

DSS-4357EL

WGIUPD

GENERAL INFORMATION SYSTEM

06/11/97

DIVISION: Office of Medicaid Management

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TO: Local District Commissioners, MA Directors

FROM: Ann Clemency Kohler, Director, Office of Medicaid Management

SUBJECT: Principal Provider Entry Adjustment

EFFECTIVE DATE: Immediately

CONTACT PERSON: Loretta Grose, 518-474-2201

An inconsistency in the Principal Provider (PP) Exception Code system has been identified which may result in the deduction of a recipient's Net Available Monthly Income (NAMI) twice in the same month for some Nursing Facility (NF) claims.

When a recipient with Medicare coverage is entered into the PP system, the Exception Code of "1" is generally used. The Exception Code is used in conjunction with the **DATE OF SERVICE FROM DATE** and **EXCEPTION CODE FROM DATE** to determine when Medicare's responsibility for payment ends and Medicaid's responsibility begins. Exception Code "1" means that Medicare is responsible for payment on the **EXCEPTION CODE FROM DATE** and after. Medicaid will only reimburse for Medicare co-insurance days during this period. Exception Code "2" means that Medicaid is fully responsible for payment on the **EXCEPTION CODE FROM DATE** and after.

When Medicare coverage is terminated the NF notifies the local department of social services (LDSS) of the Medicare end date. The LDSS changes the **EXCEPTION CODE TYPE** to a "2" and changes the **EXCEPTION CODE FROM DATE** to the date Medicaid's responsibility for full payment begins. When a claim is submitted, the system examines the recipient's record for the first date in the month the recipient was admitted to the NF. This becomes the system's "Take NAMI" date. The NAMI is deducted from any claim containing either this date or the first of any month following that date.

A problem occurs when the LDSS uses the "Change Line" (CL) function of the PP system to change the **EXCEPTION CODE TYPE** and the **EXCEPTION CODE FROM DATE**. While this function correctly enters the date of Medicaid responsibility for full NF payment, the **DATE OF SERVICE FROM DATE** (generally, the date of the current admission to the NF and the system's initial "Take NAMI" date) remains unchanged. If a NF bills for both Medicare co-insurance days and full Medicaid days during any month within this period, the NAMI is inappropriately deducted twice from the NF's payment.

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To ensure that the NF receives the correct payment the "Change Line" function should not be used to revise the **EXCEPTION CODE TYPE** and the **EXCEPTION CODE FROM DATE**. Instead, a new line should be entered showing the **PRINCIPAL PROVIDER TYPE (PP); PROVIDER NUMBER; DATES OF SERVICE FROM DATE; EXCEPTION CODE TYPE; and, EXCEPTION CODE FROM DATE**. The **DATES OF SERVICE FROM DATE** and the **EXCEPTION CODE FROM DATE** should indicate the date full Medicaid responsibility for the nursing facility payment begins. The **EXCEPTION CODE TYPE** will always be a "2" in these cases. An example entry follows:

PP	PROVIDER	<u>DATES OF SERV</u>		<u>EXCEPTION</u>		<u>AVAILABLE AMT</u>	
		FROM	THRU	T	FROM	AMT	FROM
01	01234567	103096		2	103096		
01	01234567	081396		1	081396	0400.00	080196

The **DATES OF SERV FROM** date of 08/13/96 represents the recipient's initial date of admission to the facility. The **EXCEPTION CODE TYPE** of "1" and the **EXCEPTION CODE FROM DATE** of 08/13/96 indicates Medicare payment from the date of admission with Medicaid responsible only for co-insurance payments. The subsequent line showing the **DATES OF SERV FROM DATE** and the **EXCEPTION CODE FROM DATE** of 10/30/96 with an **EXCEPTION CODE TYPE** of "2" indicates that Medicaid is fully responsible for payment as of 10/30/96.

The separate line establishing the date of Medicaid payment responsibility allows the NF to receive appropriate payment for the month of October. This line entry prevents the deduction of the NAMI twice in the same month from the facility's claim. If the Exception Code of "2" is entered using the "Change Line" function, the NAMI would be deducted twice in the month of October as the NF would be billing for both Medicaid co-insurance days (10/01/96 - 10/29/96) and full Medicaid payment days (10/30/96 - 10/31/96).