PROVIDER ALERT
Revised January 13, 2011
Commercial/Medicaid Coverage

Medicaid is always the payor of last resort. However, in some cases the PMHS will pay as primary for services rendered to Medicaid recipients who also have commercial coverage when the provider has received a rejection from the commercial carrier:

- The service is medically necessary, but is not a covered benefit under the commercial carrier. Preauthorization by ValueOptions® Maryland is required.
- The service is medically necessary and is a covered benefit under the commercial payor, but the benefit is exhausted. Preauthorization by ValueOptions® is required.
- The coverage is not in effect on the service date
- The service does not meet the primary payor's Medical Necessity Criteria, but meets the PMHS Medical Necessity Criteria. The provider shall submit supporting documentation of denial of the claim by the primary carrier.
- The provider has demonstrated due diligence in assuring the consumer was Medicaid eligible by checking EVS and after date of service learned the individual had third party insurance.

Medicaid will not pay as primary for the following:

- The claim was denied by the primary carrier for failure to meet timely filing requirement.
- The claim was denied because the provider is not participating with the primary carrier unless there is justification of a low health care shortage area.
- The claim was denied for no authorization by the primary carrier.

For further information, please consult the Maryland Medicaid CMS-1500 Paper Billing Manual, instructions for Block 11:

Block 11	**INSURED'S POLICY GROUP OR FECA NUMBER** – If the recipient has other third party health insurance and the claim has been rejected by that insurer, enter the appropriate rejection code listed below: **CODE REJECTION REASONS** **K** Services Not Covered

	L Coverage Lapsed **M** Coverage Not in Effect on Service Date **N** Individual Not Covered **Q** Claim Not Filed Timely (Requires documentation, e.g., a copy of rejection from the insurance company.) **R** No Response from Carrier Within 120 Days of Claim Submission (Requires documentation e.g., a statement indicating a claim submission but no response.) **S** Other Rejection Reason Not Defined Above (Requires Documentation (e.g., a statement on the claim indicating that payment was applied to the deductible.) For information regarding recipient's coverage, contact Third Party Liability Unit at 410-767-1771.

Although authorization is not a guarantee of payment, providers are advised to obtain preauthorization from ValueOptions® Maryland for consumers who are commercial/Medicaid dually eligible.

VO will review claims with required documentation (insurance company's written denial) with dates services beginning September 1, 2009.