

Medicaid in Education Alert

New York State Office of Health Insurance Programs (NYS OHIP)
New York State Education Department (NYSED)
Preschool/School Supportive Health Services Program (SSHSP)
Medicaid in Education Units

Issue #12-10

TO: All SSHSP Medicaid Providers

FROM: NYS OHIP & NYSED
Medicaid in Education Units

DATE: November 6, 2012

SUBJECT: Requirements for Medicaid Claims with Third Party Health Insurance (TPHI)

This Medicaid Alert addresses school district, county, and § 4201 school concerns about SSHSP claims being denied with CNYRIC edit # 22, 'Covered by Another Payer', (eMedNY edit # 00131, 'Third Party Indicated'). This Alert contains background information and steps to follow to ensure that these denied claims are processed for resubmission.

Background

Third Party Health Insurance (TPHI) is any insurance that is or may be responsible for paying all or part of the expenditures for medical assistance furnished under the Medicaid program. It is Medicaid policy that providers must bill any available TPHI prior to submitting a claim to Medicaid. This ensures that Medicaid remains the payor of last resort.

SSHSP billing providers have an exemption from this policy. Therefore, SSHSP billing providers **are not required** to bill a student's third party health insurance carrier before they bill Medicaid for IEP services.

HIPAA Version 5010 Changes

The Centers for Medicare & Medicaid Services (CMS), the federal entity having oversight of each state's Medicaid program, requires New York State and its Medicaid providers to use the HIPAA version 5010 claiming format for all Medicaid claims. **Effective January 1, 2012**, New York State implemented the version 5010 claiming format for all Medicaid claiming, including claims submitted by the New York State SSHSP clearinghouse - the Central New York Regional Information Center (CNYRIC).

CNYRIC submits SSHSP claims received from SSHSP billing providers with a “0” in the “payment received TPFI” field. Prior to January 1, 2012, this zero-fill enabled the claim to bypass the TPFI billing requirement. Effective January 1, 2012, CMS, via version 5010 claiming, requires claims submitted to Medicaid for reimbursement to have additional information on TPFI. The insurance carrier(s) must be identified and included on the claim through the use of specified codes.

All claims, including those submitted by SSHSP providers, are denied if the insurance carrier(s) are not identified and included on the claim. Billing providers (school districts, counties and § 4201 schools) are able to recognize claims denied for TPFI by reviewing either their Remittance (REMIT) report from CNYRIC or by reviewing their eMedNY Medicaid remittance.

The following chart includes the reasons/messages that appear on your CNYRIC REMIT report. Your eMedNY Medicaid Remittance contains edit # 00131, which correlates to CNYRIC’s edit message # 22 below:

| | |
|---|---|
| REMIT REMARKS | COVERED BY ANOTHER PAYER |
| REASON CODE | 22 |
| ADJUSTMENT REASON CODE DESCRIPTION | THIS CARE MAY BE COVERED BY ANOTHER PAYER PER COORDINATION OF BENEFITS |

Upcoming System Changes

NYS OHIP has submitted an eMedNY system change request. The system change will allow SSHSP claims to bypass the version 5010 TPFI edit. Once the system change is in place, claims will no longer be denied because of the TPFI edit. Claims previously submitted and denied because of the TPFI edit will be resubmitted for payment by CNYRIC.

Next Steps

IMPORTANT: Until this eMedNY system change is in place, SSHSP billing providers must continue **submitting claims and receiving denials**. Having a denial with the HIPAA version 5010 TPFI edit is necessary for resubmission of the claim. This is especially important if the date of service on that claim exceeds the Medicaid two year limit for submitting claims.

Since many school districts, counties and § 4201 schools have a considerable lag between the date of service and the date of billing, many claims may be over two years old by the time system updates are implemented. Ordinarily, these claims would be denied because they are over two years old (18 NYCRR 540.6(a)(3)(ii)). The Department of Health (DOH) will allow these claims to be processed under the following conditions:

- The claim was not over two years old at the time of first submission,
- The claim was previously denied with the HIPAA version 5010 TPFI edit, and
- The claim is resubmitted by CNYRIC within the 30 days following the Medicaid Alert notification that system support is in place.

SSHSP billing providers will be notified via another Medicaid Alert when this change has been completed.

CNYRIC has been directed by SED to facilitate the resubmission of all claims denied with the 5010 TPHI edit on behalf of all school districts, counties and § 4201 schools. This means that school districts, counties and § 4201 schools are not required to reprocess any of these claims for payment. School district, counties and § 4201 schools should continue to submit claims and receive denials. CNYRIC will track these claims and resubmit them when system support is in place. This is not a guarantee of payment. The claim must pass all other applicable Medicaid edits to be considered for reimbursement.

If you have any questions or comments regarding this alert, please contact your local Regional Information Center representative or the NYS Education Department, Medicaid Unit at medined@mail.nysed.gov.