STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: ARKANSAS

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE

Payment of Medicare Part A and Part B Deductible/Coinsurance

QMBs:	Part A MR Deductibles	MR Coinsurance	
	Part B MR Deductibles	MR Coinsurance	
Other Medicaid Recipients	Part A MR Deductibles	MR Coinsurance	
	Part B MR Deductibles	MR Coinsurance	
Dual Eligible (QMB Plus)	Part A MR Deductibles	MR Coinsurance	
	Part B MR Deductibles	MR Coinsurance	

QMBs:	***Part A SP Deductibles**	**SP Coinsurance**	**Inpatient and Outpatient**
	***Part B SP Deductibles**	**SP Coinsurance**	**Hospital services only**
Other Medicaid Recipients	***Part A SP Deductibles**	**SP Coinsurance**	**Inpatient and Outpatient**
	***Part B SP Deductibles**	**SP Coinsurance**	**Hospital services only**
Dual Eligible (QMB Plus)	***Part A SP Deductibles**	**SP Coinsurance**	**Inpatient and Outpatient**
	***Part B SP Deductibles**	**SP Coinsurance**	**Hospital services only**

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE

Payment of Medicare Part A and Part B Deductible/Coinsurance

***The payment of the Medicare Part A and Part B deductible and coinsurance for inpatient and outpatient hospital services is based on the following.**

(1) If the Medicare payment amount equals or exceeds the Medicaid payment rate, the state is not required to pay the Medicare Part A and Part B deductible/coinsurance on a crossover claim.

(2) If the Medicare payment amount is less than the Medicaid payment rate, the state is required to pay the Medicare Part A and Part B deductible/coinsurance on a crossover claim, but the amount of payment is limited to the lesser of the deductible/coinsurance or the amount remaining after the Medicare payment amount is subtracted from the Medicaid payment rate.

Coverage of a recipient's deductible and/or coinsurance liabilities as specified in this section satisfies the state's obligation to provide Medicaid coverage for services that would have been paid in the absence of Medicare coverage.

The payment of all other Part A and Part B deductible and coinsurance is based on the Medicare rate.

(3) The Medicaid agency will use the Medicare all-inclusive payment rate for cost reimbursement of FQHC encounter coinsurance. The Medicaid agency will cost settle for the coinsurance percentage. The Medicaid agency will cost settle for the coinsurance percentage of the FQHC Medicare encounter cost after the final encounter cost has been determined by the Medicare intermediary.

(4) Effective for dates of service on or after September 1, 1999, the State will make copayments for Medicare/Medicaid recipients who are enrolled in a Medicare HMO. The service categories and maximum copayment amount are:

Service	Maximum Copayment
Emergency Room	$25.00 (payable to facility)
Physician/Chiropractor/Podiatrist (excluding Psychiatry/Psychology - see below)	$ 5.00 (payable to physician/ chiropractor/podiatrist
Occupational, Physical and Speech Therapy	$ 5.00 (payable to facility)
Psychiatrist/Psychologist	50% (payable to provider) – Medi-Pak HMO
	$20.00 (payable to provider) –

ARKANSAS DEPARTMENT OF HUMAN SERVICES

Division of Medical Services

Program Development & Quality Assurance

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TO: **Arkansas Medicaid Health Care Providers – Medicare/Medicaid Crossover Only**

DATE: **July 1, 2013**

SUBJECT: **Provider Manual Update Transmittal MEDX-1-13**

REMOVE		**INSERT**	
Section	**Date**	**Section**	**Date**
211.000	4-1-07	211.000	7-1-13
230.000	—	230.000	—

Explanation of Updates

Sections 211.000 and 230.000 are updated to describe Medicaid reimbursement for Medicare Part A and Part B coinsurance and deductibles related to inpatient and outpatient hospital services.

The paper version of this update transmittal includes revised pages that may be filed in your provider manual. See Section I for instructions on updating the paper version of the manual. For electronic versions, these changes have already been incorporated.

If you have questions regarding this transmittal, please contact the HP Enterprise Services Provider Assistance Center at 1-800-457-4454 (Toll-Free) within Arkansas or locally and Out-of-State at (501) 376-2211.

If you need this material in an alternative format, such as large print, please contact the Program Development and Quality Assurance Unit at 501-320-6429.

Arkansas Medicaid provider manuals (including update transmittals), official notices, notices of rule making and remittance advice (RA) messages are available for downloading from the Arkansas Medicaid website: www.medicaid.state.ar.us.

Thank you for your participation in the Arkansas Medicaid Program.

Andrew Allison, PhD
Director

TOC not required

211.000 Scope 7-1-13

The Arkansas Medicaid Program covers certain services provided to persons eligible for Medicaid through the Qualified Medicare Beneficiary (QMB) Program.

The QMB program was created by the Medicare Catastrophic Coverage Act and uses Medicaid funds to assist low income Medicare beneficiaries. If a person is eligible for the QMB program, Medicaid will pay the Medicare Part B premium, the Medicare Part B deductible and the Medicare Part B coinsurance on other medical services not to exceed the Medicaid maximum allowable amount. Medicaid will also pay the Medicare Part A premium, the Medicare Part A hospital deductible and the Medicare Part A coinsurance, less the Medicaid coinsurance charge for inpatient admission. For non-exempt Medicaid beneficiaries age 18 and older, this coinsurance amount is 10% of the hospital's interim Medicaid per diem, applied on the first Medicaid covered day only.

Effective for all claims and claim adjustments with dates of service on and after July 1, 2013, the Division of Medical Services 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. If the Medicaid allowed amount minus the Medicare paid amount is zero or a negative number, Medicaid's reimbursement will be zero.

Persons eligible through the QMB program do not receive the full range of Medicaid benefits. For a QMB-eligible, Medicaid covers only those benefits listed above on Medicare-covered services. If the service provided to a QMB-eligible is not a Medicare-covered service, such as personal care or ambulance transportation to a doctor's office, Medicaid does not cover the service for that individual.

230.000 REIMBURSEMENT

Medicaid's payment toward the Medicare Part A and Part B coinsurance and/or deductible is full payment of the amount submitted to Medicaid from Medicare less the Medicaid coinsurance amount (Part A), for non-exempt Medicaid beneficiaries age 18 and older, applied on the first Medicaid covered day of an inpatient stay.

Effective for all claims and claim adjustments with dates of service on and after July 1, 2013, the Division of Medical Services 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. If the Medicaid allowed amount minus the Medicare paid amount is zero or a negative number, Medicaid's reimbursement will be zero.