

December 1, 2004

Montana Medicaid Notice

Critical Access Hospitals, Physicians, Podiatrists and Mid-Level Practitioners

Billing for Clients with Medicare and Medicaid

MEDICARE allows physician/professional charges to be billed on outpatient Critical Access Hospital (CAH) claim forms (UB-92). This is known as "**All Inclusive Payment/Option II Billing Method**".

However, **MONTANA MEDICAID** does not allow physician/professional charges to be billed on UB-92 claim forms. Physician/professional charges **MUST** be billed to Montana Medicaid on a CMS-1500 claim form. **This provider notice will provide information about how to bill Medicaid for patients eligible for both Medicare and Medicaid that receive services from CAHs and physician/professionals that have elected to use "All Inclusive Payment/Option II Billing Method" when billing Medicare.**

A copy of the Medicare EOMB **MUST** be attached to the Critical Access Hospital and physician/professional claims. The departments' fiscal intermediary, ACS, will calculate the amounts shown below. Do not calculate these amounts on your claim form!!!

Medicare will issue one EOMB that includes both hospital and physician/professional information. Because the Medicare EOMB does not distinguish between hospital charges and physician/professional charges, additional computations are required prior to Montana Medicaid claims processing. **The departments' fiscal intermediary, ACS, will analyze the Medicare EOMB and split it on a pro-rata fashion between the hospital and physician/professional claims using the following methodology:**

- (1) The covered charges are split on a pro-rata fashion between the hospital and physician/professional.
- (2) The deductible amount appearing on the Medicare EOMB is multiplied by (1) above.
- (3) The co-insurance amount appearing on the Medicare EOMB is multiplied by (1) above.
- (4) The Medicare paid amount appearing on the Medicare EOMB is multiplied by (1) above.

Example: total billed amount on the claim is \$1400, of which \$1200 is for hospital charges and \$200 is for physician/professional charges. The covered amount on the Medicare EOMB is \$1400, co-insurance is \$200, paid amount is \$800, and deductible is \$0.

For the MEDICAID Critical Access Hospital Claim:

- (1) Hospital billed charges % = $\$1200/\$1400 = 85.7\%$
- (2) There is no deductible for this claim.
- (3) Hospital co-insurance = $85.7\% \times \$200 = \171.40
- (4) Hospital Medicare paid amount = $85.7\% \times \$800 = \685.60

For the MEDICAID Physician/Professional Claim:

- (1) Physician billed charges % = $\$200/\$1400 = 14.3\%$
- (2) There is no deductible for this claim.
- (3) Physician co-insurance = $14.3\% \times \$200 = \28.60
- (4) Physician Medicare paid amount = $14.3\% \times \$800 = \114.40

Contact Information

If you have any questions or require additional information, please call Provider Relations at:

Provider Relations in Helena and out-of-state: (406) 442-1837

In-state toll-free: 1-800-624-3958

Visit the Provider Information website:

<http://www.mtmedicaid.org>