MEDICAL ASSISTANCE BULLETIN

COMMONWEALTH OF PENNSYLVANIA * DEPARTMENT OF PUBLIC WELFARE

SUBJECT "Payment in Full"	**BY** **Peg J. Dierkers, Ph.D.** Deputy Secretary for Medical Assistance Programs
NUMBER:	99-99-06, 1101-99-01
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PURPOSE:

The purpose of this bulletin is to remind providers of the legal prohibition of seeking or requesting supplemental or additional payments from recipients for covered services.

SCOPE:

This bulletin is applicable to all providers enrolled in the Medical Assistance Program.

BACKGROUND/DISCUSSION:

In a recent State Medicaid Director letter, the Health Care Financing Administration alerted States of incidents where providers required Medicaid recipients to make cash payments for Medicaid covered services and refused to provide medically necessary services to a Medicaid recipient for lack of pre-payment for these services. Such practices are illegal and contrary to the participation requirements of Pennsylvania's Medical Assistance (MA) Program and MA provider's responsibility to assure delivery of all compensable medically necessary services to MA recipients.

The following examples illustrate this issue:

1. The Department denies payment to an MA participating provider because the provider has failed to submit the original or initial invoice within 180 days of the date of service. The provider is prohibited from seeking payment from the MA recipient.

2. An MA participating provider treats a dually eligible recipient. The Medicare payment (80% of the reasonable and customary charge) is equal to or greater than the MA fee. The provider has been "paid in full" and cannot seek reimbursement from the MA recipient for the coinsurance or deductibles.

3. An MA participating provider tells his patient that MA does not pay enough and indicates that he will treat the MA recipient as a private pay patient. The provider charges the recipient a supplemental fee of $20.00 for each office visit. This arrangement is illegal.

4. A network provider treats a HealthChoices member, who also has other commercial insurance, for an MA covered service. The commercial insurance payment, less copayment, is equal to the HealthChoices plan's charge for this service. The network provider may not bill the member for the copayment.

POLICY:

62 P.S. § 1406(a) and MA regulations cited in Pa Code § 1101.63(a) mandate that all payments made to providers under the MA Program plus any copayment required to be paid by a recipient shall constitute a full reimbursement to the provider for covered services rendered. A provider who seeks or accepts supplementary payment of another kind from the Department, the recipient or another person for a compensable service or item is required to return the supplementary payment. A provider may bill an MA recipient for a noncompensable service or item **if the recipient is told before the service is rendered** that the program does not cover it.

COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:

The appropriate toll-free number for your provider type.

Visit the Office of Medical Assistance Programs website at www.dpw.state.pa.us/omap.