
WISCONSIN MEDICAID UPDATE

May 7, 1997

UPDATE 97-14

TO:
Birth to 3 Agencies
County Departments of Community
Programs

Birth To 3 Agencies May Pay Medicaid Insurance Liability In Certain Situations

Insurance liability requirement

Wisconsin Medicaid requires Medicaid providers to seek payment from a recipient's health insurance before seeking payment from Wisconsin Medicaid [42 Code of Federal Regulations, 433.139 (c)]. Wisconsin Medicaid obtained a federal waiver allowing Birth to 3 agencies to pay the required health insurance liability amount for *therapy* services when parents do not consent to accessing their health insurance.

Federal regulations allow the parents of a child with a Birth to 3 Individualized Family Service Plan (IFSP) receiving services to refuse consent to bill their health insurance (34 Code of Federal Regulations, 303.154) if it results in a cost to the family. Cost to the family includes: reaching the lifetime limit on a policy; an increase in premiums, co-payments, deductibles, or other negative consequences.

Paying insurance liability when parents do not consent to accessing health insurance

Birth to 3 agencies may pay the insurance liability when all of the following occur:

- The Medicaid-eligible child is receiving Birth to 3 *therapy* services under an IFSP.
- The parents do not allow their Medicaid provider or Medicaid HMO to bill their health insurance first.

Follow attached procedures

The procedures in Attachment 1 apply only when parents of a Medicaid-eligible child receiving *therapy* services under an IFSP deny permission to a Medicaid-certified provider to bill the recipient's health insurance. These procedures do *not* apply when: 1) the recipient is not covered by health insurance, 2) the parent gives permission to bill their health insurance, or 3) services are not covered under an IFSP.

Refer to: Attachment 1 for the procedures, Attachment 2 for determining the monthly insurance liability amount, and Attachment 3 for the Explanation of Benefits Notice issued by the Birth to 3 agency.

No change to other Medicaid requirements

After a Birth to 3 agency pays the insurance liability, the Medicaid-certified provider uses standard billing procedures and disclaimer codes to bill the balance of the charges to Wisconsin Medicaid.

There is no change to existing Wisconsin Medicaid billing requirements, coverage, prior authorization, or limitations for therapy services.

POH 1558

Procedures to Follow When the Birth to 3 Agency Pays the Health Insurance Liability

Follow these procedures when any Medicaid provider (including Medicaid-certified therapy providers who are county employees working for Birth to 3 agencies) seeks the payment from the Birth to 3 agency. These procedures apply only to Medicaid-eligible recipients receiving *therapy* services under an Individualized Family Service Plan (IFSP) when the child's parents/guardian do *not consent* to billing their health insurance.

- Step 1.** The provider identifies that the Medicaid claim is for a recipient receiving therapy services under an IFSP and the child's parents/guardian did not consent to billing their health insurance.
- Step 2.** The provider identifies the usual and customary charges, per month, per type of therapy service (occupational therapy, physical therapy, or speech language pathology).
- Step 3.** The provider bills the charges to the Birth to 3 agency.
- Step 4.** The Birth to 3 agency identifies the monthly insurance liability amount per type of therapy from Attachment 2, "Monthly Insurance Liability Amount."
- Step 5.** The Birth to 3 agency pays the insurance liability amount identified in Step 4. When paying the Medicaid provider, the Birth to 3 agency needs to send copies of:
1) the Explanation of Benefits Notice and 2) the invoice. When the Medicaid-certified therapy provider works for the Birth to 3 agency, be sure to clearly identify the accounting transaction in the agency's records. Retain the Explanation of Benefits Notice in the recipient's records.
- Step 6.** The provider identifies the balance to be billed to Wisconsin Medicaid. For each type of therapy, subtract the monthly total insurance liability amount paid in Step 5 from the monthly total usual and customary charges identified in Step 2. The resulting amount is the balance billable to Wisconsin Medicaid.

For any month in which the monthly usual and customary charges are less than the monthly insurance liability amount, by therapy type, the Birth to 3 agency pays the entire amount owed up to the insurance liability for that therapy type. In this situation, the Birth to 3 agency or the Medicaid provider does *not* bill Wisconsin Medicaid for the therapy services.

Step 7. The Medicaid provider completes the HCFA 1500 paper claim form or Medicaid electronic format following standard billing instructions. Also, the following instructions show how to apply the standard billing instructions for this specific situation:

Health Insurance Payment

HCFA 1500: Indicate a health insurance payment was made by the Birth to 3 agency by entering the OI-P disclaimer code in Element 9.

Electronic format: Indicate a health insurance payment was made by the Birth to 3 agency by entering P in the field "OI."

Total Monthly Charges

HCFA 1500: Enter the total monthly charges resulting from Step 2 into Element 28.

Electronic format: Enter the total monthly charges in field "TOT BILL."

Total Monthly Insurance Liability Paid

HCFA 1500: Enter the total monthly insurance liability paid in Step 5 into Element 29.

Electronic format: Enter the total monthly insurance liability in field "OI PAID."

Balance Due

HCFA 1500: Enter the balance due (from Step 6) in Element 30.

Electronic format: Enter the balance due in field "NET BILL."

Step 8. For questions related to Medicaid billing, coverage, and prior authorization requirements, refer to Medicaid provider handbooks and Medicaid Updates or contact Wisconsin Medicaid's fiscal agent, EDS.

PROVIDER CORRESPONDENCE
EDS
6406 BRIDGE ROAD
MADISON WI 53784-0006
1-800-947-9627 or 608-221-9883

Monthly Insurance Liability Amount

This table shows the monthly insurance liability amount, per therapy type, that the Birth to 3 agency pays. Birth to 3 agencies must pay the monthly insurance liability amount only when the child's parents/guardian do *not consent* to billing their health insurance.

Monthly Insurance Liability Amount* Per Type of Therapy Service Payable by Birth to 3 Agency

Therapy Type	Liability Amount
Speech Language Pathology	\$106.00
Physical Therapy	\$127.00
Occupational Therapy	\$118.00

* These amounts will be periodically updated.

**Wisconsin Birth to 3 Agency
Explanation of Benefits Notice**

Birth to 3 agencies may pay the monthly insurance liability amount only when the child's parents/guardian do *not consent* to billing their health insurance.

Explanation of Benefits Notice

DATE: _____

TO: _____
(Medicaid Provider)

FROM: _____
(Birth to 3 Agency)

As allowed by Wisconsin Medicaid, attached is the health insurance liability payment for the services invoiced to us (see attached). Please retain this for your records.

Recipient Name: _____

Recipient Medicaid ID Number: _____

Therapy Type: Speech Language Pathology_____

Physical Therapy_____

Occupational Therapy_____

Date(s) of Service: _____

Insurance Liability Amount Paid: _____