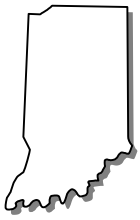
Indiana Health Coverage Programs



P R O V I D E R B U L L E T I N

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To: **All Hospitals, Ambulatory Surgical Centers, and Dialysis Centers**

Subject: **A Review of the Purpose and Procedures for the Medicare Part A Disallowance Cycle**

Overview

This bulletin reviews the purpose and procedures involved in the semi-annual Medicare Part A Disallowance Cycles to assist Indiana Health Coverage Programs (IHCP) providers in fulfilling their responsibilities.

Background

The Office of Medicaid Policy and Planning (OMPP) is expanding its efforts to identify Medicare third party insurance coverage available for services that the IHCP has paid. In connection with this effort, the OMPP, through its fiscal agent EDS, semi-annually reviews claims paid by the IHCP to identify retroactive Medicare Part A coverage for IHCP members for which the provider has received reimbursement from the IHCP.

The purpose of the Medicare disallowance project is to recover IHCP payments when Medicare is responsible.

Provider Responsibilities

Twice each year hospitals, ambulatory surgical centers, and dialysis centers receive a Disallowance Notice and a listing of IHCP claims to be disallowed because Medicare should have been the primary payer. Providers have 180 days from the date of the notice to: review their records, and either send a full refund in the amount indicated on the listing under the column entitled *Disallow Amount* or forward documentation as detailed in the notice to contest the disallowance.

Procedures for Responding to the Disallowance Notice

- Review the disallowance list to determine which claims to refund and which claims to contest.

- Note the claims to be refunded and the claims to be contested on the disallowance list. For refunded claims, prepare a single check made payable to the IHCP, attach the check to the disallowance list, and mail it to the following address:

  Indiana Health Coverage Programs
  Medicare Recovery
  EDS Refund
  P.O. Box 1937, Dept 104
  Indianapolis, IN 46206

  – Approximately 45 days after receipt of the refund check, the Adjustments Unit prepares adjustments for the claims refunded on the disallowance list.

  > *Note: Do not attach claim adjustments to the disallowance list. Attaching adjustments can result in the Medicare disallowance refund to be improperly credited to the provider account. The result could mean an account receivable is set up in error.*

  – No earlier than 45 days after submission of the disallowance list and refund check the provider can submit a claim to Medicare as the primary payer of the disallowed claim.

  > *Note: Filing with Medicare as the primary payer before the claim adjustments are processed could result in crossover claims denied as a duplicate of the IHCP paid claim.*

- The following procedure should be completed for contested claims:

  – Attach the documentation for the contested claim to the disallowance list and mail it to the above address.

- A second Disallowance Notice is mailed 150 days after the initial mailing. Approximately 30 days after the second notice is mailed the cycle is closed and an account receivable is set up for disallowed claims that have not been refunded or contested.

  A provider could choose to satisfy the disallowance by establishing an accounts receivable. The accounts receivable for a Medicare disallowance claim is set up as non-claim specific. The provider's remittance advice will not include a list of claims for which the accounts receivable was set-up. Also, claims for which the accounts receivable was set-up that were submitted to Medicare as the primary payer and crossover will deny as a duplicate because the Adjustments Unit does not adjust disallowed claims satisfied by an accounts receivable.

Additional Information

Refer questions about the information in this bulletin to the Customer Assistance Unit at (317) 655-3240 in the Indianapolis local area or 1-800-577-1278.