MSA MEDICAL SERVICES ADMINISTRATION

Bulletin

Michigan Department of Community Health

Bulletin Number: MSA 07-03

Distribution: All Providers

Issued: January 1, 2007

Subject: Denial of Care or Services for Failure to Pay Co-Payments

Effective: February 1, 2007

Programs Affected: Medicaid

This bulletin contains updated policy related to denial of services due to beneficiary non-payment of Medicaid co-payments. These policy changes are being implemented as a result of a settlement reached in litigation.

In this policy, "co-payment debt" means a co-payment owed by a beneficiary for care or services he or she received without paying the co-payment at the time the care or services were provided.

Current Policy

Currently, Medicaid policy states a provider may not refuse to render services to a Medicaid beneficiary if the 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. Non-pharmacy 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.

For dates of service on and after February 1, 2007, the following policy will be in effect:

Denial of Care or Services – New Policy

A. A provider cannot refuse to render care or services to a Medicaid beneficiary if the beneficiary is unable to pay the co-payment amount at the time the care or service is provided. However, the uncollected co-payment is considered a debt. A provider must accept the beneficiary's assertion that he or she is unable to pay. No additional proof is required.

B. Care or services cannot be denied based on a beneficiary's co-payment debt if the debt was incurred before the effective date of this policy.

C. For co-payment debts incurred on or after the effective date of this policy, care or services cannot be denied **unless** the provider has first given the beneficiary:

   1. appropriate notice of the debt (including documentation such as a billing statement, invoice, cash register receipt, or other writing showing the co-payment amount owed), and

   2. reasonable opportunity to pay the debt.

A provider refusing to render care or services based on co-payment debt must, at the request of the beneficiary, transfer the beneficiary's treatment record to a provider designated by the beneficiary or, if it is the provider's normal practice, provide the beneficiary a copy of his treatment record, with reasonable promptness under the circumstances. Providers may not charge the beneficiary or Michigan Department of Community Health (MDCH) for providing a copy of treatment records for this purpose.

A provider refusing to render care or services based on co-payment debt must refer a fee-for-service beneficiary to the toll free Medicaid beneficiary help line number on the mihealth card if the beneficiary has questions or concerns about the denial or about accessing care or services from another provider. The Medicaid beneficiary helpline number is (800) 642-3195. Managed care enrollees must be referred to the Health Plan's customer service help line number contained on the beneficiary's Health Plan card.

D. For all providers **except physicians and dentists** (MD, DO, DDS)**,** care or services cannot be denied based on the beneficiary's co-payment debt **unless** the provider:

1. has a written policy regarding denial of service based on co-payment debt that includes appropriate notice and a reasonable opportunity for payment. The provider's policy must include the statement that a beneficiary will not be denied an item or service because he cannot pay the co-payment for the item or service currently being requested. The policy must include the provider's method of furnishing adequate notice, as well as the minimum length of time and terms of payment allowed by the provider as a reasonable opportunity for payment.

2. has established procedures for maintaining business records that show the amount of the co-payment debt, the date when the required notice was provided to the beneficiary, and the date(s) and amount(s) any payments received on the co-payment debt.

3. gives written [or verbal pursuant to # 4 below] notice to the beneficiary at least the greater of 30 days (60 days for hospitals), **or** the period prescribed by the provider, prior to denial.

   The notice must include:

   - the time period within which the beneficiary must make payment, in whole, or at the discretion of the provider, in part, on his newly-created co-payment debt in order to avoid denial of future service, **and**

   - the dollar amount of the minimum payment that must be remitted as a prerequisite for continued service, **and**

   - the fact that the beneficiary cannot be denied future care, items, or services if he makes the required full or partial payment on his newly-created co-payment debt in the above-designated period.

4. gives verbal notice in lieu of written notice when the provider:

   - publicly and prominently posts its policy regarding denial of service based on co-payment debt in a public area such as the provider's reception area, and

   - at the time that verbal notice is given, either provides a copy of the posted policy or verbally informs the beneficiary of the existence and location of the posted notice and the beneficiary's right to a copy of the notice upon request, and

   - makes a copy of the written policy available to the beneficiary and to the MDCH immediately upon request.

If a provider gives verbal notice, rather than individual written notice, the provider cannot require the beneficiary to acknowledge in writing that he has been informed of his co-payment rights and responsibilities. If the beneficiary refuses to sign an acknowledgement, the provider may note this in its records. Upon receipt of the required payment in the amount and during the time period designated in the individual notice, the provider cannot deny the beneficiary care, items, or services unless and until a new notice meeting the above requirements is given to the beneficiary.

The policies and procedures described above do not affect a provider's right to deny care, items, or services on the basis of debt unrelated to any co-payment responsibility, or for other non-financial reasons, consistent with the provider's usual business practices for patients or customers who are not Medicaid beneficiaries.

Additional Information

The settlement agreement also included a requirement for MDCH to inform current and future Medicaid beneficiaries of their co-payment rights and responsibilities. A copy of the notice being sent to beneficiaries is attached for your information.

In addition, MDCH has posted co-payment information on it's website at www.michigan.gov/mdch >> Providers >> Information for Medicaid Providers.

Compliance

Beneficiary-reported issues regarding provider compliance with the co-payment policy may result in follow-up with the provider by MDCH staff.

Manual Maintenance

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

Michigan Department of Community Health
PO Box 30752
Lansing MI 48909

Jennifer M. Granholm, Governor
Janet Olszewski, Director

SAMPLE

January 2007

For questions and/or problems, or help to translate, call the Beneficiary Help Line at 1-800-642-3195 or TTY 1-866-501-5656.
Spanish: Si necesita ayuda para traducir o entender este texto, por favor llame al telefono **1-800-642-3195 or** TTY 1-866-501-5656
Arabic: 1-800-642-3195 or TTY 1-866-501-5656

إذا كان لديكم أيّ سؤال، يرجى الإتصال بخط المساعدة على الرقم المجاني ٣١٩٥-٦٤٢-٨٠٠-١

Dear Medicaid Beneficiary:

You, or someone in your household, may have co-payments for some Medicaid services. This letter will tell you about your rights and responsibilities related to Medicaid co-payments. A co-payment is an amount you owe to your health care provider.

If you cannot afford to pay the Medicaid co-payment when you get care or services:

- Tell your provider that you cannot pay.
- Your provider must still provide the care or service.
- You will still owe the co-payment.

If you don't pay your providers the co-payments you owe, those providers may decide not to see you again or may refuse to serve you. **Before a provider can deny you service, the provider must first:**

- Tell you how much you owe for your co-payment.
- Give you a bill or receipt showing what you owe.
- Give you a reasonable time to pay the old co-payment.

Your provider cannot deny you service now because you owe a co-payment for services you received before [DATE]. Some providers must have written co-payment policies. The policies must tell you how long you have to pay the co-payments before they may refuse care or services.

A provider may refuse to give you care or service because of old co-payments you owe for services after [DATE]. If that happens, you may ask to have your medical records sent to another provider or given to you. The provider must not charge you for copying your records for this purpose.

Questions or problems?

Please see the back of this letter for information about what services require co-payments. The co-payment amounts are also listed. If you have questions about Medicaid co-payments, ask your provider, or you can call the Beneficiary Helpline. The Helpline number is at the bottom of the page. If you are enrolled in a Medicaid Health Plan, call the Health Plan customer service number. The number is on the back of your health plan card. Co-payment information is also available on the web at www.michigan.gov/mdch (click on xxxxxx, xxxxxxxx, xxxxxxx).

If a provider refuses to give you care or services because you cannot pay your co-payment, you may call the Beneficiary Helpline. Or you can call the Center for Civil Justice for help. Their telephone numbers are at the bottom of this page. You can also call if you think a provider did not give you the required notice, or if you weren't given a reasonable chance to pay your old co-payment. The Beneficiary Helpline will answer your questions and give you more information. They will also investigate the complaint. They will try to work out any problems with your provider, if it appears you may have been wrongfully refused services.

Michigan Medicaid Beneficiary Helpline: 1 (800) 642-3195
Center for Civil Justice: 1 (800) 724-7441
(in Saginaw & Bay County: (989) 755-3120)

Exempt Persons

You do NOT have to pay any Medicaid co-payments if you are:

- Under 21 years old.
- Enrolled in Medicare.
- Enrolled in the Children's Special Health Care Services program.
- In a nursing home.

Exempt Services

You do NOT have to pay a Medicaid co-payment for:

- Family planning services.
- Pregnancy-related services.
- Mental health, substance abuse, or developmental disability services provided and paid through the following programs: Your local Community Mental Health Services Program, state psychiatric hospital, state Developmental Disabilities Center, or the Center for Forensic Psychiatry.

Co-payment amounts

If you are in a Medicaid Health Plan: Look at your Health Plan Member Handbook for co-payment information.

If you have Medicaid~~,~~ and are not in a Health Plan: You may have the co-payments listed below.

$2	Doctor office visits (including podiatrists).
$1	Chiropractic visits
$3	Dental services.
$1	Outpatient hospital visits.
$3	Emergency room visits **if it is not an emergency.** (You do not pay a co-payment for emergencies.)
$50	Inpatient hospital stays.
$1 (generic) $3 (brand name)	Prescriptions.
$3	Hearing aids.
$2	Vision services.

You will not owe these amounts if you are an exempt person. You will not owe these amounts if the service is exempt.

The information in this letter does NOT apply to:

- Medicare co-payments.
- County Health Plan co-payments.
- Adult Medical Program or Adult Benefits Waiver co-payments.
- Amounts owed for services that are NOT covered by Medicaid.

Sincerely,

Paul Reinhart, Director
Medical Services Administration