



COMMISSIONER
Jon Weizenbaum

January 10, 2013

To: Nursing Facility Providers
Hospice Providers
Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Condition (ICF/IID) Providers

Subject: Information Letter 13-04
Implementation of the Cost Avoidance Project – February 2013

The purpose of this information letter is to provide a status of the implementation of the Cost Avoidance Project. The project is being implemented in three phases: Release 1 (August 2012), Release 2 (November 2012), and Release 3 (February 2013).

Release 1: Implemented August 2012

This release implemented new operations processes for validating insurance information on file for Long Term Care (LTC) individuals at Texas Medicaid & Healthcare Partnership (TMHP). This release provides phone support to providers requiring assistance with Other Insurance (OI) information on file for individuals in their facilities.

Release 2: Implemented November 2012

This release implemented several changes to the Medicaid Eligibility Service Authorization Verification (MESAV).

Refer to DADS Information Letters *12-59 Cost Avoidance Project for Texas Department of Aging and Disability Services Long Term Care* and *12-82 Status of Implementation of the Cost Avoidance Project* for more information on these two releases.

Release 3: February 22, 2013

The TexMedConnect Application, the American National Standard Institute (ANSI) X12, and the TMHP Claims Management System (CMS) will be updated to implement the Cost Avoidance Project. The ANSI X12 companion guides, the TMHP TexMedConnect Manual, and Computer Based Training (CBT) will be updated with the new screen fields required for claim submission.

Medicaid Claims

Effective February 22, 2013, and thereafter, all claims submitted to TMHP must include the OI Billed Date, the OI Disposition Date, the OI Claim Number, and the paid or denied status of the LTC relevant third party insurance company claim at the time of the claim submission. If the existence of a LTC relevant third party insurance policy is detected at the time of claim submission, and this information is not provided by the submitter, the claim will be denied by TMHP. A provider should submit a new claim with the third party insurance liability information. The Claim Form 837I, Institutional Claim, has been updated with new fields to allow the user to enter the OI data. If the individual does not have a third party insurance, these fields should be left blank.

If the insurance company claim disposition is:

- Paid, the total amount paid by the insurance company as indicated on the Insurance Explanation of Benefits (EOB) must be included on the claim.
- Denied, the denial reason as indicated on the insurance EOB must be entered on the claim.
- No response, after 110 calendar days, the date the other insurance company was billed must be entered on the claim.

Skilled Nursing Facility Claims

Skilled Nursing Facility claims submitted to TMHP for services provided February 22, 2013, and thereafter must include either:

- The Traditional Medicare total coinsurance amount due per the Medicare Part A Remittance Advice, or
- The Non-traditional Medicare total copay/deductible amount due per the Medicare Part C EOB.

Skilled Nursing Facility claims that do not include the required information will be denied by TMHP with an appropriate EOB.

All OI company EOB, Medicare Part A Remittance Advice, and Medicare Part C EOB documentation must be on file at the facility. This documentation should not be sent to TMHP or DADS.

Resources

Providers should:

- Note that effective February 25, 2013, the DADS Cost Avoidance Project email address CostAvoidance@dads.state.tx.us will no longer be available.
- Call the TMHP LTC Help Desk at 1-800-626-4117, Option 6, for questions about OI Information on file, LTC cost avoidance claims processing and adjudication.
- Monitor the LTC homepage at http://www.tmhp.com/Pages/LTC/ltc_home.aspx for future information notices about the Cost Avoidance Project.

Sincerely,

[signature on file]

James Jenkins
Chief Financial Officer

JJ: mgm