



COMMISSIONER
Jon Weizenbaum

March 11, 2013

To: Nursing Facilities
Hospice Providers
Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Condition

Subject: Information Letter 13-13
Cost Avoidance Update - Medicare Supplemental Insurance Policies

When billing for non-Medicare covered services (e.g. daily care), providers are not required to file a claim to determine the liability of a Medicare Supplemental Insurance policy. Phone, web searches, and mailed correspondence are valid forms of eligibility verification that can be used by providers to document the Other Insurance (OI) fields on the claim.

Providers must maintain the details of the eligibility verification that confirms that the Medicare Supplemental Insurance policy will only cover Medicare Skilled Coinsurance. The Texas Department of Aging and Disability Services will require providers to verify liability of the Medicare Supplemental Insurance policy as a once-a-year requirement only. The date of eligibility verification can be used for 365 days.

Filing the Medicaid Claim with a Medicare Supplemental Insurance policy - What to enter in the OI disposition fields:

- OI - Disposition – Enter ‘Denied’;
- OI - Disposition Reason – Enter ‘Not a covered service’;
- OI - Billed Date – Enter the date of the written request, phone call, or web verification;
- OI - Disposition Date – Enter either the date of the letter for written responses or the date resulting in verification from phone or web verification. Due to an edit in the system, if the verification is received on the same date as the request date, enter the date plus one day; and
- Insurance Claim No. – Enter the method of eligibility verification, e.g., letter, phone call, web search.

Providers must:

- still submit claims to the insurance carrier to determine the liability of all other types of policies that are Long Term Care (LTC) relevant;
- file the claim with insurance carriers for Medicare Supplemental Insurance policies when billing Medicare Skilled Coinsurance;
- call the Texas Medicaid and Healthcare Partnership (TMHP) LTC Help Desk at 1-800-626-4117, Option 1, with questions about this process and other cost avoidance claims and adjudication processes;

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- call TMHP Third Party Liability at 1-800-626-4117, Option 6, to correct the type of coverage if the verification check determines that the policy is not a Medicare Supplemental Insurance policy, (which indicates that the TMHP OI data base is incorrect); and
- monitor the LTC homepage at http://www.tmhp.com/Pages/LTC/ltc_home.aspx for future information notices about the Cost Avoidance Project.

If you have any questions about this information letter, please contact Yvette Walters by e-mail at Yvette.Walters@dads.state.tx.us or by phone at (512) 438-2177.

Sincerely,

[signature on file]

James Jenkins
Chief Financial Officer

JJ: mgm