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.

For this month's communication, we would like to remind all providers about the restriction of charging members for **out-of-pocket expenses**. This includes collecting any payment from members for covered services, no-shows or missed appointments.

Pennsylvania Medicaid (MA) participating providers must comply with federal and state Medicaid requirements regarding member financial responsibility.

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. State Medicaid programs including Pennsylvania's MA program must comply with the CMS policy on this subject. The Department of Human Services (DHS) reminds providers in MA Bulletin 99-10-14 that MA providers are prohibited 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.

Providers may **not bill, charge, collect deposits from, or otherwise seek payment from Medicaid members for covered services**. Payment for covered services must be accepted as payment in full.

This prohibition includes, but is not limited to:

- Charging members for covered services that are reimbursable through Medicaid.
- Requesting payment at the time of service for covered benefits.
- Billing members for the difference between the provider's charge and the Medicaid allowable amount (balance billing).
- Requiring deposits or prepayments for covered services.

- Charging fees related to missed appointments, cancellations, or no-show visits.
- Sending unpaid balances associated with covered services or missed appointments to collection agencies.
- Withholding future services or scheduling opportunities due to a member's inability or refusal to pay prohibited charges.

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

- Magellan's Provider Handbook Supplement for HealthChoices Program Providers: 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.

Magellan has received recent member complaints and also observed this technique during provider audits. 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. Providers should not issue a false statement as a way to induce accountability in patients, especially when such a practice would violate Medicaid regulations.

Providers may establish administrative processes to manage scheduling and appointment adherence; however, these processes must not result in financial penalties to Medicaid members or otherwise conflict with Medicaid billing requirements. Any collection of payment from Medicaid members for covered services or no-show appointments may be considered noncompliant billing activity and could result in corrective action, repayment obligations, provider education, monitoring, or other actions as appropriate, including termination.

Providers are expected to review their billing, scheduling, and collection practices to ensure ongoing compliance with Pennsylvania Medicaid requirements and contractual obligations. If

your organization utilizes third-party billing vendors or practice management systems, please ensure those entities are also aware of and adhere to these requirements.

Please note that if the service is one that Pennsylvania Medicaid does not cover at all (for example, certain elective wellness or coaching services that are not Medicaid benefits), the member may be charged if properly notified beforehand. In this scenario, the member should be asked to sign an attestation acknowledging that the service is not covered and agrees to receive it as a private-pay service.

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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