

May 2, 2016

<Provider Name>
<Provider Address 1>
<Provider Address 2>
<Provider City> <State> <zipcode5-zipcode4>

Dear Nursing Facility Administrator and Billing Office:

- RE:**
- Resident Purchases of Private Insurance
 - Offset to the Patient-Pay Amount Medicaid Dental, Vision, and Podiatry Services
 - Submission of Private Insurance Premium Notice to the Michigan Department of Health and Human Services

Purchase of Private Insurance

It has again 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 Medical Services Administration requests 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 note that a nursing facility may offset the beneficiary's patient pay amount on a Medicaid claim if he/she receives and pays out of pocket medical or remedial care recognized under state law as being necessary. These services must not be covered by Medicaid. Also, if a beneficiary chooses a provider that is not enrolled in the Medicaid program the cost of those services may be offsetted on the claim.

Billing instructions for offsetting the patient-pay amount are published in the Billing & Reimbursement for Institutional Providers Chapter of the Medicaid Provider Manual, Section 8.2.C. The Nursing Facility Coverages Chapter of the Medicaid Provider Manual, Section 9.5 also references use of the patient-pay amount.

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

NOTE: The following clarifies information relayed in Letter L 13-32

If a Medicaid beneficiary wishes to purchase private insurance, his/her local Michigan Department of Health and Human Services (MDHHS) worker must be sent a copy of the premium notice "declaration page" AND a copy of the bill for the premium notice showing the dates of coverage for the insurance. This information is sent to the local office by the beneficiary or the beneficiary's legal representative. A premium notice itself is not acceptable for MDHHS to reduce a patient-pay amount.

It is never permissible for a nursing facility to collect the premium payment from the beneficiary on behalf of 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 MDHHS local 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,

A handwritten signature in black ink that reads "Chris Priest". The signature is fluid and cursive, with a long horizontal stroke at the end.

Chris Priest, Director
Medical Services Administration