

Bulletin: MSA 10-12

Distribution: Hospitals, Medicaid Health Plans (MHP)

Issued: April 1, 2010

Subject: Beneficiary Change in Enrollment Status during an Episode of Care

Effective: May 1, 2010

Programs Affected: Medicaid

Historically, the Michigan Department of Community Health (MDCH) recognized that if a beneficiary was admitted to an inpatient hospital facility and the enrollment status changed during the admission, the payer at the time of admission was responsible for payment for all services provided until the date of discharge. Services provided after discharge were the responsibility of the new payer. If a beneficiary was transferred from one inpatient hospital setting to another inpatient hospital setting the original payer remained responsible until the point of discharge. MDCH established that an inpatient hospital setting included services provided at an acute care hospital, distinct-unit and freestanding rehabilitation hospitals.

The purpose of this bulletin is to modify existing policy regarding payment responsibility when a Medicaid beneficiary's enrollment status changes during an episode of care. Specifically, the policy recognizes that payment responsibility changes when there is a change in level of care if a patient is transferred from an acute care inpatient hospital setting to an inpatient rehabilitation hospital setting. In the event there is a change in enrollment status (e.g., Fee-for-Service [FFS] to a Medicaid Health Plan [MHP], MHP to FFS, or MHP to MHP) and the beneficiary is transferred from an acute care inpatient to an inpatient rehabilitation hospital, the new payer assumes payment responsibility upon beneficiary admission into the new facility setting.

The table below illustrates various changes in a beneficiary's level of care when enrollment status changes and when the new payer assumes payment responsibility:

Change in Setting	Payer Responsibility in New Setting
Acute care inpatient hospital to another acute care inpatient hospital	Payer at admission remains the responsible party while the beneficiary is in the acute care inpatient hospital level setting. *Exception is Children's Special Health Care Services (CSHCS) enrollment.
Acute care inpatient hospital to inpatient rehabilitation hospital	New payer is responsible party upon admission to the inpatient rehabilitation hospital.
Inpatient rehabilitation hospital to acute care inpatient hospital	New payer is responsible party upon admission to the inpatient acute care hospital.

* As noted in the above table, the only exception in payment responsibility for a transfer from one acute care hospital to another acute care hospital is the enrollment of a beneficiary in CSHCS. If the beneficiary changes status from an MHP to CSHCS, the payment responsibility changes from the MHP to FFS.

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, include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

APPROVED

A handwritten signature in black ink that reads "Stephen Fitton". The signature is written in a cursive style with a large initial 'S' and 'F'.

Stephen Fitton, Director
Medical Services Administration