

## Michigan Department of Community Health

**Distribution:** MSA 05-69

**Issued:** December 2005

**Subject:** Updates to the Medicaid Provider Manual

**Effective:** January 1, 2006

**Programs Affected:** Medicaid, Children's Special Health Care Services, Adult Benefits Waiver, MOMS

The Michigan Department of Community Health (MDCH) has completed the January 2006 update of the Michigan Medicaid Provider Manual. A copy of the updated manual will be distributed to all enrolled providers or provider groups via compact disk (CD) in January. A copy will also be available on the MDCH website by January 1<sup>st</sup>.

The January 2006 version of the manual does not highlight changes made since the January 2005 version. However, consistent with previous quarterly manual updates, tables attached to this bulletin describe the changes made, the location of the changes within the manual and, when appropriate, the reason for the change. (Some minor corrections [e.g., misspelled words], added references [e.g., directing reader to the website], and reorganizing of existing information may not appear in the listed changes.) Subsequent changes made for the April, July, and October 2006 versions of the manual will be highlighted within the text of the on-line manual.

### Manual Maintenance

This bulletin may be discarded when you begin using the January 2006 version of the Medicaid Provider Manual.

### Questions

If you have questions about the manual, or problems locating information, you may contact Provider Inquiry at 1-800-292-2550 or [providersupport@michigan.gov](mailto:providersupport@michigan.gov). If you submit an e-mail, be sure to include your name, affiliation, and a phone number so you may be contacted if necessary.

### Approved



Paul Reinhart, Director  
Medical Services Administration



# Medicaid Provider Manual January 2006 Updates



## TECHNICAL CHANGES\*

CHAPTER	SECTION	CHANGE	COMMENT
Manual Overview	Chapter Descriptions	The name of the Hearing & Speech Centers chapter was changed to Hearing Services chapter.	Update
General Information for Providers	6.3 Beyond Borderland Area	The first paragraph of the subsection was changed to read: Reimbursement for services rendered to beneficiaries is normally limited to Medicaid-enrolled providers. MDCH reimburses providers who are beyond the borderland area if the services meet one of the following criteria:	Clarification
General Information for Providers	Section 9 – Billing Beneficiaries	The 3 <sup>rd</sup> bullet in the second set of bullets was separated into two bullets that now read: <ul style="list-style-type: none"> <li>• The difference between the provider's charge and the Medicaid payment for a service</li> <li>• Missed appointments</li> </ul>	Clarification
Coordination of Benefits	2.6.G. Special Considerations for Inpatient Hospital Claims	The first sentence of the last paragraph in this subsection was corrected to read: For <b>Medicaid</b> reimbursement, the amount billed for services does not equal the sum of the coinsurance and deductible items.	Correction
Billing & Reimbursement for Dental Providers	Section 1 – General Information 4.1 Dental Claim Form Completion Instructions 6.2 Claim Replacement and Void/Cancel	References/instructions related to the ADA 2000 claim form were updated to reflect the ADA 2002 claim form.	Update
Billing & Reimbursement for Institutional Providers	6.36 Therapies	The first bullet in this subsection was deleted. The OT, PT and Speech-Language portions of the table were updated to reflect current policy.	Update

\* Technical Updates/Clarifications are always highlighted in yellow in the online manual.



# Medicaid Provider Manual January 2006 Updates



## TECHNICAL CHANGES\*

CHAPTER	SECTION	CHANGE	COMMENT
Billing & Reimbursement for Institutional Providers	8.11 Ancillary Physical and Occupational Therapy, Speech Pathology	<p>The first paragraph (directly under the text box) was deleted.</p> <p>The paragraph immediately following the provider type definition table was revised to read:</p> <p style="padding-left: 40px;">When billing on the UB-92 claim form, facilities must use the Revenue Codes and HCPCS Codes identified in the Outpatient Therapy Database.</p> <p>The Revenue Code/CPT/HCPCS table was deleted.</p> <p>The first bullet in the last set of bullets in this subsection was deleted.</p>	Update
Billing & Reimbursement for Institutional Providers	9.4 Intravenous Infusion	The description of CPT code 99601 was changed to match the published description from the CPT coding manual.	Correction
Billing & Reimbursement for Institutional Providers	11.1 Billing Instructions for Hospice Claim Completion	<p>Revenue Code 0650 – General I was deleted.</p> <p>The second bullet after the table was deleted.</p> <p>The second sentence of the fifth bullet after the table was changed to read:</p> <p>Reimbursement is at 100 percent of class-wide Nursing Facility Hospital Leave Day rate <b>for qualifying facilities.</b></p>	Correction/Clarification
Billing & Reimbursement for Professionals	6.4 Ancillary Medical Services	<p>The Injectable Drugs and Injectable Drugs - NOC portions of the table were combined.</p> <p>Reference to the Vaccine Replacement Program (VRP) was deleted from the Immunization portion of the table.</p>	Update
Children's Special Health Care Services	6.1 Citizenship Status	<p>A third bullet was added.</p> <ul style="list-style-type: none"> <li>• MDCH may request verification of citizenship or permanent resident status.</li> </ul>	Update

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# Medicaid Provider Manual January 2006 Updates



## TECHNICAL CHANGES\*

CHAPTER	SECTION	CHANGE	COMMENT
Children's Special Health Care Services	6.2 Residency	The following paragraph was added at the end of the subsection:  CSHCS does not issue or maintain coverage when the individual/client is known to reside in a long term care facility whose rate of payment includes medical care and treatment (e.g., nursing facility, ICF/MR, inpatient psychiatric hospital, etc.). The individual/client can re-apply for CSHCS coverage or have CSHCS coverage reinstated when the living arrangement changes and all other eligibility criteria are met.	Clarification
Children's Special Health Care Services	9.4 Case Management Benefit	References to a care/service plan were changed to plan of care (POC).	Update
Children's Special Health Care Services	9.5 Hospice Benefit	The second paragraph and corresponding bullets related to services received through publicly-funded programs were deleted.	Consistency with existing policy
Children's Special Health Care Services	11.1 In-State Travel	The first sentence of the second bullet was changed to read:  Clients who have Medicaid coverage can request travel assistance from the LHD when travel assistance from DHS is unavailable.	Clarification
Dental	Section 8 – Children's Special Health Care Services	Information in this section was reorganized and updated to reflect current coverage policy and prior authorization requirements.  Billing information in this section was moved to the Billing & Reimbursement for Dental Providers Chapter.	Update
Federally Qualified Health Centers	4.4 Dental Claim Submission	This subsection was renamed Dental Claims and updated for consistency with other chapters.	Update

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## TECHNICAL CHANGES\*

CHAPTER	SECTION	CHANGE	COMMENT
Hearing & Speech Centers	Entire Chapter	The name of this chapter has been changed to Hearing Services. The chapter applies to audiology providers (PT 40 and 80) and Cochlear Implant Manufacturers (PT 80).  Text in the chapter has been reorganized and updated.  The information contained in Section 2.2 Speech Services was moved to the Outpatient Therapy Chapter.	Update
Hospice	6.3.C. Date of Discharge	The following sentence was added at the end of the first paragraph:  If the beneficiary has hospice as of 12:01 a.m., the hospice is responsible for the payment of services provided to the beneficiary until midnight. The hospice will continue, for payment purposes, as the primary provider for the full day of discharge.	Clarification
Hospice	6.3.F. Payment for Noncovered Services	The first sentence of the subsection was changed to read:  For necessary medical or remedial care recognized under the State law but not covered by Medicaid, the Medicare Catastrophic Coverage Act of 1988, Public Law 100-360, allows NF beneficiaries to access their patient-pay amount to pay for these services <b>as allowed by Medicaid.</b>	Clarification
Hospital	3.23 Occupational Therapy	Information related to therapy provided in the outpatient hospital setting was moved to the Outpatient Therapy Chapter.	Update
Hospital	3.24 Physical Therapy	Information related to therapy provided in the outpatient hospital setting was moved to the Outpatient Therapy Chapter.	Update
Hospital	3.25 Therapy, Speech-Language Pathology	Information related to therapy provided in the outpatient hospital setting was moved to the Outpatient Therapy Chapter.	Update
Local Health Department	2.1 Covered Services	The following note was added related to immunizations:  An immunization administered for travel to a foreign country is not a covered benefit.	Clarification

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## TECHNICAL CHANGES\*

CHAPTER	SECTION	CHANGE	COMMENT
Medical Supplier	2.10 Continuous Positive Airway Pressure Device	The following was added to the list of diagnoses for which PA is not required:  Obstructive Sleep Apnea (Adults)	Update
Mental Health/Substance Abuse	1.7 Definition of Terms	The definitions for Child Mental Health Professional and Mental Health Professional were modified to include licensed master social worker.	Update
	2.4 Staff Provider Qualifications	The definition of Social Worker was changed to include Michigan licensure as a master social worker.	Update
	14.3 Covered Waiver Services	The second paragraph of the Community Living Supports portion of the table was reduced to read:  Individuals who are identified in the individual plan of services to provide CLS to the child and family must meet provider qualifications.	Update
	15.1 Waiver Supports and Services	Changes were made to the following portions of this subsection to clarify coverages and coverage parameters:  Chore Services; Community Living Supports; Enhanced Medical Equipment and Supplies; Enhanced Pharmacy; Environmental Modifications; Family Training; Respite Care; and Supported Employment.	Update/Clarification
	17.3.B. Community Living Supports	Several areas of this subsection were reworded to clarify policy.	Clarification
	17.3.C. Enhanced Pharmacy	Coverage described in this subsection was expanded to include thickening agents.	Update

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## TECHNICAL CHANGES\*

CHAPTER	SECTION	CHANGE	COMMENT
	17.3.K. Skill-Building Assistance	The following was added to the end of the first bullet: . . . and supports services <b>incidental to the provision of that assistance</b> , including: . . .	Clarification
	17.3.L. Support and Service Coordination	The third paragraph in this subsection was changed to read:  Whenever independent supports and services brokers provide any of the supports coordination functions, it is expected that the beneficiary will also have a supports coordinator or case manager, or their assistants, employed by the PIHP or its provider network that assures that the other functions above are in place.	Clarification
Nursing Facility (Cost Reporting & Reimbursement Appendix)	Section 3 – Definitions	The definition of Plant Costs was clarified as follows:  . . . amortization of legal fees <b>pertaining to acquisition</b> , recording fees . . .	Clarification
Nursing Facility (Cost Reporting & Reimbursement Appendix)	8.9 Lease Costs	The first sentence under Exception was changed to read:  An <b>extended period up to 24 months</b> may be approved by RARSS in instances related to construction or renovation.	Correction/Clarification
Nursing Facility (Cost Reporting & Reimbursement Appendix)	8.29 Therapy & Pathology Services	The following paragraph was inserted above the last paragraph in the subsection:  The cost of the MDS assessment is allowable. A provider must maintain documentation, which includes the amount of time required by the therapist to complete the MDS assessment. Medicaid considers the MDS assessment as routine nursing care included in the per diem rate.	Clarification

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## TECHNICAL CHANGES\*

CHAPTER	SECTION	CHANGE	COMMENT
Nursing Facility (Cost Reporting & Reimbursement Appendix)	9.7 Distinct Part Unit Reporting	The fourth paragraph and subsequent bullets were changed to read:  A nursing services cost allocation using an average cost per patient day may be used, with prior permission from RARSS, in the following situations: <ul style="list-style-type: none"> <li>• In the case of an inadequate payroll record keeping system.</li> <li>• Facility failure to maintain backup assignment schedules or staffing reports.</li> </ul>	Clarification
Nursing Facility (Cost Reporting & Reimbursement Appendix)	9.8.B. Services Provided to Non-Employee Dependents	The second sentence in the first paragraph was changed to read:  Medicaid will allow costs relative to intergenerational activities as an offset when the day care center suffers a financial loss, which is limited to the lesser of total documented intergenerational activities or the amount of the loss.	Clarification
Nursing Facility (Cost Reporting & Reimbursement Appendix)	10.11 Add-Ons	The following sentence was added at the beginning of the subsection:  Add-ons are items that provide reimbursement to a provider for costs that are not previously included in the provider's variable cost component.	Clarification
Nursing Facility (Coverages)	Section 9 – Medicaid Service Descriptions	The service description for Intravenous Therapy was changed to read:  Intravenous Therapy – nursing supplies, equipment (including all pumps)	Update
Nursing Facility (Coverages)	9.16 Intravenous Therapy	Text in this subsection was changed to read:  Intravenous therapy nursing services, supplies and equipment (including all pumps) are included in the facility's per diem rate.	Update
Nursing Facility (Coverages)	9.35.A. Occupational Therapy (OT)	The last sentence of the first paragraph was changed to read:  If the assistant renders the service, <b>the assistant must be under the supervision of the therapist.</b>	Update

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# Medicaid Provider Manual January 2006 Updates



## TECHNICAL CHANGES\*

CHAPTER	SECTION	CHANGE	COMMENT
Nursing Facility (Coverages)	9.35.B. Physical Therapy (PT)	The last sentence of the second paragraph was changed to read: <b>If the assistant or aide renders the service, they must be under the supervision of the therapist.</b>	Update
Nursing Facility (Coverages)	9.35.D. Prior Approval for Therapies	The second paragraph was deleted. The following sentence was added under Exception: Prior authorization may be requested for up to two calendar months per request.	Updated to reflect current process
Nursing Facility (Coverages)	10.2.A. Hospital Leave Days	Errors in items F and H in the Examples of Worksheet for Determining % of Occupancy were corrected.	Correction
Pharmacy	Section 7 – Michigan Pharmaceutical Products List	The following sentence was added to the end of the second paragraph: Providers must refer to the MPPL for the addition and deletion of drug products. Specific notification of changes will not be issued.	Clarification
Therapies (Outpatient)	Entire chapter	Chapter renamed to Outpatient Therapy, and reorganized and expanded. Information related to outpatient therapy services previously contained in the Hearing & Speech Center and the Hospital chapters was moved and combined with existing information within the chapter.	Update
Acronym Appendix		The following obsolete acronyms were deleted: BHP (Basic Health Plan) and TEP (Temporary Eligibility Period)	Update
Directory Appendix	Billing Resources	The information for the Automated Billing Unit was updated and combined with the electronic billing resources information.	Update

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## TECHNICAL CHANGES\*

CHAPTER	SECTION	CHANGE	COMMENT
Directory Appendix	Miscellaneous Contact Information	The following contact information for provider/beneficiary questions related to Medicare Part D was added: <a href="http://www.medicare.gov">www.medicare.gov</a> 1-800-Medicare (1-800-633-4227)	Update

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# Medicaid Provider Manual January 2006 Updates



## BULLETINS INCORPORATED\*

BULLETIN NUMBER	DATE ISSUED	CHAPTER	SECTION	CHANGE
MSA 05-34	7/1/05	Children's Special Health Care Services	Section 11 – Travel Assistance	Policy updated to reflect changes related to reimbursement for travel.
MSA 05-44	9/7/05	Hospital Reimbursement Appendix	7.2 Regular DSH Payments	Policy related to the new \$5 million DSH pool was added.
MSA 05-45	10/1/05	Dental	Section 8 – Children's Special Health Care Services	Changes to the orthodontic prior authorization and billing instructions for qualifying CSHCS beneficiaries.
		Billing & Reimbursement for Dental Providers	5.4 Orthodontic Billing Instructions ( <b>new subsection</b> )	
MSA 05-47	9/2005	Adult Benefits Waiver	1.3 Reimbursement	The list of medications billable to MDCH for County Health Plan enrollees was expanded to include HIV/AIDS drugs.
MSA 05-49 & MSA 05-54	10/3/05	Dental	Entire Chapter	Policy updated to reflect reinstatement of adult dental service coverage.
MSA 05-51	11/1/05	Entire Manual		References to Maternal & Infant Support Services (MSS & ISS) throughout the manual were changed to reflect the new program name - Maternal Infant Health Program (MIHP).  The Maternal & Infant Support Services Chapter was renamed to Maternal Infant Health Program and updated to reflect program changes.
MSA 05-52	10/3/05	Hospital Reimbursement Appendix	7.6.D.1. Inpatient Paid Claims File	The establishment of FY 06 MACI pools will include paid claims for services provided through sub-acute ventilator dependent care units with beds licensed as hospital beds.

\* Bulletin inclusion updates are color-coded to the quarter in which the update was made ( April 1 = Blue; July 1 = Pink; October 1 = Green)



# Medicaid Provider Manual January 2006 Updates



## BULLETINS INCORPORATED\*

BULLETIN NUMBER	DATE ISSUED	CHAPTER	SECTION	CHANGE
MSA 05-53	11/1/05	Nursing Facility (Coverages)	9.26 Pharmacy	Policy changes related to pharmacy services provided in hospital LTC units due to implementation of Medicare Part D.
		Billing & Reimbursement for Institutional Providers	8.14 Other Service Revenue Codes	
MSA 05-58	10/19/05	Pharmacy	5.1 Signature Log 13.6 Beneficiary Co-Payment	Reference to Optional Mail Order Pharmacy deleted.
		Directory Appendix	Beneficiary Assistance	
MSA 05-59	12/1/05	Children's Special Health Care Services	Section 5 – Financial Determination	Process and policy information related to financial eligibility and payment agreements was updated to reflect changes described in the bulletin.
MSA 05-60	11/15/05	Pharmacy	1.8 Intermediate Care Facility for Mentally Retarded 1.9 Medicare Part D Benefit (New subsection) Section 6 – General Noncovered Services 13.10.B. COB Edit Exceptions 13.10.E. Non-COB with Medicare Part D	A new subsection was added (1.9). Other subsections within the chapter were updated to reflect Medicaid policy changes related to implementation of the Medicare pharmacy benefit.

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# Medicaid Provider Manual January 2006 Updates



## BULLETINS INCORPORATED\*

BULLETIN NUMBER	DATE ISSUED	CHAPTER	SECTION	CHANGE
			14.11.B. OTC Drugs for Nursing Facilities Section 19 – Pharmacy Audit and Documentation	
MSA 05-61	11/05	Emergency Services Only Medicaid (new)		New chapter clarifies existing policy related to Emergency Services Only Medicaid.
MSA 05-63	12/1/05	Medical Supplier	2.19 Incontinent Supplies	Policy updated related to coverage of intermittent catheters with insertion supplies.
MSA 05-64	12/1/05	Outpatient Therapy	5.1.E. Serial Casting (Occupational Therapy) 5.2.E. Serial Casting (Physical Therapy)	New policy related to coverage of serial casting.
MSA 05-65	12/1/05	Pharmacy	7.2 Approved Labelers 8.2 Prior Authorization Requirements 8.5.D. Oral Enteral Formula (deleted) Section 20 – Medical Supplier	Identified sections were updated to reflect policy changes related to items available through pharmacies (provider type 50).  Identifies pre-filled syringes billable only by Medical Suppliers designated as licensed pharmacies.
		Medical Supplier	2.16 Home Intravenous Therapy	

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Michigan Department of Community Health



## Supplemental Bulletin List

The following is a list of Medicaid policy bulletins that supplement the *January 2006* electronic Medicaid Provider Manual. The list will be updated as additional policy bulletins are issued. The updated list will be posted on the MDCH website along with the Medicaid Provider Manual.

Providers affected by a bulletin should retain it until it is incorporated into the quarterly update of the online version of the manual unless instructed otherwise. Providers utilizing the CD version of the manual should retain bulletins until the next CD version is issued.

DATE ISSUED	BULLETIN NUMBER	TOPIC	AFFECTED PROVIDERS	DATE IN ONLINE MANUAL/COMMENTS
10/05	MSA 05-46	Sanctioned Providers List		<p>The list of sanctioned providers is available on the MDCH website at <a href="http://www.michigan.gov/mdch">www.michigan.gov/mdch</a> &gt;&gt;Providers&gt;&gt;Information for Medicaid Providers &gt;&gt;List of Sanctioned Providers.</p> <p>Providers without access to the internet should retain this bulletin.</p>