

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT201959 OCTOBER 8, 2019

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

The Indiana Health Coverage Programs (IHCP) is notifying Home and Community-Based Services (HCBS) providers that excess third-party liability (TPL) payments were paid in error by private insurance carriers for IHCP HCBS members. These excess payments were made on claims that were billed for services rendered from October 2017 through June 2019, in which the U7 modifier was billed with the base procedure code. Due to a system programming error, these claims were billed to the private insurance carriers.



The U7 modifier is unique to IHCP HCBS waiver services, and this modifier denotes that a lower level of service was provided. Per the State's standard practice, the IHCP and HMS (the contractor that recovers TPL retroactive insurance payments) 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 the following benefit plans:

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

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 reverse any possible excess payments made by private insurance carriers, the IHCP is refunding 100% of the payments made for these HCBS waiver claims to private insurance carriers. Resolution of this issue will have no impact on IHCP provider claim payments.

Questions or concerns about this bulletin can be directed to Krystal Desai, HMS senior manager, Carrier Optimization at kdesai@hms.com.

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QUESTIONS?

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