



INTERIM COMMISSIONER
Jon Weizenbaum

October 26, 2012

To: Nursing Facilities
Hospice Providers
Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Condition

Subject: Information Letter No. 12-82
Status of the implementation of the Cost Avoidance Project

The purpose of this information letter is to provide a status of the implementation of the Cost Avoidance Project. The project is being implemented in three phases: Release 1 (August 2012), Release 2 (November 2012), and Release 3 (February 2013).

Release 1: Implemented August 2012

This release implemented new Operations processes for validating insurance information on file for Long Term Care (LTC) individuals at the Texas Medicaid & Healthcare Partnership (TMHP). The release provides phone support to providers requiring assistance with Other Insurance information on file for individuals in their facilities.

Release 2: November 2012

"Other Insurance Policies" Section

Effective November 2, 2012, a new section "Other Insurance Policies" will be added to the Medicaid Eligibility Service Authorization Verification (MESAV). Insurance policies for LTC individuals will be displayed on the MESAV. This section contains all lines of coverage that have been reported to TMHP. Providers should use this information to file claims with LTC relevant insurance companies and obtain the disposition of those claims as paid or denied.

Providers can request a MESAV for individuals in their facilities for up to three months.

Each insurance policy listing contains detailed information about the:

- insurance company;
- subscriber; and
- lines of coverage (Types of Coverage, Effective Date, Termination Date, and LTC relevant fields).

If the insurance information on the MESAV is incorrect or determined to be irrelevant to LTC, providers should contact TMHP Third Party Liability (TPL) to update the information. Before contacting TMHP, providers must ensure that the insurance Explanation of Benefits (EOB) received from the insurance company following submission and processing of a claim is on file at their site.

MESAV Eligibility Section Changes

In addition to the coverage code currently available in the MESAV, a secondary coverage code to further define the individual's Medicaid eligibility type will be added in the Eligibility Section.

Providers can view Medicare Part A and Part C eligibility on the MESAV for individuals in their facilities. Each eligibility line contains detailed information about the:

- type of Medicare eligibility;
- effective, termination, add dates; and
- Medicare part C information.

Release 3: February 2013

In this release, the TexMedConnect Application, the American National Standard Institute (ANSI) X12, and the TMHP Claims Management System (CMS) will be updated to implement the Cost Avoidance Project. The ANSI X 12 companion guides and the TMHP TexMedConnect Computer Based Training (CBT) will be updated with the new screen fields required for claim submission.

Claims submitted to TMHP for services provided February 2013 and forward must include the status (paid, denied, or no response) of the LTC relevant third party insurance claim, and the amount paid by the insurance company. If the existence of an LTC relevant third party insurance policy is detected at the time of claim submission, and this information is not provided, the claim will be denied by TMHP with an appropriate EOB.

Skilled Nursing Facility claims submitted to TMHP must include the:

- traditional Medicare total coinsurance amount due per the Medicare Part A Remittance Advice, or
- non-traditional Medicare total copay/deductible amount due per the Medicare Part C EOB.

For questions related to the Cost Avoidance Project an email can be sent to CostAvoidance@dads.state.tx.us.

For questions related to the Other Insurance information on file at TMHP call TMHP TPL at 1-800-846-7307, Option 5.

Providers should monitor the LTC homepage at http://www.tmhp.com/Pages/LTC/ltc_home.aspx for future information notices about the Cost Avoidance Project.

Sincerely,

[signature on file]

David Cook
Interim Chief Financial Officer
DC: mgm