

South Dakota Medical Assistance Newsletter

Department of Social Services
Division of Medical Services
700 Governor's Drive, Pierre
South Dakota 57501

Phone: 605-773-3495
Fax: 605-773-5246
E-mail: medical@state.sd.us
www.state.sd.us/social/medical

August 2005

*Periodically, Medical Assistance will be sending out new News.
Please take the time to read the News. It will be beneficial to both the Provider and Medical Assistance.*

Cost Sharing Policy

Effective June 8, 2005

Physician Care (including independent mental health providers): \$3 per visit.

Prescriptions: \$3 each brand name prescription or refill.
(Note: There is no cost-share on generic medications).

Optometric and Optical Services: \$2 for each procedure, lens, frame charge, other parts, and repair service.

Adult Dental: \$3 for each procedure.

Inpatient Hospital Services: \$50 for each non-emergency admission.

Outpatient Hospital Services and Ambulatory Surgical Centers: 5 percent of allowable reimbursement up to maximum of \$50 for non-emergencies.

Medical Equipment/Prosthetic Devices: 5 percent of the allowable reimbursement.

Covered Chiropractic Services: \$1 for each procedure. Cost share is not applied to radiological examination procedures.

Podiatry Covered Services: \$2 for each covered procedure.

Mental Health Clinics: 5 percent of the allowable reimbursement for each procedure.

Nutritional Services (age 21 and older): \$2 a day for enteral and \$5 a day for parenteral.

Diabetes Education: \$3 per unit of service

Chemical Dependency Treatment (age 19 to 21): Co-pay may be required.

EPSDT (age 19 and 20): \$3 for each screening, dental procedure, dentures and \$2 for each optometric or optical procedure.

Rural Health Clinics & Federally Qualified Health Centers: \$3 each visit at facility or hospital-based clinic.



Healthy Kids Klub

Children from birth to age 21 who are eligible for South Dakota Medical Assistance have coverage for comprehensive preventive and treatment services through the Healthy Kids Klub Program. To learn more and order the Looks Can Be Deceiving Brochure log on to the Department of Social Services web site at www.state.sd.us/social/Medical/Recipient/KidsKlub/Looks

Certificate of Medical Necessity

Please be advised, pursuant to Administrative Rules of South Dakota (ARSD) 67:16:29:04(4), the prescribing physician must sign and date the certificate of medical necessity (CMN). ARSD 67:16:29:04.02 states the durable medical equipment (DME) provider shall ensure a CMN is completed, signed, and dated within 30 days after the date of the prescription. Failure to obtain a properly completed CMN is **cause for nonpayment**.

We request all South Dakota Medical Assistance providers who prescribe durable medical equipment be aware of, and comply with, the above stated rule. It is a hardship for both the medical equipment providers who repeatedly contact physician offices for a required signature and date, and the physician's office staff who are constantly addressing these requests.

Prescribing physicians can impact the quality of care provided to their patients by signing and dating appropriate CMNs as requested by the DME provider. The Division of Medical Services greatly appreciates your continued efforts in support of the South Dakota Medical Assistance Program.

Nebulizers Purchase Only

Effective July 1, 2005, South Dakota Medicaid no longer allows for the lease to purchase or rental of nebulizers. Nebulizers are purchase only with a limitation of one every five years in accordance with manufacture warranties.

This new policy is supported by Administrative Rule of South Dakota (ARSD) 67:16:29:05. Rental or purchase at department's discretion...(3) Equipment costing less than \$120 will normally be purchased. As a reminder, nebulizers are categorized as durable medical equipment. Coverage is contingent upon compliance with all rules of the Durable Medical Equipment (DME) Chapter of the South Dakota Medical Assistance Program Professional Services Manual, to include but not limited to, written prescriptions and a properly completed Certificate of Medical Necessity (CMN). Pharmacies providing nebulizers are therefore bound to the DME rules for appropriate Medicaid coverage.



Medicare Prescription Drug Benefit

The Medicare Prescription Drug Benefit takes effect January 1, 2006. In the coming months, providers will play an important role in helping people with Medicare and Medicaid who need information about the new prescription drug coverage. Following is a schedule of important dates:

August 2005 - Medicare will send a notice to individuals who receive Medicaid and Medicare informing them that they will be automatically enrolled.

October 2005 - lists of drug plans and their costs will be released.

November 15, 2005 - enrollment into specific drug plans will begin.

January 1, 2006 - Medicare drug coverage begins for those enrolled by December 31.

May 15, 2006 - initial enrollment ends. Eligible individuals who did not enroll by this date may pay higher premiums if they enroll later.

Medicare eligible individuals with questions may be directed to the State Health Insurance Assistance Program at 1-800-536-8197 or Medicare can be contacted at 1-800-633-4227.

Lead Screening Reminder

As part of the Healthy Kids Klub, the South Dakota Medical Assistance Program reimburses for preventive healthcare services. According to the Centers for Medicare and Medicaid Services (CMS), all Medical Assistance children are considered at risk for lead toxicity and must be screened. Routine lead screenings are recommended at 12 and 24 months of age. In addition, children between the ages of 36 and 72 months of age must receive a lead screening test if they have not been previously screened. The South Dakota Department of Health has the capacity to analyze samples for lead and provide supportive services when an elevated lead level is detected. If you have questions regarding the follow-up of an elevated lead screening please call the South Dakota Department of Health at 605-773-3368 or 1-800-738-2301 (In South Dakota Only).

Electronic Crossover Claims

South Dakota Medical Assistance (SDMA) is trying to reduce the number of paper crossover claims providers submit for processing and payment. To accomplish this, SDMA is requesting providers submit a list of all their Medicare numbers used for billing and the matching South Dakota Medicaid Provider number it is associated with. These Medicare numbers will be added to the provider file system so when data is received from a Medicare intermediary the electronic claims can crosswalk to your Medicaid provider number. If you have multiple Medicaid provider numbers and only one Medicare billing number, our system can only associate your one Medicare number with one of the multiple Medicaid provider numbers. You will need to decide which Medicaid provider number will be the designated number to receive payment for all your Medicare claims. Submit Medicare numbers to the following: Provider Enrollment, Medical Services, 700 Governors Drive, Pierre, SD 57501 or you may fax the information to 605-773-5246.

Coordination of Benefits Agreement (COBA) Initiative

The Centers for Medicare & Medicaid Services (CMS) is consolidating the Medicare claims crossover process under a special Coordination of Benefits Contractor (COBC) by means of the COBA initiative.

The new COBA Program establishes a nationally standard contract between CMS and other health insurance organizations that defines the criteria for transmitting enrollee eligibility data and Medicare adjudicated claim data. The CMS will transfer the claims crossover functions from individual Medicare contractors to a national claims crossover contractor, COBC.

South Dakota Medicaid began participation in the national COBA program. CMS stated that the COBA program is expected to greatly improve the efficiency, timeliness, and accuracy of the claims crossover process by eliminating redundancies inherent in the current system. The new program will reduce the administrative burden associated with submitting non-electronic claims to other insurers, standardize the supplemental payment process, and improve service to health care providers and covered recipients.

The COBA kickoff meeting was held July 19, 2005. South Dakota Medicaid is in a group with eleven other State Medicaid programs. According to CMS implementation schedule, we should be done testing and begin implementation within 100 working days of our kickoff meeting.

Pharmacy Coordination of Benefits Changes

The South Dakota Medical Assistance Prescription Drug Program recently required pharmacy providers to submit claims to their patients' primary drug plan before submitting claims to Medicaid when applicable. The process is termed Cost Avoidance, but is also known as Dual or Split Billing by pharmacies. There are specific procedures required by Medicaid in this process. The development and specifics of these procedures can be viewed on the South Dakota Department of Social Services Medical Assistance web site at www.state.sd.us/social/Medical/provider/Pharmacy. Pharmacy providers should note the directions and specific field numbers addressed in these notices. If you are a provider having problems properly submitting claims, contact your software vendor and make them aware of the field numbers involved in the process.

If there are additional questions, you may contact Mark Petersen, R.Ph. with South Dakota Medical Assistance at 605-773-3495.

ATTENTION SOUTH DAKOTA MEDICAID PROVIDERS:

Please do not give out the South Dakota Medicaid 1-800 number to recipients. This number was established for in-state providers to use when they have questions concerning their provider status, claims and/or remittances.

