

DEPARTMENT OF SOCIAL SERVICES

DIVISION OF MEDICAL SERVICES

700 GOVERNORS DRIVE

PIERRE, SD 57501-2291

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Strong Families - South Dakota's Foundation and Our Future

September 29, 2010

Dear South Dakota Medical Assistance Provider:

The American Recovery and Reinvestment Act of 2009 (ARRA) implemented changes to how state Medicaid agencies impose cost-sharing upon American Indians under certain circumstances.

Specifically, ARRA prohibits the charging of cost-sharing to an American Indian if the service is provided by an Indian Health Service (IHS) facility, an Urban Indian Health (UIH) provider, or by providers of contract health services (CHS) under a referral from an IHS provider. Under these circumstances, the provider of the services will receive payment in full from the Medicaid agency. The effective date of the ARRA legislation is retroactive back to July 1, 2009.

According to the IHS, CHS pays only through a referral. Possible forms of notification of a referral include:

1. Copy of referral received directly from CHS;
2. Copy of CHS referral sent with the recipient; or
3. Copy of the attached (Attachment 1) sample letter sent with the recipient.

If you are providing services to American Indians under referral from CHS, you should not charge cost sharing. You will be paid the full amount reimbursable by the South Dakota Medical Assistance Program (SDMAP). In order to receive the full reimbursement amount, you must enter the IHS facility's servicing National Provider Identification Number (NPI) in the following box:

Institutional – Box 78
Professional – Box 17B

You will have an opportunity to recoup any co-payments that were withheld from your payments for services beginning July 1, 2009 for services that were provided under referral from a CHS provider. Attachment 2 is a spreadsheet to submit for reimbursement of previously unpaid co-payments and for recipients who paid you a co-payment, but would have been exempt under the ARRA legislation. You need to refund the recipient the co-payment they made and submit the charge to the SDMAP. Please complete the request for payment no later than December 31, 2010.

The completed worksheets should be sent to the attention of Jodi Lehmkuhl at the above address. Thank you for your cooperation in this matter and please contact our provider telephone service unit at 1-800-452-7691 if you have questions.

Sincerely,

Larry Iversen
Medicaid Director

cc: Cindy Smith, Centers for Medicare and Medicaid Services
Karla Hall, Aberdeen Area Indian Health Services
Jerry Hofer, South Dakota Department of Human Services

<Provider Full Name>

<Address>

<City, State Zip Code>

Dear <Provider Full Name>,

On July 1, 2009 the American Recovery and Reinvestment Act (ARRA) of 2009, Public Law 111-5 became law. Section 5006(a) of ARRA amends SSA Section 1916 by providing exemptions for certain American Indians and Alaska Native applicants and participants from cost sharing requirements and assures Indian health providers and those providing services under a Contract Health Services referral from an Indian health provider will receive full payment. Section 5006a states:

- Exempts Indians from enrollment fees, premiums, or similar charges if they are furnished an item or service by an Indian health care provider (Indian Health Service (IHS), an Indian Tribe, Tribal Organization, or Urban Indian Organization (UTIU) or through referral under CHS.
- Exempts Indians from payment of a deductible, coinsurance, co payment, or similar charge for any item or service covered by Medicaid if the Indian is furnished the item or service directly by an Indian Health provider – UTIU – or through CHS.
- Prohibits any reduction of payment that is due under the full Medicaid payment rate for furnishing the item or service. The payments may not be reduced by the amount of any enrollment fee, premium, deduction, copayment, or similar charge that otherwise would be due from the Indian.

In summary the Indian patient can not be billed for any enrollment fee, premium, deductibles,, copayment, or similar charge that otherwise would be due from the Indian and you should be paid by Medicaid at the full Medicaid payment rate for furnishing the item or service. Further information on this notice can be obtained by contacting our office at [insert phone number].

Date: [Insert MM/DD/YYYY]

Name of Entity/Sender: [Insert Name of I/T/U Site]

Contact--Position/Office: [Insert Position/Office]

Address: [Insert Street Address, City, State & Zip Code of Entity]

Phone Number: [Insert Entity Phone Number]

