



**TO: All Providers and Managed Care Organizations (MCOs)**

**RE: Medicaid Low Income Adults (Medicaid LIA) – Recoupment of Charter Oak Claims and Repayment as Medicaid**

Pursuant to section 2001 (a) (40) (A) of the Patient Protection and Affordable Care Act, some Charter Oak Health Plan members may be eligible for Medicaid effective April 1, 2010. The name for this new Medicaid program is “Medicaid for Low Income Adults”, which will be referred to as “Medicaid LIA.”

This change transfers eligibility for approximately 1,250 low-income adults covered by the Charter Oak Health Plan into the Medicaid for Low Income Adults program. These adults will now have access to fee-for-service Medicaid health care coverage. This will have a positive impact on the state budget, as the state will now receive federal reimbursement for these expenditures.

The following provides important transition information regarding repayment of claims under Medicaid and return of cost-share payments made by former Charter Oak members.

#### **Claims Resubmission Process**

Claims that were paid by the Charter Oak MCOs (Aetna Better Health, AmeriChoice by United Healthcare, or Community Health Network of CT) for these former Charter Oak Health Plan members for dates of service on or after April 1, 2010 must be resubmitted by the provider to HP Enterprise Services (HP) for processing under the Medicaid LIA Program.

Claims submitted to HP will be adjudicated and paid under the Medicaid LIA program at the Medicaid FFS rate or fee. This rate or fee may be different than the amount paid by the MCO.

#### **Claims Recoupment Process**

Each MCO will determine if any claims were paid for Charter Oak members after the date of their disenrollment. If the MCO determines that claims were paid during this period, the MCO will recoup the amount shown on the MCO provider remittance advice. The recoupment will generate a remittance advice with a code that indicates a member has been

terminated. The remittance advice will also instruct the provider to submit claims to HP for payment if they have not already done so.

The MCO will establish a negative balance equal to the amount of the recoupment. If there is a negative balance, the balance will be resolved in future MCO payment cycles. If future payments are not sufficient to offset the cost of recoupment, the MCO will send you a letter requesting payment of the balance.

Providers who collected cost share from Charter Oak members for dates of service on or after the effective date of their Medicaid LIA eligibility are required to reimburse these members for the cost share collected. Cost share includes copays, co-insurance and deductibles. Providers will be subject to audit by the Department and will be required to demonstrate reimbursement of the cost share.

\*\*\*\*\*NOTE\*\*\*\*\*

#### **Pharmacy and Behavioral Health Providers:**

The Department is evaluating a plan for automated recoupment and reprocessing of Pharmacy and most Behavioral Health service claims. This will be addressed in a subsequent bulletin.

For questions about claims that were paid by the MCO’s please contact the MCO; for questions about claims that were adjudicated by HP, please contact HP at 1-800-842-8440. For all other questions, please contact Marie Franklin at the Department for assistance (860) 424-5854.

