



Department of Medical Assistance Services
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MEDICAID MEMO

TO: Medicaid Providers Including Managed Care Organizations Providing Services to Virginia Medicaid and FAMIS Members and PACE Organizations

FROM: Gregg A. Pane, MD, MPA, Director
Department of Medical Assistance Services (DMAS)

MEMO: Special

DATE: 9/2/2010

SUBJECT: Rate Changes Effective October 1, 2010 as a Result of Additional Medicaid Funding and Other Program Changes

The Department of Medical Assistance Services (DMAS) implemented rate reductions effective July 1, 2010 affecting many providers as required by the 2010 Appropriation Act. The Appropriation Act also directed DMAS to reverse some of these rate reductions if Congress extended through June 30, 2011 the additional federal funding for Medicaid originally included in the American Recovery and Reinvestment Act of 2009. In early August, Congress passed an extension of the federal funding but at a lower level than originally anticipated. The Appropriation Act authorized modifications to the restorations consistent with available funding and the decision was made to rescind these rate cuts effective for dates of service from October 1, 2010 through June 30, 2011. The following rate reductions implemented July 1, 2010 will be rescinded October 1, 2010:

- Reduction of the hospital inpatient adjustment factor for operating rates (see hospital rate letter of May 27, 2010)
- Reduction of the inpatient hospital capital rate reimbursement (see hospital rate letter of May 27, 2010)
- Reduction of the outpatient hospital reimbursement (see hospital rate letter of May 27, 2010)
- Elimination of the incentive plan for long-stay hospitals (see hospital rate letter of May 27, 2010)
- 3% reduction to rates for residential treatment centers (see residential treatment center rate letter of May 27, 2010)
- 3% reduction to nursing facility operating rates (see nursing facility letter of May 26, 2010)
- Reduction of the nursing facility rental rate floor used in capital reimbursement (see nursing facility letter of May 26, 2010)
- 3% reduction to rates for services furnished by physicians and other providers using the same procedure codes (see Medicaid Memo of May 27, 2010)
- 3% reduction to rates for dental services (see DentaQuest letter of May 28, 2010)
- Reduction in maximum reimbursement for pharmaceutical products from Average Wholesale Price (AWP) minus 10.25% to AWP minus 13.1% (see Medicaid Memo of June 9, 2010)
- 5% reduction to rates for most home and community based care services (including consumer-directed personal care services) (see Medicaid Memos of May 27, 2010 and July 9, 2010 and various Public Partnerships LLC (PPL) communications prior to implementation)
- 3% reduction to rates for mental health therapeutic day treatment, including the assessment for this service (see Medicaid Memo of May 27, 2010)

Claims submitted with dates of service between July 1, 2010 and September 30, 2010 will be reimbursed at the reduced rates previously published. The changes in this memo are not retroactive. Effective for dates of service October 1, 2010 through June 30, 2011, the rate changes described above will be rescinded and claims will be reimbursed at the rates that would have been in effect on July 1, 2010 in the absence of the above rate reductions.

The revised rates effective October 1, 2010, will not be available until later this month. Please check the DMAS web site later in September for revised rates. This Medicaid Memo serves to revise the Medicaid Memos of May 27, 2010, June 9, 2010 and July 9, 2010 for physicians and other practitioners, pharmacies, providers of home and community based care services and providers of mental health day treatment. Hospital and Residential Treatment Center providers will receive revised rate letters. Nursing facility providers will receive additional guidance regarding interim rates and cost settlement. DentaQuest will send additional notification to Smiles for Children providers and PPL will send additional notification to individuals receiving consumer-directed services and to the attendants furnishing this service.

The current managed care capitation rates for Medallion II, FAMIS, FAMIS MOMS and PACE include adjustments to the rates reflecting the above reductions for services covered under the DMAS contracts with MCOs or PACE organizations. FY11 capitation rates will be revised effective October 1, 2010 to remove any adjustments for rate changes that have been rescinded.

The Appropriation Act still requires additional rate reductions for FY 2012. Barring revisions during the 2011 General Assembly, these changes are scheduled for implementation effective July 1, 2011. Providers will receive additional communication regarding these or other changes prior to implementation.

As a result of the additional Medicaid funding, the Governor has revised other changes not related to rates. Providers have already received communication that DMAS will continue to cover adult vision services. Several changes related to additional Intellectual Disability waiver slots, reductions in respite hours and annual reimbursement limits on environmental modifications/assistive technology that were to be implemented January 1, 2011 will be revised. Providers will receive additional guidance at a later date.

VIRGINIA MEDICAID WEB PORTAL

DMAS offers a web-based Internet option to access information regarding Medicaid or FAMIS member eligibility, claims status, check status, service limits, service authorizations, and electronic copies of remittance advices. Providers must register through the Virginia Medicaid Web Portal in order to access this information. The Virginia Medicaid Web Portal can be accessed by going to: www.virginiamedicaid.dmas.virginia.gov. If you have any questions regarding the Virginia Medicaid Web Portal, please contact the ACS Web Portal Support Helpdesk, toll free, at 1-866-352-0496 from 8:00 A.M. to 5:00 P.M. Monday through Friday, except holidays. The MediCall audio response system provides similar information and can be accessed by calling 1-800-884-9730 or 1-800-772-9996. Both options are available at no cost to the provider.

ELIGIBILITY VENDORS

DMAS has contracts with the following eligibility verification vendors offering internet real-time, batch and/or integrated platforms. Eligibility details such as eligibility status, third party liability, and service limits for many service types and procedures are available. Contact information for each of the vendors is listed below.

Passport Health Communications, Inc. www.passporthealth.com sales@passporthealth.com Telephone: 1 (888) 661-5657	SIEMENS Medical Solutions – Health Services Foundation Enterprise Systems/HDX www.hdx.com Telephone: 1 (610) 219-2322	Emdeon www.emdeon.com Telephone: 1 (877) 363-3666
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REQUESTS FOR DUPLICATE REMITTANCE ADVICES

In an effort to reduce operating expenditures, requests for duplicate provider remittance advices are no longer printed and mailed free of charge. Duplicate remittance advices are now processed and sent via secure email. A processing fee for generating duplicate paper remittance advices has been applied to paper requests, effective July 1, 2009.

ALTERNATE METHODS TO LOOK UP INFORMATION

As of August 1, 2009, DMAS authorized users now have the additional capability to look up service limits by entering a procedure code with or without a modifier. Any procedure code entered must be part of a current service limit edit to obtain any results. The service limit information returned pertains to all procedure codes used in that edit and will not be limited to the one procedure code that is entered. This is designed to enhance the current ability to request service limits by Service Type, e.g., substance abuse, home health, etc. Please refer to the appropriate Provider Manual for the specific service limit policies.

“HELPLINE”

The “HELPLINE” is available to answer questions Monday through Friday from 8:30 a.m. to 4:30 p.m., except on state holidays. The “HELPLINE” numbers are:

1-804-786-6273	Richmond area and out-of-state long distance
1-800-552-8627	All other areas (in-state, toll-free long distance)

Please remember that the “HELPLINE” is for provider use only. Please have your Medicaid Provider Identification Number available when you call.