

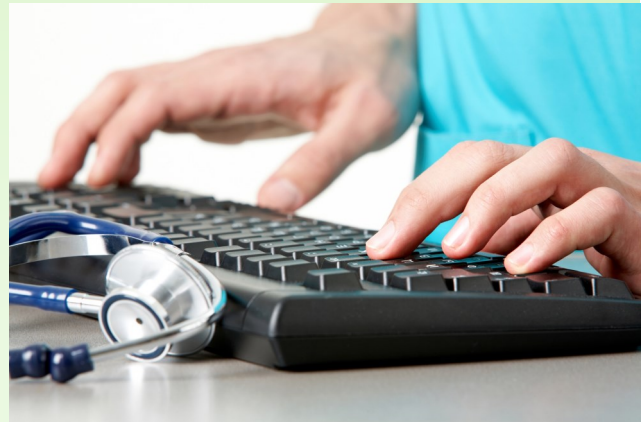
IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT201718 FEBRUARY 28, 2017

IHCP notifies HCBS providers of inappropriate TPL reclamation process for HCBS claims

The Indiana Health Coverage Programs (IHCP) notifies Home and Community-Based Services (HCBS) providers that excess third-party liability (TPL) payments were paid by private insurance carriers for IHCP HCBS members in error. These excess payments were made on claims that were billed for services rendered during 2013 through 2016, where the U7 modifier was appended to the base procedure code. The determination to collect these payments was based on findings from the IHCP TPL recovery contractor, Health Management Systems, Inc. (HMS).

Use of the U7 modifier is unique to IHCP HCBS waiver services to denote that a lower level of service was provided. Because the U7 modifier was not considered by private insurance companies, payments by these companies through the reclamation process were made at a higher rate based on the procedure code billed. To rectify this situation, and to reverse any possible excess payments made by private insurance carriers, the IHCP is refunding to private insurance carriers 100% of the payments made for these HCBS waiver claims. Resolution of this issue will have no impact on IHCP provider claim payments.



Per the State's standard practice, the IHCP and HMS will not bill private insurance carriers through the TPL or reclamation processes for claims containing any HCBS benefit modifier codes. This billing practice includes modifiers specific to claims for:

- [Community Integration and Habilitation \(CIH\) Waiver Benefit and Family Supports Waiver \(FSW\) Benefit](#)
- [Aged and Disabled \(A&D\) Waiver Benefit and Traumatic Brain Injury \(TBI\) Waiver Benefit](#)
- [Adult Mental Health Habilitation \(AMHH\) Benefit](#)
- [Child Mental Health Wraparound \(CMHW\) Benefit](#)
- [Behavioral and Primary Healthcare Coordination \(BPHC\) Benefit](#)

Questions or concerns about this bulletin can be directed to HMS Senior Director for Carrier Optimization Diana Petrovic at diana.petrovic@hms.com.

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