



STATE OF MICHIGAN  
DEPARTMENT OF COMMUNITY HEALTH  
LANSING

RICK SNYDER  
GOVERNOR

OLGA DAZZO  
DIRECTOR

February 2012

Dear Medicaid Health Plan:

Effective November 1, 2011, Medicaid beneficiaries with both Medicare eligibility and Medicaid eligibility (dual eligibles) are allowed to voluntarily enroll in a Medicaid Health Plan (MHP). Dual eligible beneficiaries enrolled in the MHP may be enrolled in the Medicare managed care plan associated with the MHP or may be Medicare fee-for-service. The purpose of this letter is to provide information regarding prior authorization requirements and claim payment documentation for the dual eligible beneficiaries enrolled in MHPs.

The Medicaid Provider Manual states that MHPs are allowed to utilize documentation and prior authorization requirements that differ from Medicaid fee-for-service requirements. However, to facilitate smooth coordination of care, MDCH is disallowing MHPs from utilizing prior authorization requirements for hospital services for dual eligible beneficiaries enrolled in an MHP and Medicare fee-for-service. For beneficiaries enrolled in a single plan for both Medicare and Medicaid, MDCH expects MHPs to coordinate authorization requests within (or between) the MHP's Medicaid benefit and its associated Medicare health plan.

MHPs are required to pay coinsurance and copayments for Medicare covered services up to the amount of the Medicaid/MHP fee screens. For services where Medicare's payment exceeds Medicaid/MHP fee screens, MHPs must still send an 835 remittance advice to the provider to indicate \$0.00 approved claim payment. This remittance advice should be sent within the same time frame as normal claims payments.

If you have questions regarding this policy clarification, please contact:

Kathleen Stiffler  
E-mail: [stifflerk@michigan.gov](mailto:stifflerk@michigan.gov)  
Telephone: (517) 241-7933

Thank you for your continued participation in the Michigan Medicaid program and your commitment to providing quality care to Michigan's most vulnerable citizens.

Sincerely,

A handwritten signature in cursive script that reads 'Stephen Fitton'.

Stephen Fitton, Director  
Medical Services Administration