

Section 12 - Reimbursement Methodology



SECTION 12 - REIMBURSEMENT METHODOLOGY

12.1 THE BASIS FOR ESTABLISHING A RATE OF PAYMENT 2

12.2 PHYSICIAN SERVICES 2

12.3 DETERMINING A FEE 2

 12.3.A ON-LINE FEE SCHEDULE..... 3

12.4 MEDICARE/MO HEALTHNET REIMBURSEMENT (CROSSOVER CLAIMS) 3

12.5 PARTICIPANT COST SHARING AND COPAY 3

12.6 A MANAGED HEALTH CARE DELIVERY SYSTEM METHOD OF REIMBURSEMENT 4

 12.6.A MO HEALTHNET MANAGED HEALTH CARE 4

12.7 PRIOR CONTENTS NO LONGER APPLICABLE 4

12.8 DIRECT DEPOSIT OPTION..... 4

 12.8.A AUTHORIZATION BY CLINIC MEMBERS 5



SECTION 12-REIMBURSEMENT METHODOLOGY

12.1 THE BASIS FOR ESTABLISHING A RATE OF PAYMENT

The MO HealthNet Division is charged with establishing and administering the rate of payment for those medical services covered by the Missouri Title XIX Program. The Division establishes a rate of payment that meets the following goals:

- Ensures access to quality medical care for all participants by encouraging a sufficient number of providers;
- Allows for no adverse impact on private-pay patients;
- Assures a reasonable rate to protect the interests of the taxpayers; and
- Provides incentives that encourage efficiency on the part of medical providers.

Funds used to reimburse providers for services rendered to eligible participants are received in part from federal funds and supplemented by state funds to cover the costs. The amount of funding by the federal government is based on a percentage of the allowable expenditures. The percentage varies from program to program and in some cases different percentages for some services within the same program may apply. Funding from the federal government may be as little as 60% or as much as 90%; depending on the service and/or program. The balance of the allowable, (10-40%) is paid from state General Revenue appropriated funds.

Total expenditures for MO HealthNet *must* be within the appropriation limits established by the General Assembly. If the expenditures do *not* stay within the appropriation limits set by the General Assembly and funds are insufficient to pay the full amount, then the payment for services may be reduced pro rata in proportion to the deficiency.

12.2 PHYSICIAN SERVICES

Reimbursement for physician services is made on a fee-for-service basis. The maximum allowable fee for a unit of service has been determined by the MO HealthNet Agency to be a reasonable fee, consistent with efficiency, economy, and quality of care. Payment for covered services is the lower of the provider's actual billed charge (should be the provider's usual and customary charge to the general public for the service), or the maximum allowable per unit of service.

12.3 DETERMINING A FEE

Under a fee system each procedure, service, medical supply and equipment covered under a specific program has a maximum allowable fee established.



Section 12 - Reimbursement Methodology

In determining what this fee should be, the MO HealthNet Division uses the following guidelines:

- Recommendations from the State Medical Consultant and/or the provider subcommittee of the Medical Advisory Committee;
- Medicare's allowable reasonable and customary charge payment or cost-related payment, if applicable;
- Charge information obtained from providers in different areas of the state. Charges refer to the usual and customary fees for various services that are charged to the general public. Implicit in the use of charges as the basis for fees is the objective that charges for services be related to the cost of providing the services.

The MO HealthNet Division then determines a maximum allowable fee for the service based upon the recommendations, charge information reviewed and current appropriated funds.

12.3.A ON-LINE FEE SCHEDULE

MO HealthNet fee schedules through the MO HealthNet Division are available at <http://dss.missouri.gov/mhd/>. The on-line Fee Schedule identifies covered and non-covered procedure codes, restrictions, allowed units and the MO HealthNet allowable fee per unit. The on-line Fee Schedule is updated quarterly and is intended as a reference *not* a guarantee for payment.

The on-line Fee Schedule allows for the downloading of individual files or the search for a specific fee schedule. Some procedure codes may be billed by multiple provider types. Categories within the Fee Schedule are set up by the service rendered and are *not* necessarily provider specific.

Refer to Section 13 for program specific benefits and limitations.

12.4 MEDICARE/MO HEALTHNET REIMBURSEMENT (CROSSOVER CLAIMS)

For MO HealthNet participants who are also Medicare beneficiaries and receive services covered by the Medicare Program, MO HealthNet pays the deductible and coinsurance amounts otherwise charged to the participant by the provider. See Section 16 for a detailed explanation of these claims.

12.5 PARTICIPANT COST SHARING AND COPAY

Certain MO HealthNet services are subject to participant cost sharing or copay. The cost sharing amount is paid by the participant at the time services are rendered. Services of the Physician Program described in this manual are subject to a cost sharing or copay amount. The provider *must*

Section 12 - Reimbursement Methodology



accept in full the amounts paid by the state agency plus any cost sharing or copay amount required of the participant. Refer to Section 13 for program specific information.

12.6 A MANAGED HEALTH CARE DELIVERY SYSTEM METHOD OF REIMBURSEMENT

One method through which MO HealthNet provides services is a Managed Health Care Delivery System. A basic package of services is offered to the participant by the health plan; however, some services are *not* included and are covered by MO HealthNet on a fee-for-service basis.

Physician services are included as a plan benefit in the MO HealthNet Managed Care program.

12.6.A MO HEALTHNET MANAGED HEALTH CARE

Under a managed care health plan, a basic set of services is provided either directly or through subcontractors. Managed health care plans are reimbursed at an established rate per member per month. Reimbursement is based on predicted need for health care and is paid for each participant for each month of coverage. Rather than setting a reimbursement rate for each unit of service, the total reimbursement for all enrollees for the month *must* provide for all needed health care to all participants in the group covered.

The health plan is at risk for staying within the *overall* budget—that is, within the negotiated rate per member per month multiplied by the number of participants covered. Some individual cases exceed the negotiated rate per member per month but many more cases cost less than the negotiated rate.

The MO HealthNet Program utilizes the managed care delivery system for certain included MO HealthNet eligibles. Refer to Section 1 and Section 11 for a detailed description.

12.7 PRIOR CONTENTS NO LONGER APPLICABLE

12.8 DIRECT DEPOSIT OPTION

The MO HealthNet Program offers providers the option of having their MO HealthNet checks automatically deposited into their checking or savings accounts. This option is much quicker than receiving payment through the mail and eliminates the possibility of lost checks.

Providers electing to participate in direct deposit *must* complete the Application for Provider Direct Deposit form. Direct deposit begins following a submission of a properly completed application form to the MO HealthNet Division, the successful processing of a test transaction through the banking system and the authorization of the Division to make payment using the direct deposit



Section 12 - Reimbursement Methodology

option. The state conducts direct deposit through the automated clearing house system, utilizing an originating depository financial institution. The rules of the National Clearing House Association and its member local Automated Clearing House Association shall apply, as limited or modified by law.

The Application for Provider Direct Deposit form provides instructions for completing the form on the reverse side. This form *must* also be used if providers wish to change an account number or cancel their election to participate. Exact copies of the form may be used. One form *must* be completed for each provider number. Providers may obtain additional forms by contacting the Provider Enrollment Unit of the MO HealthNet Division at P.O. Box 6500, 615 Howerton Court, Jefferson City, MO 65102-6500 or by e-mail at providerenrollment@dss.mo.gov. The provider may also download these forms from the website at www.emomed.com. *Please read the form and instructions carefully*; Section C contains statements regarding legal obligations.

The MO HealthNet Division will terminate or suspend the direct deposit for administrative or legal actions, including but not limited to: ownership change, duly executed liens or levies, legal judgments, notice of bankruptcy, administrative sanctions for the purpose of ensuring program compliance, death of a provider, and closure or abandonment of an account.

All payments are direct deposited or mailed. Providers and their representatives are *not* permitted to accept delivery of MO HealthNet checks in person.

The MO HealthNet Remittance Advice is mailed separately or may be downloaded from the billing website at www.emomed.com.

12.8.A AUTHORIZATION BY CLINIC MEMBERS

Application for Provider Direct Deposit forms submitted by a clinic or group *must* be accompanied by an Authorization by Clinic Members form. The Authorization by Clinic Members form *must* contain a list of the provider name(s) and provider identifier(s) of all the providers employed at the clinic/group, along with the original signature of the clinic owner or administrator. All other providers *must* complete a separate Application for Provider Direct Deposit form containing their individual provider identifier and original signature. This form may be found at www.dss.mo.gov/mhd under MO HealthNet Forms.

The Authorization by Clinic Members form *must* also be completed when a clinic/group has an address or payment change. These types of changes *must* be accompanied by an updated Clinic Agreement/Questionnaire. The provider needs to contact the Provider Enrollment Unit by e-mail at providerenrollment@dss.mo.gov for the appropriate form(s) before submitting any changes other than the initial Application for Provider Direct Deposit.

END OF SECTION

[TOP OF PAGE](#)