

NOTICE OF RULE MAKING

The Director of the Division of Medical Services hereby issues the following proposed medical assistance rule(s) under one or more of the following chapters or sections of the Arkansas Code: 20-10-211(a), 20-10-203(b), 20-76-433, 25-10-129, and Title 20, Chapter 77.

Change in Medicaid Reimbursement for Inpatient and Outpatient Hospital Services Covered by Medicare Part A and Medicare Part B Programs (Medicare Crossover Claims)

This update proposes a change in reimbursements for inpatient and outpatient hospital services in which primary payment is made by the Medicare Part A and Part B programs pertaining to dually eligible Medicare and Medicaid patients. Specifically, the reimbursement change pertains to secondary or Medicare crossover claims that are sent to Medicaid for payment pertaining to a patient responsibility amount, or coinsurance and/or deductible liability in which Medicare made a payment as a primary payer. Currently, Medicaid pays the deductible and coinsurance portions of Medicare services covered under the Medicare Part A and Part B programs for inpatient and outpatient hospital services.

Effective for all claims and claim adjustments with dates of service on and after July 1, 2013, the Division will implement Medicaid reimbursement for Medicare Part A and Part B coinsurance and deductibles related to inpatient and outpatient hospital services to the lesser of the Medicaid allowed amount minus the Medicare payment or the sum of the Medicare coinsurance and deductible. Please note if the Medicaid allowed amount minus the Medicare paid amount is zero or a negative number, Medicaid's reimbursement will be zero. The estimated annualized savings for FFY2014 is \$25,937,826.

The proposed policy is available for review at the Division of Medical Services, Program Planning and Development, 2nd floor Donaghey Plaza South Building, 7th and Main Streets, P. O. Box 1437, Slot S295, Little Rock, Arkansas 72203-1437. You may also access it on the Medicaid website (www.medicaid.state.ar.us), and download it from the "Proposed Rules For Public Comment" section of the website's *General* menu. Policy accessed from this location will be watermarked with the word "Proposed". All comments must be submitted in writing no later than April 16, 2013.

If you need this material in a different format, such as large print, contact our office at (501) 320-6429.

The Arkansas Department of Human Services is in compliance with Titles VI and VII of the Civil Rights Act and is operated, managed and delivers services without regard to religion, disability, political affiliation, veteran status, age, race, color or national origin. **4501272097 EL**

Andy Allison, Director
Division of Medical Services

Date: March 18, 2013 – March 20, 2013