

June 2013

<Provider Name>
<Provider Address1>
<Provider Address2>
<Provider City> <state> <zipcode5-zip4>

Dear Nursing Facility Administrator and Billing Office:

Subject: • Purchase of Private Insurance
• Submission of Private Insurance Premium Notice to the Michigan Department of Human Services
• Offset to the Patient-Pay Amount Medicaid Dental, Vision, and Podiatry Services

Purchase of Private Insurance

It has come to the attention of the Medical Services Administration, that Medicaid beneficiaries residing in nursing facilities are being offered private insurance policies for coverage of ancillary services such as dental, vision, and podiatry services. Nursing facilities need to be aware that coverage of certain ancillary services under these policies may duplicate Medicaid covered services. This being the case, when approached by insurance companies recommending insurance policies for your residents, the Medicaid Services Administration asks that facilities be diligent in evaluating the value of these policies.

Facilities are reminded that Michigan Medicaid covers many dental services, podiatry, and low-vision eyeglasses and associated services for beneficiaries age 21 and older.

Offset to the Patient-Pay Amount Medicaid Dental, Vision, and Podiatry Services

Please also note that the nursing facility may offset the beneficiary's patient pay amount on the Medicaid claim if he/she receives medical or remedial care recognized under state law as being necessary, if these services are not covered by Medicaid and if a provider is chosen that is not enrolled in the Medicaid program.

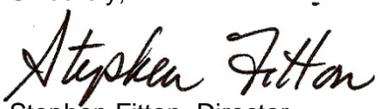
Billing instructions for offsetting the patient-pay amount are published in the Medicaid Manual, Billing & Reimbursement for Institutional Providers, Section 8.2.C. The Medicaid Manual, Nursing Facility Coverages chapter, Section 9.4 also references use of the patient-pay amount.

Submission of Private Insurance Premium Notice to the Michigan Department of Human Services

If in light of the above, a Medicaid beneficiary still wishes to purchase private insurance (e.g., dental insurance) the beneficiary must send the premium notice to their specialist at the Michigan Department of Human Services (MDHS). The purpose of sending the premium notice to MDHS is to allow the beneficiary's patient-pay amount to be reduced based on the cost of insurance premium. *It is not permissible for the nursing facility to collect the premium from the beneficiary for the insurance company or offset the beneficiary's patient-pay amount on the claim to Medicaid.* The cost of premiums must be handled at the MDHS office.

If you have questions regarding Medicaid coverages or offsets to the patient-pay-amount, please contact Provider Support at 1-800-292-2550 or e-mail providersupport@michigan.gov.

Sincerely,


Stephen Fitton, Director
Medical Services Administration