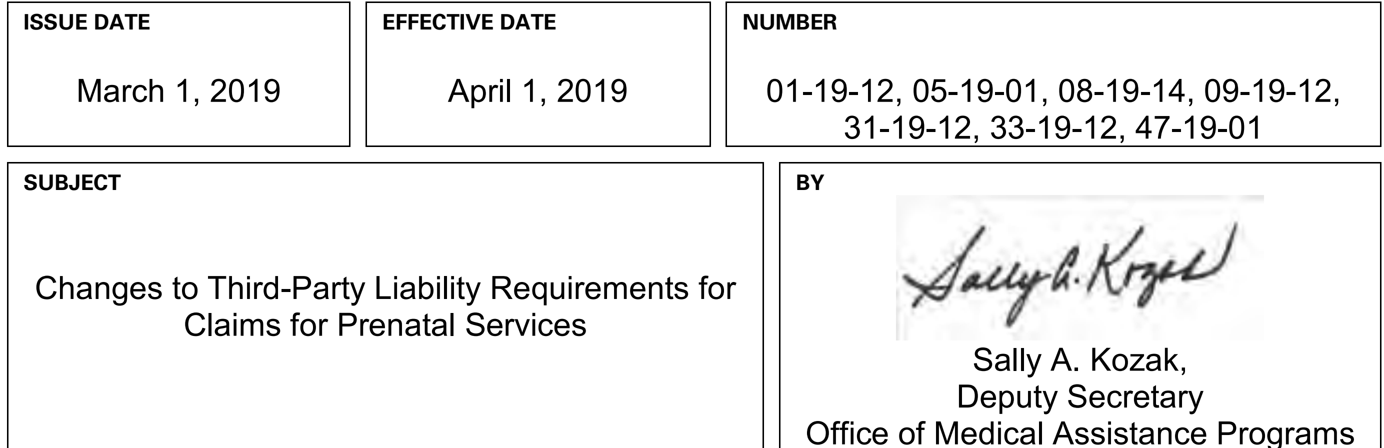
pennsylvania
DEPARTMENT OF HUMAN SERVICES

MEDICAL ASSISTANCE BULLETIN



ISSUE DATE	EFFECTIVE DATE	NUMBER
March 1, 2019	April 1, 2019	01-19-12, 05-19-01, 08-19-14, 09-19-12, 31-19-12, 33-19-12, 47-19-01

SUBJECT	BY
Changes to Third-Party Liability Requirements for Claims for Prenatal Services	Sally A. Kozak, Deputy Secretary Office of Medical Assistance Programs

IMPORTANT REMINDER: All providers must revalidate the Medical Assistance (MA) enrollment of each service location every 5 years. Providers should log into PROMISe to check the revalidation dates of each service location and submit revalidation applications at least 60 days prior to the revalidation dates. Enrollment (revalidation) applications may be found at: http://www.dhs.pa.gov/provider/promise/enrollmentinformation/S_001994.

PURPOSE:

The purpose of this bulletin is to notify providers of changes related to the processing of claims for prenatal services.

SCOPE:

This bulletin applies to all Medical Assistance (MA) enrolled inpatient facilities, home health agencies, clinics, Certified Registered Nurse Practitioners, physicians, certified nurse midwives and birthing centers who render prenatal care services in the Fee-for-Service and managed care delivery systems.

BACKGROUND/DISCUSSION:

Under current law, Medicaid is generally the “payer of last resort,” which means that Medicaid pays for a service only if there is no liable third-party payers. Section 1902(a)(25) of the Social Security Act requires states to determine the legal liability of third parties for payment for services provided to a MA beneficiary. 42 U.S.C. § 1396a(a)(25). States are to take “all reasonable measures to ascertain the legal liability of third parties.” 42 U.S.C. § 1396a(a)(25)(A).

There are certain circumstances for which the MA Program must pay a claim first, even if a third-party resource is identified, and then seek to recover payment from the third party. This is referred to as “pay and chase.” 42 U.S.C. § 1396a(a)(25)(E).

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:
http://www.dhs.pa.gov/provider/healthcaremedicalassistance/index.htm.

The Bipartisan Budget Act of 2018 (Pub. L. 115-123), enacted on February 9, 2018, amended Section 1902(a)(25)(E) of the Social Security Act. The amendment removed prenatal care from the services for which states must pay and chase. The Centers for Medicare & Medicaid Services issued an informational bulletin to advise states that they may no longer pay and chase claims for prenatal care and should use their standard coordination of benefits cost avoidance processes. The bulletin can be viewed at the following link: https://www.medicaid.gov/federal-policy-guidance/downloads/cib060118.pdf.

Preventive pediatric care (including Early and Periodic Screening, Diagnostic and Treatment services) and claims for services rendered to individuals on whose behalf the state is enforcing a medical support obligation will continue to be processed using pay and chase.

PROCEDURE:

Effective April 1, 2019, the Department of Human Services (Department) will cost avoid claims for prenatal services. If there is a third-party resource, MA providers are to utilize the third-party resource prior to submitting a claim for prenatal services to the Department. Claims for prenatal services submitted with a date of service on and after April 1, 2019, will deny if coordination of benefits cannot be verified.

Providers must verify whether a beneficiary has insurance coverage in addition to MA. Providers are to check the Eligibility Verification System (EVS) and ask the beneficiary whether they have insurance coverage other than what is identified in EVS (i.e., Medicare, Worker's Compensation, etc.). The provider should submit claims for prenatal services to the beneficiary's third-party resource(s) prior to submitting claims to the MA Program. All available third-party resources must be utilized before billing MA.

Providers rendering prenatal services in the Fee-For-Service delivery system may submit a claim to the Department for payment of the balance, up to the maximum allowable MA fee for the service as listed in the MA Program Fee Schedule. Providers must indicate the third-party resource on the claim form as indicated in the detailed claim form instructions, when billing the Department. It is also important to note that a provider must attach a MA 538 Form when a paper claim is submitted. The provider must list the beneficiary's liable third-party and how much it paid for the prenatal service(s) on the MA 538 Form.

Providers rendering prenatal services in the MA managed care delivery system should address any claims processing related questions to the appropriate MA managed care organization.

This bulletin supersedes, in part, MA Bulletin 99-03-12, titled "Liability for Cost Sharing for Recipients Enrolled in Medical Assistance through Fee for Service or Managed Care and a Private Third-Party Insurer" as it pertains to payments for prenatal care services. All other information contained in MA Bulletin 99-03-12 remains in effect.