# Manual Manual And Production for Provider

May 2000 PHC 1719

Wisconsin Medicaid and BadgerCare Information for Providers

### Discuss prior authorization with recipients

Wisconsin Medicaid encourages providers to explain prior authorization (PA) to recipients and keep recipients informed throughout the entire PA process.

# Inside this Update:

Enhancements to information available through commercial eligibility verification vendors

Family Care to begin in Milwaukee County

What's new on the Medicaid Web site

Important changes to the Medicaid Estate Recovery Program Wisconsin Medicaid recommends that providers inform recipients that prior authorization (PA) is required for certain specified services *before* delivery of the services. Providers should also explain that, if required, they will be submitting recipient records and information to Wisconsin Medicaid on the recipient's behalf to obtain PA. Providers are strongly encouraged to keep recipients informed of the PA request status throughout the entire PA process.

### **Returned prior authorization requests**

Some PA requests are returned to providers when forms are incomplete, inaccurate, or additional information is needed. As stated in HFS 107.02(3)(a), Wis. Admin. Code, the provider is required to notify the recipient of the reason for the delay.

# Denied or modified prior authorization requests

Providers are encouraged to discuss denied or modified PA requests with recipients. When a PA request is denied or modified by Wisconsin Medicaid, both the provider and the recipient are notified. The provider receives a copy of the denied or modified PA request from Wisconsin Medicaid, including the reason for PA denial or modification. The recipient receives a brief statement of the reason PA was denied or modified and information on his/her right to a fair hearing. Providers are encouraged to help recipients understand the reason PA is denied or modified. Attachment 1 of this *Update* is a copy of the letter recipients receive.

# Information available through Recipient Services

When a recipient calls Recipient Services, a correspondent will tell the recipient whether the PA request in question has been submitted, and if so, when it was received. Recipient Services will also verify whether a service is covered or noncovered by Wisconsin Medicaid. The recipient will be advised to contact the provider if more information is needed about individual PA requests.

This *Update* applies to fee-for-service Medicaid providers only. If you are a Medicaid HMO network provider, contact your managed care organization for more information about their prior authorization procedures. Wisconsin Medicaid HMOs are required to provide at least the same benefits as those provided under fee-for-service arrangements.

Department of Health and Family Services

Continued on page 3

### Enhancements to information available through commercial eligibility verification vendors

Wisconsin Medicaid's Eligibility Verification System (EVS) provides recipient eligibility information for Medicaid providers. Wisconsin Medicaid has certified several commercial eligibility verification vendors to offer real-time technology (i.e., magnetic stripe card readers, personal computer software, Internet) for providers to use when accessing recipient eligibility information. In response to provider suggestions, Wisconsin Medicaid has made enhancements to the information available through commercial eligibility verification vendors.

## Enhancements made to eligibility information

The following additional recipient eligibility information is now available through commercial eligibility verification vendors:

- The first five characters of the **recipient's first and last name** are included with most rejection responses.
- Recipient Lock-In Program information includes the provider's name and telephone number. Recipients who misuse or abuse Medicaid benefits have their choice of providers restricted through the Recipient Lock-In Program.
- The **transaction log number** that providers receive for each eligibility inquiry has been shortened from 18 to six characters.

*Note*: If more than one inquiry is made on any given day, the transaction log number will be the same for each inquiry. Based on

2

the transaction log number and other internal information, Wisconsin Medicaid can determine the response a provider received for each specific inquiry.

- Managed care program (MCP) service type descriptions and messages indicating if the recipient has limited benefits or is not eligible for Medicaid have been clarified.
- The county code indicating the county in
  which the recipient resides is displayed if
  available. A list of county codes can be
  found in Appendix 8 in the Provider
  Resources section of the All-Provider
  Handbook as well as on the Medicaid Web
  site at www.dhfs.state.wi.us/medicaid/.

### For more information

Providers are not required to purchase services from a commercial eligibility verification vendor. Providers can access recipient eligibility information 24 hours a day, seven days a week through the Wisconsin Medicaid and BadgerCare Automated Voice Response (AVR) system at (800) 947-3544 or (608) 221-4247.

For more information on other ways to verify recipient eligibility, or if you have questions about eligibility verification options, please contact Provider Services at (800) 947-9627 or (608) 221-9883. Information regarding commercial eligibility verification vendors, such as the services they provide and contact information, can be found on the Medicaid Web site at www.dhfs.state.wi.us/medicaid/. + In response to provider suggestions, Wisconsin Medicaid has made enhancements to the information available through commercial eligibility verification vendors.

### Family Care to begin in Milwaukee County

On June 1, 2000, a Family Care pilot program is scheduled to begin in Milwaukee County. Family Care is Wisconsin's new voluntary long term care managed care program. Family Care started in Fond du Lac County in February and on April 1 in La Crosse and Portage counties.

For more information about Family Care, refer to the December 1999 and January 2000 *Wisconsin Medicaid and BadgerCare Updates*, which can be found in the "Provider Publications" section of the Medicaid Web site at *www.dhfs.state.wi.us/medicaid/*. For more detailed information about Family Care, refer to the Family Care Web site at *www.dhfs.state.wi.us/LTCare/*.

Acute and primary care services, including physician services, are not included in the Family Care benefit package and will remain fee-for-service.

Milwaukee County's Family Care-Care Management Organization (CMO) is Supportive Options for Seniors, which will initially cover Medicaid recipients who are age 60 or older. Individuals who are not eligible for Medicaid may be eligible for Family Care in the future.

For more information about Supportive Options for Seniors, contact the network development specialist at (414) 289-6586. +

# What's new on the Medicaid Web site

The Wisconsin Medicaid Web site includes provider and recipient publications, Medicaid contacts and statistics, and eligibility and benefit information. You may visit the Medicaid Web site at www.dhfs.state.wi.us/medicaid/.

The following is a list of what has recently been added to the Medicaid Web site:

- May 2000 Wisconsin Medicaid and BadgerCare Update.
- Updated Medicaid and BadgerCare caseload statistics.
- Revised maximum fee schedules.
- *Wisconsin Medicaid and BadgerCare Update* titled "Correction to dental maximum fees and copayments."
- *Wisconsin Medicaid and BadgerCare Update* titled "Prior authorization no longer required for selected injection procedure codes."

Keep in mind that if you do not have a computer with Internet access, many libraries have access available. +

### Prior authorization

Continued from page 1

3

### More information

Refer to the December 1998 *Wisconsin Medicaid Update* for more information about appeal procedures for denied or modified PA requests. If you have specific questions concerning the denied or modified PA request, you may contact a Medicaid professional consultant by calling Provider Services at (800) 947-9627 or (608) 221-9883. +

Milwaukee County's Family Care-Care Management Organization (CMO) is Supportive Options for Seniors, which will initially cover Medicaid recipients who are age 60 or older.

### Important changes to the Medicaid Estate Recovery Program

Some important changes are taking place in the Wisconsin Medicaid Estate Recovery Program. These changes are the result of the 1999–2001 Wisconsin biennial budget that was passed by the Legislature in 1999.

### Estate Recovery Program seeks repayment of certain Medicaid benefits

Through the Estate Recovery Program, the state seeks repayment of *certain* home health and long term care Medicaid benefits provided to recipients. Recovery is made from the estates of recipients and from liens placed on their homes when a recipient and the recipient's dependents no longer need those assets (as noted in Wisconsin Statutes and Wisconsin Administrative Code). The money recovered is returned to Wisconsin Medicaid and used to provide care for others in need.

It is important to remember that the state may not seek repayment of any Medicaid benefits from a recipient's estate while the recipient is survived by any of the following:

- Spouse.
- Minor child.
- Disabled child.
- Blind child.

4

When recovery is made it will only be from a recipient's estate or, in limited situations, from a lien on the recipient's home. Liens are not filed against homes of recipients living in the community.

The Medicaid estate recovery claim is paid after certain other expenses according to standard probate procedures. Costs paid prior to the estate recovery claim are:

- The costs of administering the estate, including attorney fees.
- Funeral costs.
- The costs of the last illness, if any, that were not paid by Medicaid.

#### **Personal care services**

Effective April 1, 2000, the Department of Health and Family Services (DHFS) can recover funds for personal care services provided to Medicaid recipients who are age 55 or older.

This is in addition to the following services that were previously and will continue to be recoverable:

- All Medicaid services received while living in a nursing home on or after October 1, 1991.
- All Medicaid services received while a recipient is institutionalized in an inpatient hospital on or after July 1, 1995.
- Home health care services received by recipients age 55 or older on or after July 1, 1995, consisting of:
  - ✓ Skilled nursing services.
  - ✓ Home health aide services.
  - ✓ Home health therapy and speech pathology services.
  - ✓ Private duty nursing services.
  - All home and community-based waiver services (COP Waiver, CIP 1A, CIP 1B, CIP II, Brain Injury Waiver, and Community Supported Living Arrangements) received by recipients age 55 or older on or after July 1, 1995, and:

Through the Estate Recovery Program, the state seeks repayment of **certain** home health and long term care Medicaid benefits provided to recipients.

- Prescription/legend drugs received by waiver participants.
- Benefits paid associated with a waiver participant's inpatient hospital stay.
- In pilot counties, Family Care services received by recipients age 55 or older on or after February 1, 2000, and:
  - Prescription/legend drugs received by waiver participants.
  - Benefits paid associated with a waiver participant's inpatient hospital stay.

# Liens on homes for residents of hospitals

Some recipients, due to the nature of their illness, must be institutionalized in an inpatient hospital rather than in a nursing home. Effective April 1, 2000, the DHFS may place a lien on the home of a recipient who lives in a hospital, who is required to contribute to the cost of care, *and* who cannot reasonably be expected to be discharged from the hospital to return home to live. Previously, lien provisions only applied to recipients living in nursing homes.

Again, a lien is not filed against the home of a recipient living in the community.

# Services recovered through liens on homes

Previous to this budget change, the only costs recovered through a lien were Medicaid costs for services received on or after October 1, 1991, during a nursing home stay. Beginning April 1, 2000, the costs of all other recoverable services as previously mentioned that are received on or after that date will also be recovered through a lien. **Again, a lien is not filed against the home of a recipient living in the community.** 

### For more information

This *Update* only provides information about the most recent changes to the Estate Recovery Program. The brochure, "Wisconsin's Medicaid Estate Recovery Program, Most Commonly Asked Questions & Answers," provides more information about the Estate Recovery Program. The brochure can be found on the Recipient Publications page of the Wisconsin Medicaid Web site located at *www.dhfs.state.wi.us/medicaid/.* 

If recipients have any questions or would like a new copy of the brochure, providers should instruct them to contact their local county or tribal human or social services department or call Recipient Services at (800) 362-3002. +

The *Wisconsin Medicaid and BadgerCare Update* is the first source of program policy and billing information for providers.

Although the *Update* refers to Medicaid recipients, all information applies to BadgerCare recipients also.

Wisconsin Medicaid and BadgerCare are administered by the Division of Health Care Financing, Wisconsin Department of Health and Family Services, P.O. Box 309, Madison, WI 53701-0309.

For questions, call Provider Services at (800) 947-9627 or (608) 221-9883 or visit our Web site at *www.dhfs.state.wi.us/medicaid/*.

5

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### ATTACHMENT 1 Sample recipient prior authorization denial or modification letter

Tommy G. Thompson Governor

Joe Leean Secretary

State of Wisconsin

Department of Health and Family Services

March 29, 2000

«RecipName» «RecipAddressLine1» «RecipAddressLine2» «RecipCity», «RecipStateZip»

Dear «RecipSalutation»:

Notice of appeal rights. MAID: «MAID» County Social/ Human Service Office: Appeal Date: «AppealDate»

Certain services must be reviewed and approved by the State of Wisconsin Division of Health Care Financing (DHCF) before payment may be made by the Wisconsin Medicaid program. This process is called Prior Authorization (PA).

Your provider requested that the following services be approved: Services listed here.

The prior authorization request, PA No. «PANumber», was reviewed by appropriate DHCF professional consultants, and services have been denied or modified as follows: Denied Services:

Denied services listed here.

Modified Services: Modified services listed here.

DHCF's denial or modification of the services requested was made for the following reasons: *Denial/modify codes listed here.* 

Please contact **«ProviderName»** for more information. Your provider has a copy of the Prior Authorization Request Form and can explain the reasons for the denial/modification.

The regulation(s) that support DHCF's actions to deny or modify your provider's request are included in Wisconsin Administrative Code, HFS 107.03(3)(e).

Specific regulations may be listed here.

You may appeal the DHCF decision in accordance with state and federal law within 45 days. To file an appeal:

1 WEST WILSON STREET P O BOX 309 MADISON WI 53701-0309

**DIVISION OF HEALTH CARE FINANCING** 

Telephone: 608-266-8922 FAX: 608-266-1096 TTY: 608-261-7798 www.dhfs.state.wi.us

- 1) Call your County Social/Human Services office at the telephone number listed above for an appeal form and/or assistance in completing it, or
- 2) Write to the Division of Hearings and Appeals at the following address by the 45-day Appeal Date indicated in the caption of this letter:

Division of Hearings and Appeals Department of Administration P.O. Box 7875 Madison, WI 53707-7875

The appeal form or letter should include:

- the name, address, phone number
- the Medicaid number of the person for whom the appeal is being made
- the Prior Authorization number «PANumber», and
- the reason you think the denial or modification of the PA is in error

REMEMBER: You must mail or deliver your appeal to your county Social/Human Services Office or the Division of Hearings and Appeals so it is <u>received</u> by the 45-day deadline or by **«AppealDate**».

You will lose your right to an appeal if your appeal is not received by the county Social/Human Services Office or the Division of Hearings and Appeals by «AppealDate».

If you file an appeal:

- The State Division of Health Care Financing will be required to explain, in writing, the reason(s) for the denial or modification of the services your provider requested. This explanation will be mailed to you and your designated representative.
- You or a representative that you choose (friend, relative, attorney, provider, etc.) will have an opportunity to explain your need for the service to a hearing officer. (You may want to ask your county agency if there is free legal help available in your area.)
- The Division of Hearings and Appeals will schedule a hearing to consider your appeal. Hearings are held at your county Social/Human Services Office. Division of Health Care Financing staff may also appear in person or by telephone.
- Based on all the information available, the hearing officer will make a decision on your appeal, notify you of the decision in writing, and advise you of any additional appeal rights.

Whether or not you appeal the decision, the Medicaid program will pay for any services it has approved. After the hearing officer makes a decision, Medicaid will continue to pay for the approved services plus any additional services the hearing officer directs Medicaid to pay.

If you need information about accommodation for a disability or for English language translation, please call (608) 266-3096 (voice) or (608) 264-9853 (TDD) immediately so arrangements may be made. These telephone numbers are at the Division of Hearings and Appeals and are to be used only for the purposes indicated. Staff at those numbers will not be able to provide you with information about your specific case.

Sincerely,

8

Sincerely,

Verland M. Jack. M.L.

Richard M. Carr, M.D. Chief Medical Officer Division of Health Care Financing



Dept. of Health & Family Services Division of Health Care Financing 1 West Wilson Street PO Box 309 Madison, WI 53701-0309

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