   Example: A resident chooses to purchase an insurance policy that covers dental care that is not covered by Medicaid. The resident brings a copy of the policy and premium to their local FIA to request a re-calculation of their patient-pay amount to accommodate the new insurance premium. The resident will receive a letter from FIA outlining their revised patient-pay amount. The resident pays their monthly insurance premium.

2. Purchase non-covered services. A nursing facility resident may choose to purchase non-covered services directly from an ancillary provider. The cost of the service may require the patient-pay amount for several months. Residents may offset their patient-pay with prior approval from the Michigan Department of Community Health, LTC

Services Section. For more information, contact LTC Services Section at 517-241-4293. Written Requests for Patient-Pay Offsets may be mailed or faxed to:

LTC Services Section
MDCH
PO Box 30479
Lansing, MI 48909-7979

Fax: 517-241-8995

Example: A resident chooses to self-insure dental costs. They choose a dentist and set an appointment for an annual cleaning and dental exam. The resident or their representative should determine the likely cost of the cleaning and exam, then write MDCH, LTC Services Section for prior approval. Once approval is received, the resident goes to their dental visit and pays the dentist directly for the service.

A further explanation of this process and billing information for nursing facilities will be released in a separate policy bulletin.

Home Health
The 1.85% reduction in Home Health services fees, as outlined in MSA Bulletin Home Health Agencies 03-01 issued February 12, 2003 will continue in FY 2003-04. The reduction will be applied as outlined in the February 12, 2003 bulletin. This is not a new reduction, but is a continuation of the reduction from the previous fiscal year.

Medicare/Medicaid Dual Eligibles
If a service is covered by Medicare, then Medicaid will cover coinsurance and deductibles to the extent that the total payment does not exceed the Medicaid screen. This applies to all Medicare-covered services regardless of whether or not the service is covered by Medicaid.

Manual Maintenance
Retain this bulletin for future reference.

Questions
Any questions regarding this bulletin should be directed to: Provider Support, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and a phone number so you may be contacted if necessary. Providers may phone toll free: 1-800-292-2550.

Approved

Paul Reinhart, Director
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