

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT201020 JUNE 15, 2010



Medical education reimbursement change, phase II

Effective January 1, 2010, the Indiana Health Coverage Programs (IHCP) began paying separately for medical education for qualifying hospitals rendering services to risk-based managed care (RBMC) members. This is in lieu of the managed care organizations (MCOs) paying medical education through the capitation rates.

The change in Medical Education (Med Ed) reimbursement is effective for claims with a *From Date of Service* of January 1, 2010, and after. HP Enterprise Services will process and issue the Med Ed payments to hospitals.

All Medical Education payment calculations are made once the MCO has posted the claim payment information, and the encounter claim has been posted to IndianaAIM. HP asks that providers allow 30 to 45 days from the time the MCO has processed the claim for the Med Ed payment to be posted to the fee-for-service Remittance Advice (RA) from HP.

The change in Medical Education reimbursement methodology is being implemented in two phases. Phase I implemented the emergency change with the Med Ed payment. Providers have been able to identify these payments by reviewing the financial summary page of the RA. The payment information shows in the expenditure section as nonclaim-specific payouts. In Phase I, the RA entry showed only the Med Ed dollar amount, as indicated by reason code 8372.

Phase II will provide claim-specific detail associated with each Med Ed payment (see attached sample Medical Education Cost Expenditures Remittance Advice). Payments will continue to be identified by reason code 8372. The detail includes the following:

- Member identification number
- Billed amount
- Internal control number (ICN)
- Medical education payment amount

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Medical education reimbursement

- Patient account number
- Transaction number
- Dates of service

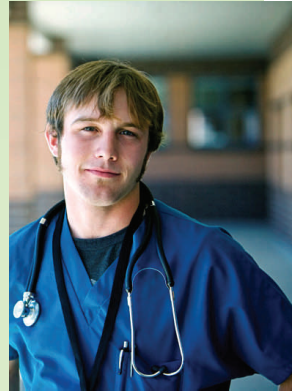
The void or replacement of an encounter claim submitted by an MCO will necessitate an adjustment of the Medical Education payment associated with the voided or replaced encounter claim.

The claim-specific adjustment information will show on the RA with the Med Ed payment information. Partial or full recoupment of the Med Ed payment will establish an AR that will appear on the Financial Transaction page of the RA, as well as the Expenditure amounts, if applicable. The following EOB information will display on the RA:

- A voided encounter claim will create a recoupment of the original Med Ed payment. An accounts receivable (AR) will be established for the recoupment of the original payment. This will be identified with EOB 08489 – *IHCP system AR decrease-expenditure offset applied.*
- A replacement of an encounter claim will create either an AR recoupment or expenditure, depending on whether the new claim paid more or less than the original encounter claim. This will be identified with EOB 08488 – *IHCP system result of Medical Education Adjustment.*

The claim-specific adjustment information will show on the RA with the Med Ed payment information. Partial or full recoupment of the Med Ed payment will establish an AR that will appear on the Financial Transaction page of the RA, as well as the Expenditure amounts, if applicable.

Phase II will be implemented June 30, 2010, and the claim-specific detail will first appear on the July 6, 2010, RA.



QUESTIONS?

If you have questions about this bulletin, please contact Customer Assistance at (317) 655-3240 in the Indianapolis local area or toll-free at 1-800-577-1278.

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