

November 6, 2014

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

Dear Provider:

RE: Preadmission Diagnostic Services – Three Day Payment Window – Outpatient Services Treated as Inpatient Services.

AFFECTED NPI(s): «NPI»

The Michigan Department of Community Health (MDCH) Bulletin MSA 10-60, issued December 1, 2010, indicates that all non-diagnostic services rendered in the three day payment window prior to the inpatient hospital admission may not be billed separately and must be bundled into the inpatient stay, unless the hospital can document they are unrelated services. On July 15, 2014, MDCH issued L-Letter 14-25 to notify providers that effective May 30, 2014, the Community Health Automated Medicaid Processing System (CHAMPS) implemented edits to ensure claims are processed in alignment with MDCH Bulletin MSA 10-60.

In July 2014, MDCH initiated outpatient hospital claim voids for 2013 and 2014 to recover paid claims that were not processed in compliance with Bulletin MSA 10-60. However, MDCH recovered outpatient paid claims for beneficiaries dually eligible for both Medicare and Medicaid that were directly billed to MDCH by critical access hospitals, cancer hospitals and children's hospitals.

The purpose of this letter is to notify these providers that they may rebill their 2013 and 2014 direct-billed claims so they are adjudicated correctly and not automatically rejected. Claims that crossover directly from CMS or its Medicare Administrative Contractors were processed correctly and were not affected by this issue. MDCH has modified its claims processing so that future claims for dual eligible beneficiaries will adjudicate correctly, whether they are direct-billed from the hospital or crossover directly from CMS.

Thank you for your commitment to providing quality care to Michigan's citizens. Any questions regarding this letter can be directed to Provider Support at 1-800-292-2550 or ProviderSupport@michigan.gov.

Sincerely,


Stephen Fitton, Director
Medical Services Administration