

DEPARTMENT OF SOCIAL SERVICES

DIVISION OF MEDICAL SERVICES

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December 5, 2012

TO: All SD Medicaid Providers

FROM: South Dakota Division of Medical Services

RE: Electronic Submission of Claims with Private Health Insurance Primary

The South Dakota Medicaid Program recently became aware of an adjudication discrepancy when processing electronic claim submissions for claims indicating a private health insurance (PHI) payment primary. The Medicaid payments did not acknowledge the applicable PHI payment per claim line beyond the first line of every claim, resulting in overpayments for all multiple line claims.

SD Medicaid hopes that most providers identified these overpayments through weekly resolution of their Remittance Advices resulting in either claim adjustment/void submissions, or refund checks back to the program. If not, we expect resolution of your Medicaid credit balance reports to be forthcoming.

The Division of Medical Services has corrected the adjudication error. From this date forward, each claim line payment, if noted by the provider in the correct loop and segment, will be applied to each claim line's Medicaid allowable payment amount prior to being adjudicated. The correct loop and segment positions for reporting the private health insurance payment is 2430-SVD02. Payment amounts greater than zero identified in this loop and segment will be deducted from the Medicaid allowable and paid accordingly. Zero amounts will be denied for resubmission of a paper claim with the corresponding Explanation of Benefits (EOB) attached justifying the denial or zero health insurance payment.

Please direct all questions regarding submission of electronic claims with private health insurance primary to Scott Johnson at (605) 773-3495.. All questions regarding return of overpayments should be directed to Anja Aplan in the Surveillance & Utilization Review Unit (SURs) at (605) 773-3495. We apologize for any inconvenience this may have caused. Thank you for your continued support of the SD Medicaid Program and your cooperation in this matter.

Randy J. Hanson
Payment Control Officer
Division of Medical Services
South Dakota Department of Social Services