

Administrator Alert

*Policy updates & rule clarifications for Assisted Living,
Residential Care & Nursing Facilities*

Office of Licensing & Quality — Oregon Department of Human Services

May 19, 2010

Long-Term Care & Third Party Insurance Billing

Dear Administrator,

In order to comply with federal regulations regarding third party payers, the Department of Human Services (DHS) revised OAR 461-120-0315, which addresses long-term care and third-party insurance payments. The change, which became effective on January 1, 2010, requires nursing facilities to seek payment from all third-party payers prior to billing DHS. Medicaid recipients in nursing facilities and their long-term care insurance carriers received notice in November 2009.

Medicaid recipients with long-term care insurance should have their insurance carrier send payments directly to your facility and not DHS. If the carrier will only release payment to their client, the client must forward payments to you. Facilities are responsible for collecting these payments from the Medicaid client.

Here are some tips we hope will help you implement the process change:

- Do not designate long-term care insurance as liability payments. Liability payments are separate from the long-term care payments and come from the client's personal income or resources.
- Submit claims to DHS *after* you receive payment for long-term care. DHS pays the Medicaid rate on eligible claims less the sum of the third party payment(s).



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- DHS pays the Medicaid rate on eligible claims on denied third-party claims. Include the appropriate TPR denial reason code when you submit the DHS claim:
 - 179 Patient has not met the required waiting requirements
 - 28 Coverage not in effect when the service was provided
 - 29 The time limit for filing has expired
 - 35 Lifetime benefit maximum has been reached.

If you have any questions regarding long-term care or third party insurance billing, please contact Lisa Bowen, **503-378-8078** or the DHS Medical Payment Recovery Unit at **503-378-2005**.

Kristen Schafer, Manager
Medical Payment Recovery

***Please Note:** The Office of Payment Accuracy recently mailed a letter directly to the nursing facilities statewide containing the above information.*

