MSA
MEDICAL SERVICES ADMINISTRATION

Bulletin

Michigan Department of Community Health

Bulletin Number: MSA 06-17

Distribution: Practitioners, Hospitals

Issued: March 20, 2006

Subject: Beneficiary Co-Payments

Effective: May 1, 2006

Programs Affected: Medicaid

This bulletin is being issued in response to the Michigan Department of Community Health's FY 2006 budget boilerplate contained in Public Act 154 of 2005.

Section 1631(2) of the Act directs the Department to implement the following new beneficiary co-payments, except as otherwise prohibited by federal or state law or regulations.

- $2 for a physician office visit (applies to procedure codes 99201-99205, 99211-99215, 99385-99387, 99395-99397; excludes visits provided in an outpatient clinic or emergency room)
- $3 for a hospital emergency room visit for a non-emergency condition (applies to revenue codes 451 (billed without 452) and 456)
- $50 for the first day of an inpatient hospital stay (applies to DRG or first day per diem payment; co-pay will not be applied to transfers between acute care hospitals, from acute care to rehab, or to readmits within 15 days for same DRG/diagnosis)
- $1 for an outpatient hospital visit (applies to 051x revenue codes)

Existing co-payments (e.g., podiatry, vision, etc.) remain in affect.

The co-payments noted above will be effective May 1, 2006 for Medicaid fee-for-service beneficiaries age 21 and older who do not meet one of the following exceptions:

- Medicare/Medicaid dual eligibles
- Children's Special Health Care Services (CSHCS) (including those also enrolled in Medicaid)
- services provided to pregnant women (claim must include a pregnancy-related diagnosis)
- family planning services (as described in the Family Planning Chapter of the Michigan Medicaid Provider Manual)
- nursing facility residents
- mental health specialty services and supports provided/paid through the Prepaid Inpatient Health Plans
- mental health services provided through state psychiatric hospitals, the state Developmental Disabilities Center, and the Center for Forensic Psychiatry

The co-payment amount will be deducted from approved claims for the services indicated when provided to a qualifying beneficiary. Providers may not refuse to render service if a beneficiary is unable to pay the co-payment amount at the time the service is provided. However, the uncollected co-payment is considered a bad debt which allows the provider (except pharmacies) to refuse to provide future services according to Michigan's State Plan. Providers who elect not to provide services based on a history of bad debt, including unpaid co-payments, must give beneficiaries appropriate verbal notice and a reasonable opportunity for payment.

Medicaid beneficiaries enrolled in a Medicaid Health Plan (MHP) are subject to the co-payment requirements imposed by the MHP as approved by MDCH.

Manual Maintenance

The provider should retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, 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 phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved

Paul Reinhart, Director
Medical Services Administration