

Bulletin Number: MSA 17-21

Distribution: All Providers

Issued: June 30, 2017

Subject: Billing for Free or Reduced Price Care

Effective: August 1, 2017

Programs Affected: Medicaid, Healthy Michigan Plan, MICHild, Children's Special Health Care Services, Maternity Outpatient Medical Services

The purpose of this bulletin is to provide clarification on billing guidelines related to services that a provider renders for free or for a reduced fee to the general public or a similar portion of the population and the definition of customary charge.

Customary Charge

To maintain consistency across references maintained by Michigan Medicaid, a provider's customary charge is the fee most frequently charged for an item or service. This includes rates providers may have negotiated with other payers. Providers will not receive payments for a particular service that exceeds their customary charges or the Michigan Medicaid fee schedule.

Billing for Free or Reduced Price Care

Previous Centers for Medicare & Medicaid Services (CMS) guidance prohibited providers from billing a state Medicaid agency for services that may be provided for free to the community. CMS has revised its guidance regarding billing for "free care." To maintain consistency with this new guidance, when a provider renders a covered service to a beneficiary that the provider offers for free or for a reduced fee to the general public (customary charge), the provider may only bill Medicaid up to that customary charge as long as all other Medicaid requirements are met.

Pharmacy

Pharmacy providers will continue to have their claims reimbursed using their usual payment mechanisms as outlined in the Pharmacy Chapter of the Medicaid Provider Manual. Pharmacies are also required to report any discounts to the general public and special populations in their customary charges.

Medicaid Health Plans

Medicaid Health Plans are not required to follow this policy for their in-network providers; however, non-network providers are subject to this policy.

NOTE: This policy does not prohibit providers from offering free care to the general public but clarifies how these free services, when rendered to Medicaid beneficiaries, are to be billed to Medicaid.

Manual Maintenance

Retain this bulletin until the information is incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, 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



Chris Priest, Director
Medical Services Administration