

To:  
Hospice Providers  
Nursing Homes  
HMOs and Other  
Managed Care  
Programs

## Changes to patient liability billing due to HIPAA

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/](http://www.dhfs.state.wi.us/medicaid/).

Effective October 2003, for all claims and adjustments, Wisconsin Medicaid is changing the way nursing homes and hospice providers indicate patient liability. Local value code "84" will not be valid, and instead, providers will be required to indicate patient liability using the instructions in this *Wisconsin Medicaid and BadgerCare Update*. This change is a result of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).

A future *Update* will notify providers of the specific effective date for this change.

### Indicating patient liability for nursing home and hospice care

Wisconsin Medicaid is changing the way nursing homes and hospice providers indicate patient liability on all claims and adjustments. Providers indicating patient liability must not use local value code "84" on claims or adjustments effective October 2003. This change is a result of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).

### Electronic claims

When submitting a claim using the 837 Institutional transaction, providers must use the "Patient Estimated Amount Due" field to indicate the amount of patient liability.

### Paper claims

When submitting a claim using the UB-92 claim form, providers must use both of the following form locators to indicate patient liability:

- Form Locator 50 — Enter the description "patient liability amount."
- Form Locator 55 — Enter the dollar amount of patient liability.

### Affected nursing home claim types

For recipients with a liability amount, providers should indicate patient liability on the following claims and on adjustments of these claims:

- Standard Medicaid claims for recipients who are not dual-entitlees.\*
- "Straight" claims denied by Medicare for recipients who are dual-entitlees.\*

### Information regarding Medicaid HMOs

This *Wisconsin Medicaid and BadgerCare Update* contains Medicaid fee-for-service information and applies to providers of services to recipients who have fee-for-service Medicaid. For Medicaid HMO or managed care HIPAA-related changes, contact the appropriate managed care organization. Wisconsin Medicaid HMOs are required to provide at least the same benefits as those provided under fee-for-service arrangements.

\* A dual-entitlee is a recipient who is eligible for both Wisconsin Medicaid and Medicare (either Medicare Part A, Part B, or both).