

Distribution: All Provider 02-04

Issued: September 15, 2002

Subject: Policy Clarification

- Medicaid Payment Liability
- Beneficiary Payment Liability

Effective: Upon Receipt

Programs Affected: Medicaid, Children's Special Health Care Services, State Medical Program

The purpose of this bulletin is to clarify Department of Community Health (DCH) policy regarding payment liability for services provided to its beneficiaries. This policy clarification applies to Medicaid Health Plans (MHPs), Community Mental Health Services Programs (CMHSPs), and Substance Abuse Coordinating Agencies (CAs). The bulletin also clarifies when the beneficiary may be billed for services.

LIMIT ON REIMBURSEMENT

Other Insurance

Many Medicaid and CSHCS beneficiaries have insurance coverage (either traditional health insurance or an HMO) through private and/or employer-based commercial policies. That insurance is always primary, and the rules of that insurer must be followed. This includes, but is not limited to, prior authorization requirements, qualifications of providers, and providing services through the insurer's provider network. The DCH will not pay for services denied by the primary insurer because the primary insurer's rules were not followed.

The DCH will pay appropriate co-pays and deductibles **up to the beneficiary's financial obligation to pay** or the Medicaid fee screen, whichever is less. If the primary insurer has negotiated a rate for a service that is lower than the Medicaid fee screen, DCH cannot be billed more than the negotiated rate. Medicaid-covered services not included in the primary insurer's plan will be reimbursed by DCH up to the Medicaid fee screen if all DCH coverage rules are followed. If a beneficiary with other insurance coverage is enrolled in a MHP, or is receiving services under CMHSP or CA capitation, the MHP/CMHSP/CA will assume the DCH payment liabilities described in this section.

Medicare

For Medicare-covered services, DCH will only pay up to a Medicare-enrolled beneficiary's obligation to pay (i.e., co-insurance and deductibles), or the Medicaid fee screen, whichever is less. This limitation also applies if the beneficiary is eligible for, but not enrolled in, Medicare.

If the beneficiary has a Medicare benefit available, that benefit must be utilized before Medicaid will pay any portion of the claim. If a beneficiary who has Medicare coverage is receiving services under CMHSP or CA capitation, the CMHSP/CA will assume the DCH payment liability described in this section.

Payment in Full for Medicaid Health Plan Enrollees

The DCH cannot be billed for co-pays, deductibles, or any other fee for services provided to beneficiaries enrolled in a Medicaid Health Plan, CSHCS Special Health Plan (SHP), or are receiving services under CMHSP or CA capitation. Payment for Medicaid-covered services must be obtained from the MHP/SHP/CMHSP/CA. The enrollee is responsible for payment of all co-pays and deductibles allowed under the MHP/SHP/CMHSP/CA contract with the DCH.

Free Services

Capitated Medicaid plans are expected to provide or arrange for the provision of services covered under their Medicaid contract. They cannot refer beneficiaries to "free" services available elsewhere in the community if the service is covered under their Medicaid contract. The Plans may choose to utilize these community providers to provide services, however, they must negotiate appropriate payment for the services.

CHARGING THE BENEFICIARY

In general, beneficiaries cannot be charged for Medicaid-covered services, except for approved co-pays or deductibles, whether they are enrolled as a fee-for-service beneficiary, or the DCH is paying their HMO premium to a contracted health plan, or services are provided under CMHSP or CA capitation. However, beneficiaries may be charged if they choose to obtain a service from an out-of-network or non-participating provider, as long as they have prior knowledge they will be obligated to pay the entire charge and, with that knowledge, they request the service.

Medicaid beneficiaries may never be charged the difference between the provider's charge and the Medicaid payment for a service, nor can they be charged for missed appointments.

Medicaid beneficiaries **cannot** be charged for the copying of medical records for the purpose of supplying them to another health care provider.

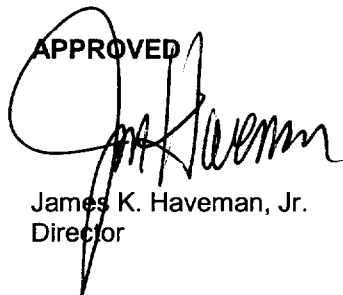
MANUAL MAINTENANCE

Retain this bulletin for future reference.

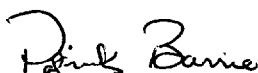
QUESTIONS

Any questions regarding this bulletin should be directed to: Provider Support, P.O. Box 30479, Lansing, Michigan 48909-7979, 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



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