

Affected Programs: BadgerCare Plus, Medicaid
To: Hospital Providers, HMOs and Other Managed Care Programs

Policy for Coverage of Inpatient Hospital Stays Under the BadgerCare Plus Core Plan and the BadgerCare Plus Basic Plan

This *ForwardHealth Update* corrects the policy about coverage of inpatient hospital stays for members enrolled in the BadgerCare Plus Core Plan and clarifies the policy about coverage of inpatient hospital stays for members enrolled in the BadgerCare Plus Basic Plan. Claim adjustments will occur as a result of this policy correction.

Discharge Diagnosis Code Considered for Coverage of Inpatient Hospital Stays

A hospital stay in an acute care hospital or an Institute for Mental Disease (IMD) is not covered by the BadgerCare Plus Core Plan or the BadgerCare Plus Basic Plan when the member has a *discharge* diagnosis of either mental illness or substance abuse.

This information corrects a statement in the December 2008 *ForwardHealth Update* (2008-213), titled "Inpatient and Outpatient Hospital Services Covered Under the BadgerCare Plus Core Plan for Childless Adults," that ForwardHealth would determine coverage based on the member's *admission* diagnosis. This correction to policy is effective for dates of service on and after January 1, 2009.

Adjustments to Claims for Core Plan Members

ForwardHealth will automatically reprocess all paid and denied inpatient hospital claims for members enrolled in

the Core Plan with dates of service on and after January 1, 2009, and dates of process between January 1, 2009, and July 30, 2010 regardless of the diagnosis code(s) indicated on the claims. The claim adjustments will apply the corrected policy and determine coverage of hospital stays in an acute care hospital or an IMD based on the discharge diagnosis. The claim adjustments may result in payment of previously denied claims or denial of previously paid claims.

Claims that are within the 365-day filing limit that were denied during the adjustment may be resubmitted through the normal claims submission process.

For denied claims that exceed the 365-day filing limit, providers may use the timely filing appeals process. Claims that are beyond the timely filing deadline must be received by ForwardHealth Timely Filing before September 30, 2010.

Providers may submit a single Timely Filing Appeals Request form, F-13047 (10/08), per batch of claims. When completing the form, providers should place a check in the "ForwardHealth Reconsideration" box and write "ForwardHealth automatic adjustment for discharge diagnosis code on hospital claims for Core Plan members" to explain the nature of the problem.

For more information on timely filing appeals, refer to the Timely Filing Appeals Requests chapter of the Claims Section of the Online Handbook.

Refunding Payments to Members

For claims that were previously denied and now are paid, the provider may have received payment from the member for the service(s). Providers are required to return to the member the full payment amount received from the member for hospital services reimbursed by Wisconsin Medicaid. Providers are reminded that Medicaid reimbursement is considered payment in full.

Collecting Payment from Members

For claims that were previously paid and are now denied, the charge for the noncovered service may be collected from the member if the following conditions were met *prior* to the delivery of the service:

- The member accepted responsibility for payment.
- The provider and member made payment arrangements for the service.

If the member was not informed of his or her financial responsibility for noncovered services prior to the delivery of the services, providers are prohibited from collecting payment from members for the services.

Information Regarding Managed Care Organizations

This *Update* contains fee-for-service policy and applies to services members receive on a fee-for-service basis only. For managed care policy, contact the appropriate managed care organization. Managed care organizations are required to provide at least the same benefits as those provided under fee-for-service arrangements.

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

Wisconsin Medicaid, BadgerCare Plus, SeniorCare, and Wisconsin Chronic Disease Program are administered by the Division of Health Care Access and Accountability, Wisconsin Department of Health Services (DHS). The Wisconsin Well Woman Program is administered by the Division of Public Health, Wisconsin DHS.

For questions, call Provider Services at (800) 947-9627 or visit our Web site at www.forwardhealth.wi.gov/.

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