



## PROVIDER BULLETIN

BT 200345

JUNE 25, 2003

**To: All Providers**

**Subject: Day v. Humphreys – Additional Information Concerning Members with Retroactive Eligibility**

### Overview

Indiana Health Coverage Programs (IHCP) bulletins *BT200203*, dated February 6, 2002; *BT200212*, dated March 11, 2002; and *BT200229*, dated June 18, 2002, provided information related to the Day v. Humphreys class action lawsuit. These bulletins are on-line at the IHCP Web site at [www.indianamedicaid.com](http://www.indianamedicaid.com) in the bulletin section.

This bulletin again outlines the process providers must follow when a member has been granted retroactive eligibility and requests a refund for services previously paid by the member.

### Member Reimbursement

IHCP eligibility for class members was made retroactive when applicable. Class members received a Hoosier Health Card identical to those issued to non-Day class members. The card does not designate the member as part of the class action lawsuit. Providers can use all traditional means of eligibility verification, such as OMNI, automated voice response (AVR), and Provider Electronic Solutions®, to ascertain the member's eligibility for a specific date. Members have also received a letter confirming their eligibility and membership in the Day class.

Members deemed eligible for the IHCP have and will contact their medical providers with proof of payment and proof of IHCP eligibility to obtain a full refund of any IHCP-covered services performed during the retroactive period. If services were not covered by the IHCP, no refund is required. According to the IHCP *Provider Agreement* and Chapter 2, Section 9 of the *IHCP Provider Manual*, **payment for covered services made by a member during a period of retroactive eligibility must be immediately refunded to the member.** If a provider observes specific refund procedures, and those procedures apply to all customers, regardless of payer status, refunds to Day class members may be handled in the same manner dictated by normal office procedures. Examples include, but are not limited to, the following:

- The provider's office routinely issues refunds at the end of the month and mails the refund via check to the patient.
- The provider is not authorized by corporate policy to issue refunds in excess of a set dollar amount and must forward documentation to its home office to process the refund, which is then handled via mail from the home office.

- Several providers have encountered the situation where the amount of the refund is several thousand dollars. Providers have asked whether they can bill the IHCP prior to reimbursing the member for the cost of medical care paid by the member prior to establishment of their Day eligibility. If the provider's office or corporate policy is to handle large dollar amount refunds in this manner, then it is permissible to handle Day refunds in the same manner.

**It is important to remember issuance of the refund in these cases is the provider's responsibility and observance of normal office operating procedures cannot be used as a means to indirectly deny a member's refund. The provider is expected to complete this transaction as soon as possible. Further, Day members must receive a full refund from providers even if payment from the IHCP is less than what the member originally paid for the service. Failure to comply with the requirement to issue a refund to a Day class member is considered a breach of the IHCP Provider Agreement and could result in IHCP disenrollment.**

## **Reimbursement to Providers**

After refunding a member's payment, a provider can bill the IHCP for covered services. **All prior authorizations and filing time limits will be waived for such claims submitted to EDS by August 11, 2003.**

Please submit all claims for reimbursement to the following address:

**EDS  
P.O. Box 7259  
Indianapolis, IN 46207-7259**

Claims submitted to post office boxes or street addresses other than the one listed above may be denied for past filing limit or lack of prior authorization.

**EDS must receive all claims for services provided during a period now covered by retroactive eligibility as a result of this lawsuit no later than August 11, 2003.** Claims received after this date will be returned to the provider without further consideration.

## **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.

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