Medicaid Managed Care Billing Guidance for Dual Eligible Enrollees

Currently, individuals who have Medicare or other third party insurance are not eligible for Mainstream Managed Care (MMC) or Health and Recovery Plans (HARPs). However, some individuals pick up third party insurance or Medicare after their Mainstream Managed Care enrollment. This guidance is designed to provide reimbursement guidance until the individual is disenrolled from MMC. Please note that until the enrollee is disenrolled from the MMC the provider may not submit claims to Medicaid fee-for-service (FFS)

Federal mandates make Medicaid a payer of last resort, which means Medicaid will make payments only after all other sources of reimbursement have been exhausted. Therefore, potential third party reimbursement sources including Medicare, must be billed prior to billing Medicaid.

Medicare Eligible Services

If a service is covered by Medicare, Behavioral Health (BH) agencies will first bill Medicare (as appropriate), and submit to Medicaid as secondary payor.

BH agencies must ensure that eligible professionals enroll in Medicare. Once enrolled, agencies must submit claims to Medicare as appropriate. For dually enrolled Medicare/Medicaid clients, if the service and the professional performing the service are allowable under Medicaid, but Medicare will not pay because the professional is not eligible to enroll as a Medicare service provider, the agency may submit a claim directly to Medicaid. Agencies may not submit claims to Medicaid if denied by, rejected by, or not submitted to Medicare solely due to the eligible professional not being enrolled.

If the service is covered by Medicare but the practitioner is not a Medicare eligible professional, the provider will have to follow the zero-fill policy, as described below.

Services not Covered by Medicare

If a service is not covered by Medicare, and the client is dually eligible and enrolled in Medicaid Managed Care, agencies must use the following process to bill the enrollee's managed care plan. Please note that until the enrollee is disenrolled from the MMC the provider may not submit claims to Medicaid fee-for-service (FFS), and providers / programs must follow this guidance for submitting claims to the MMC plan.

If a professional delivers a service that is known to be not covered by Medicare, agencies will bill using "0FILL". To indicate "0FILL", the total Claim Charge Amount (CLM02) must be reported in the non-Covered Amount field (Loop 2320 – AMT02) for the applicable payor. "0FILL" is to be reported only when the prior payor has NOT adjudicated the claim – because it is known that payor does not cover services (carve-outs). The literal "0FILL" is no longer used. The Medicaid Managed Care Plan will then process the claim, per contract guidelines.

Personalized Recovery-Oriented Services (PROS) Guidance

Medicare reimbursement will not be available for the majority of services provided in a PROS program since Medicare pays for only certain services and licensed practitioners (see link

above). For PROS, only the clinic component must be billed to Medicare as primary. The CRS, IR and ORS components of PROS programs have no Medicare eligibility, and must be billed according to "0FILL" policy. The Medicaid Managed Care Plan will then process the claim, per contract guidelines.

What to do when a payment has been recovered by a Plan?

If a client is enrolled in Medicaid Managed Care, and subsequently becomes eligible for Medicare or other third party insurance, thereby making them ineligible for managed care, the enrollee will revert back to Medicaid FFS. If claims will be submitted to Medicaid FFS outside of the 90 day timely filing window due to a delay in updating the enrollee's coverage, providers may use Delay Reason Code 8 (Delay in Eligibility Determination).

In the event the provider receives a denial due to an incorrect coverage code, the provider must send the affected Transaction Control Numbers (TCNs) to the State at OMH-Managed-Care @omh.ny.gov, so that the State can lift the edit, and the claims will pay.