

Administrator Alert

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

Office of Licensing & Quality — Oregon Department of Human Services

May 29, 2009

NURSING FACILITY TRANSITIONAL AND INTERIM PAYMENT PROCESS CHANGES

Dear Administrator,

You may be aware the replacement Medicaid Management Information System (MMIS) is not currently processing Skilled Nursing Facility (SNF) coinsurance claims (also known as Medicare coinsurance claims). At the same time DHS is also seeing an increase in the number of paid long-term care claims that have been submitted for April and March 2009 dates of service.

On June 1, 2009, the Department of Human Services (DHS) will begin using two separate processes to review and issue transitional payments for long-term care claims and Interim payments for SNF coinsurance claims. This administrator alert will outline the specific changes DHS has made to allow for the processing of both types of payment requests.

Long-Term Care Transitional Payments (Revenue Code 100)

DHS will continue using the transitional payment process for long-term care claims that have been submitted but are denying because of any outstanding system issues. Beginning June 1, 2009, DHS will begin to analyze the paid, denied, and suspended claims for each facility requesting a transitional payment and may approve, reduce, or deny the request based on our analysis. To help facilities prepare for this procedural change, here are some important things for facilities to know:



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1. **Do NOT include unpaid coinsurance claims in your request for transitional payment.** The process for requesting a SNF coinsurance interim payment is outlined below.
2. Transitional payment requests will not be processed until after the services have been provided. If you send in a request for transitional payment before the end of the current month, DHS will not begin processing the request until the first part the next month.
3. Average processing time for a transitional payment is approximately 7-14 days if you receive a paper check, and approximately 5-10 days if you are getting paid through an Electronic Funds Transfer (EFT).
4. Providers are expected to submit all claims and adjustments, and to work on resubmitting any older claims that have denied in the past. If you have trouble getting claims to process, you can call Provider Services at 1-800-336-6016 to work through those claims. DHS will be working with providers to offer claim specific and provider specific outreach over the next several months to address claims that have not paid.
5. DHS will base the transitional payment on denied claims only. If you have not submitted claims for previous months, we may require you to submit those claims before we will authorize a transitional payment.
6. Providers are expected to keep accurate records of all claims that have been submitted, but have not paid. DHS may ask providers to send in an aging report or spreadsheet showing the outstanding Medicaid balances. DHS may use this information to help you determine what needs to occur for those claims to pay.

SNF Coinsurance Interim Payments (Currently Revenue Code 022)

DHS will no longer issue “transitional payments” to Medicare certified facilities for the SNF coinsurance claims. Instead, these payments will be made through a new process called SNF Coinsurance Interim Payment. The purpose of this new process is to allow DHS to issue an interim payment for SNF coinsurance claims without immediately activating the MMIS to recoup this payment from the next claims you



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submit. Instead, DHS will wait to set up the system to recoup this amount until the MMIS is processing the SNF coinsurance claims.

To help facilities prepare for the new SNF coinsurance interim payment process, here are some important things for facilities to know:

1. **Do NOT include unpaid long-term care claims in your request for a SNF coinsurance interim payment.**
2. You do not need to submit SNF coinsurance claims at this time because they will not process correctly in the MMIS. DHS will notify you via an administrator alert when you will be expected to submit the SNF coinsurance claims.
3. SNF coinsurance interim payment requests will not be processed until after the services have been provided. If you send submit a request for an interim payment before the end of the current month, DHS will not begin processing the request until the first part the next month.
4. Average processing time for the interim payment is approximately 7-14 days if the facility receives a paper check and approximately 5-10 days if the facility is set up for an Electronic Funds Transfer (EFT). Due to the increased number of requests DHS will receive in the month of June 2009 (for previous months), there might be a slight delay in processing time.
5. You are not required to send in a separate request for each resident, however you must submit a separate request for each month of service from November 2008 forward. *Exception, you can send in one request for an interim payment for unpaid coinsurance claims prior to November 2008.*
6. All requests for SNF coinsurance interim payments must include the total number of residents and the total number of billable days (days 21-100 only).
7. Once the MMIS is paying the SNF coinsurance claims, DHS will set up the MMIS to recoup any interim payments you received, and you will be required to submit all SNF coinsurance claims for the residents and dates of service for which you have received an interim payment. DHS will notify you via an administrator alert when you will be expected to submit the SNF coinsurance claims.



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8. We anticipated it would take several months for the system to be set up to pay the coinsurance claims. In the interim, providers are expected to keep accurate records of all billable SNF coinsurance days for each resident so the claims can be reconciled against the accounts receivable once the system is paying coinsurance claims.

Beginning June 1, 2009, providers will be required to complete the attached SNF Coinsurance Interim Payment Request Form in order to receive an interim payment.

