

Magellan Compliance Notebook – July, 2016

Magellan Behavioral Health of Pennsylvania, Inc. (Magellan) strives to be proactive and use education as a preventative tool to help ensure our members receive the highest quality of care through you, the provider. The Compliance Department at Magellan is committed to sending monthly e-mails to targeted providers regarding a Compliance-related subject.

This e-mail communication is specific to your HealthChoices (Pennsylvania Medicaid) Contract with Magellan.

This month, we would like to remind all providers regarding the requirement to hold Medicaid members harmless.

With the release of MA Bulletin 99-10-14, The Department of Human Services (DHS) reminded providers that The Centers for Medicare and Medicaid Services (CMS) has a regulation that **prohibits MA providers from billing recipients or the Medicaid agency** (BH-MCO or MA FFS) for missed appointments including no-shows and cancelled appointments. A missed appointment is not a distinct reimbursable service, but is part of the provider's overall cost of doing business. As such, it is included in the contracted rate. State Medicaid programs including Pennsylvania's MA program must comply with the CMS policy on this subject.

Magellan's Provider Contracts and Provider Handbook also include language related to collecting out-of-pocket expenses from members. Specifically:

- Magellan's Provider Handbook Supplement for PAHC (page 73): As a Magellan provider, you are required to hold HealthChoices members harmless and cannot bill them for the difference between your contracted rate with Magellan and your standard rate. This practice is called balance billing and is not permitted.
- Magellan Facility Contract (Section 2.4.6 Member Hold Harmless Commitment): Facility agrees that in no event, including but not limited to non-payment by Magellan or Payor, insolvency or breach of this Agreement, shall Facility or its contractors or employees bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against any Members or any other persons other than Magellan or any such Payor, for services provided pursuant to this Agreement.
- Magellan Individual Agreement (Section 2.4.6 Member Hold Harmless Commitment): Provider agrees that in no event, including but not limited to non-payment by Magellan or

Payor, insolvency or breach of this Agreement, shall Provider or its contractors or employees bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against any Members or any other persons other than Magellan or any such Payor, for services provided pursuant to this Agreement.

Please be advised that threatening members with the possibility of a charge for missed or cancelled appointments is also not a supported practice, regardless of whether out-of-pocket money is actually collected. Magellan has received member complaints and also observed this technique during provider audits. Providers should not issue a false statement as a way to induce accountability in patients, especially when such a practice would violate Medicaid regulations.

At Magellan, we will continue to educate our providers with updated MA Bulletins, Regulations and other pertinent information in order to ensure Compliance.

Thank you for your ongoing hard work and dedication to our members!

Magellan of Pennsylvania's Compliance Team

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