Magellan Compliance Notebook

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's communication is directed to all providers and serves as a reminder about Third Party Liability requirements and the Medicare Crossover billing process.

Federal law requires Medicaid to be the payor of last resort whenever a member has primary coverage in addition to Medicaid. Magellan is responsible for ensuring that primary insurance coverage is billed, and benefits are coordinated. This must occur prior to Medicaid reimbursing for services that are otherwise the responsibility of a primary payor.

Consistent with 42 C.F.R. §438.3(t), Magellan has entered into an individual Coordination of Benefits Agreement (COBA) with Medicare for members dually eligible for Medicaid and Medicare and participates in the automated claims crossover process. Thus, Providers dually enrolled in Medicare and Medicaid can submit claims directly to Medicare and these claims will be automatically routed to the member's secondary payer (Medicaid or other supplemental insurer) after Medicare has adjudicated the claim. This reduces the need for providers to submit separate secondary claims. Upon receipt, Magellan will be able to reimburse providers for any Medicare deductibles or coinsurance amounts relating to any Medicare-covered service up to the contracted Magellan rate for the service billed by Network Providers.

Providers must enroll with Medicare if seeing members who have this coverage. This enrollment will support the COBA crossover process and allow Magellan to pay as secondary. Without this enrollment with Medicare, Magellan may be unable to pay as secondary for dual eligible members. For additional information about Medicare enrollment, please refer to the resources posted on Magellan's website here: https://www.magellanofpa.com/documents/2026/09/092526_medicareenrollmentresources.pdf/

Effective January 1, 2027, failure to enroll in Medicare may result in claims denials requesting Primary Carrier Explanation of Benefit (EOB). Any provider who is not properly enrolled as a Medicare provider should refer Magellan Medicaid members who have Medicare primary coverage to contact their primary insurer for in-network provider options.

As a reminder, Providers are prohibited from balance billing Members for any deductibles or coinsurance for covered services.

At Magellan, we will continue to educate our providers with updated MA Bulletins, regulations, and other pertinent information to ensure Compliance. Although providers are ultimately responsible for knowing and complying with all applicable regulations, we proactively engage providers on an ongoing basis to make sure they are aware of compliance-related requirements and expectations. Medicaid Program Integrity is truly a collaborative effort between our providers, county customers, Magellan, Bureau of Program Integrity (BPI) and other oversight agencies. The monthly e-mail blast topics are generated from audit results and trends; however, they are also sent in response to recent Magellan policy updates; newly released or relevant MA Bulletins and Policy Clarifications; or Regulation changes. The intention is to afford our providers with as many resources as possible to combat FWA and reduce overpayments.

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

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