

Nevada Medicaid News

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Services Corporation®

A Coventry Health Care Company

Nevada Medicaid and Nevada Check Up

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A Message from DHCFP:

Budget Reductions Affecting Nevada Medicaid and Nevada Check Up

As you are all painfully aware, the State of Nevada is experiencing its worst decline in tax revenues in recent history. As of Aug. 1, 2008, the State is expecting \$1.2 billion (14 percent) less revenue from what was budgeted for State Fiscal Years 2008 and 2009. It has been reported this represents the largest percentage decline in state revenue of any state government in the United States during the current economic downturn.

Nevada Medicaid and Nevada Check Up are not immune from this revenue shortfall. As a result of this troubling revenue picture, we have reduced spending during three rounds of budget cuts. In all, the Division of Health Care Financing and Policy (DHCFP) has reduced its budget by more than \$57 million in State General Funds (SGF) as a result of these cuts.

As Medicaid and Nevada Check Up are federal matching programs, the loss of SGF has resulted in an additional \$67 million in federal and other fund reductions as well. Together, the total reduction to our budget during the present fiscal biennium is now \$124 million.

In addition, as the economy continues to slide and unemployment deepens, we are seeing an increase in our Medicaid

caseload. Currently, we are projecting that we may need as much as \$90 million more in SGF to cover our growing caseloads. All of this is further exacerbated by the fact that Nevada's Federal Matching Assistance Percentage (FMAP), the percentage the federal government pays to each state as part of its Medicaid program, is declining effective Oct. 1, 2008, to the minimal statutory match rate of 50 percent on medical claims. The drop in FMAP, which also affects Nevada Check Up, is estimated to cost the State an additional \$19 million in revenue.

To statutorily comply with our budget limits, changes are required in Medicaid and Nevada Check Up. Although the State has taken numerous steps to protect payments for vital services – such as the use of fund reserves and trust funds, cancellation of one-time and capital projects, cancelling discretionary program expansions, and freezing State hiring – further reductions to services and payments are necessary.

In an effort to provide as much information as possible to agencies that receive funding from DHCFP, we want to make you aware of some of the proposed changes that may impact you or your recipients. Most of these changes are effective Sept. 1 or Sept. 8, 2008.

For Medicaid:

- 5 percent reduction in inpatient hospital rates - \$4.6 million in SGF.
- Elimination of special payments to hospitals for Graduate Medicaid Education - \$308,000 in SGF.
- Elimination of pediatric rate enhancement for professional services as well as elimination of obstetric rate enhancement - \$2.7 million in SGF.
- Limits on personal care services - \$2.15 million in SGF.
- Limits on adult vision services - \$567,000 in SGF.

For Nevada Check Up:

- Nevada Check Up Fee-For-Service recipients – Hospital and professional fee reductions described above will affect these recipients.
- Elimination of orthodontia services.
- Elimination of routine eye exams and eyeglass coverage.
- An annual dental benefit limit of \$600 per recipient per State Fiscal Year. (The first \$600 cap year will run Sept. 1, 2008, through June 30, 2009. Each year thereafter, the period will be July 1 through June 30.) If a parent/guardian requests services above \$600 and agrees to be liable for the amount above \$600,

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Prescription Pads for Medicaid Must Be Tamper Resistant as of Oct. 1, 2008

According to the Centers for Medicare & Medicaid Services (CMS), as of Oct. 1, 2008, all fee-for-service Medicaid prescriptions that are either handwritten or printed from an electronic medical record (EMR)/e-prescribing application must contain at least one feature from each of the following three categories of tamper resistance:

1. One or more industry-recognized features designed to prevent unauthorized copying of a completed or blank prescription form. One example of this characteristic is a repetitive watermark (the name of the company printing the prescription form or the word "security") printed on the backside of the prescription form that can only be seen at a 45-degree angle.

2. One or more industry-recognized features designed to prevent the erasure or modification of information written on the prescription by the prescriber. One example of this characteristic is a prescription form containing a word or symbol printed with ink that disappears

if rubbed or scratched briskly.

3. One or more industry-recognized features designed to prevent the use of counterfeit prescription forms. One example of this characteristic is a serial or batch number encoded in a barcode on the prescription form.

Web Announcement 187 posted at <https://medicaid.nv.gov> lists additional examples of the three categories.

Compliance as of April 1, 2008, only required one feature from one category of tamper resistance, which means that continuing in compliance for October may require additional steps by your prescription pad or software vendor.

EMR or e-prescribing-generated hard copy prescriptions may be printed on plain paper and be fully compliant with all three categories of tamper resistance provided they contain at least one feature from each of the three categories.

Please note that Managed Care Organizations (MCOs) are exempt from the tamper-resistant prescription pad requirement.

CONTACT INFORMATION

If you have a question concerning the manner in which a claim was adjudicated, please contact First Health Services by calling (877) 638-3472 or sending an e-mail to nevadamedicaid@fhsc.com.

If you have questions about Medicaid Service Policy or Rates, you can go to the Division of Health Care Financing and Policy (DHC FP) website at <http://dhcfnv.gov>. Under the "DHC FP Index" box, move your cursor over "Contact Us" and select "Policy and Rate Staff contacts." Follow the directions to find the person at DHC FP who can answer your question. You can either phone the contact person or send an e-mail.

Quarterly Update on Claims Paid

Nevada Medicaid and Nevada Check Up paid out to providers \$276,126,278.12 in claims during the three-month period of April, May and June 2008. Nearly 100 percent of current claims continue to be adjudicated within 30 days. The DHC FP and First Health Services thank you for participating in Nevada Medicaid and Nevada Check Up.

Recent Manual Changes

The following Medicaid Manual chapters were revised in May, June or July 2008.

Services Manual (MSM):

Chapter 1300 Durable Medical Equipment (DME).

Chapter 2300 Home and Community Based Waiver (HCBW) Program - Waiver for Persons with Physical Disabilities.
Chapter 2700 HCBW Program - Waiver for the Elderly in Adult Residential Care.
Chapter 3500 Personal Care Services.

Operational Manual (MOM):

Chapter 800 Health Insurance Flexibility and Accountability (HIFA) Waiver - Employer Sponsored Insurance.
Chapter 900 HIFA Waiver - Pregnancy.

A Reminder from DHC FP Regarding Vaccines for Children and VFC Billing Guidelines

Nevada Medicaid children are entitled to free immunizations through the Vaccines for Children (VFC) program. The VFC is a federally funded program designed to improve vaccine availability nationwide by providing vaccines at no cost to VFC-eligible children through public and private providers enrolled in the program.

Any Medicaid-enrolled physician, health care organization or medical practice licensed by the state of Nevada to prescribe and administer vaccines is urged by Nevada Medicaid to enroll as a provider in the VFC program as vaccines are no longer reimbursable through Nevada Medicaid.

The enrollment process is easy. For a full description of the program and enrollment instructions, visit the Nevada State Health Division website at [http://](http://health.nv.gov/)

health.nv.gov/ (select "Bureau of Community Health," then "Immunization Program" and "Vaccines for Children").

Medicaid cannot be billed by any provider for the cost of a vaccine obtained through VFC unless there is a documented statewide shortage.

For immunization tracking purposes, providers must enter the vaccine type on a claim line with the amount of "0.00" or the minimal amount the billing system allows. Office visits may be billed, and Medicaid and Medicaid Managed Care Organizations (MCOs) may be billed for vaccine administration fees. These billing guidelines apply to Nevada Medicaid and Nevada Check Up providers.

For any questions, please contact the Nevada State Health Division's Bureau of Community Health's Immunization Program at (775) 684-5900.

PERM Record Requests Begin

The Payment Error Rate Measurement (PERM) program is under way. Certain Nevada Medicaid/Nevada Check Up providers began receiving records requests in the middle of August.

PERM is a federal program mandated by the Office of Management and Budget (OMB) and administered by the Centers for Medicare & Medicaid Services (CMS) to measure the accuracy of payments made for services rendered to Medicaid and SCHIP (Nevada Check Up) recipients.

The review will determine if the service rendered was medically necessary and correctly paid by the Medicaid Management Information System (MMIS) in accordance with Nevada Medicaid/Nevada Check Up policy.

Please note that it is the responsibility of the provider receiving payment to submit any and all supporting medical records and documentation from any and all provider(s) who rendered a service on the claim under review.

The PERM review is being conducted on Nevada Medicaid/Nevada Check Up

claims paid during federal fiscal year 2008 (October 2007 through September 2008); although, the first requests for documentation are focusing on claims paid during the period October 2007 through December 2007.

Once providers receive a request for medical record/claim documentation, they must submit the information electronically or in hard copy to Livanta LLC within 60 days. If additional documentation is needed, Livanta LLC will send an other request and providers will have only 15 days to respond.

Livanta LLC will supply the e-mail/ mailing addresses to use when sending in the documents. Providers **do not** submit the information to First Health Services.

If providers do not respond, do not submit sufficient documentation or miss a deadline, the claim under review will be counted as an error and the Division of Health Care Financing and Policy (DHCFP) will initiate recovery of the claim payment.

DHCFP Conducts MITA Assessment of Medicaid System

The Medicaid Information Technology Architecture (MITA) is an initiative of the Centers for Medicare & Medicaid Services (CMS), and is aligned with the National Health Information Infrastructure (NH II) (<http://aspe.hhs.gov/sp/NHII/FAQ.html>), to provide assessments of Medicaid organizations.

NHII is a voluntary network of clinical, public health and personal health knowledge-based information systems that make health information available as needed to improve decision-making. MITA is intended to foster integrated business and IT transformation across the Medicaid enterprise to improve the administration of the Medicaid program.

MITA's common business and technology vision for state Medicaid organizations emphasizes:

- A patient-centric view not constrained by organizational barriers;
- Common standards with, but not limited to, Medicare;
- Interoperability between state Medicaid organizations within and across states,

as well as with other agencies involved in health care;

- Web-based access and integration;
- Software reusability;
- Use of commercial (COTS) software; and
- Integration of public health data.

CMS requires that states perform a MITA assessment of their Medicaid Management Information Systems (MMIS) in order to continue to qualify for their enhanced Federal Financial Participation (FFP) match.

In Nevada, the assessment is being performed by Fox Systems Inc., an experienced MITA contractor, who, currently, is acting as a subcontractor to CMS for the MITA project. Work on the assessment began in August with an aggressive schedule of meetings between State management, program subject matter experts and Fox consultants to outline the current and desired environments. The Division of Health Care Financing and Policy anticipates completing the assessment by February 2009.

Development Continues on Clinical Claim Editor to Enhance Claims Processing

The Division of Health Care Financing and Policy (DHCFP) and First Health Services continue to make great strides in the development of the new clinical claim editor, which is on schedule to go live in December of 2008.

This clinical editor software utilizes a nationally recognized method of processing claims to ensure consistent adjudication for all providers of professional services. This software's clinical logic is already widely utilized in the commercial insurance industry and is based on CPT, HCPCS, ICD-9-CM, AMA and CMS guidelines.

Providers are encouraged to watch this Nevada Medicaid News newsletter, web announcements (<http://medicaid.nv.gov>), and messages on paper remittance advices over the next several months for updates regarding this enhancement to claims processing.

Use EVS, ARS and CSRs to Answer Your Claims Status Questions

The Electronic Verification System (EVS) and the Audio Response System (ARS) are two useful inquiry tools for providers when questions arise regarding the status of a claim.

EVS is accessed at <https://medicaid.nv.gov> from the "EVS" menu.

ARS is accessed by calling (800) 942-6511.

Free provider training sessions can also answer your questions. Check the Provider Training Catalog at <https://medicaid.nv.gov> for the course schedule.

Last, but certainly not least, providers may call the Customer Service Center at (877) 638-3472 and speak to a service representative (CSR) or a provider trainer.

Recipient Data Available to Help You Prescribe Electronically

Do you use electronic medical record (EMR) or other software to prepare and submit electronic prescriptions to pharmacies? Or are you planning to start submitting prescriptions electronically, but you want to know the benefits?

If you answered yes to either of the above questions, the Division of Health Care Financing and Policy (DHCFP) and First Health Services are pleased to announce that they are making data available to fee-for-service Nevada Medicaid/Nevada Check Up providers who use electronic prescribing systems. The data that will be available through practice management software vendors include recipient pharmacy claims history, eligibility and the Nevada Medicaid Preferred Drug List (PDL). The online information will also indicate whether or not a prior authorization is required for a particular drug.

If you are a provider who already uses electronic prescribing or you want to get connected for the first time, contact your practice management software vendor to enable your system for Nevada Medicaid/Nevada Check Up e-prescriptions.

Additional information and valuable resources will be available soon at <https://medicaid.nv.gov>.

Budget Reductions

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then the provider may bill the parent/guardian for these services. If services are provided beyond the \$600 limit, providers should bill the additional charges at the rates listed on the applicable Managed Care Organization (MCO) or Medicaid Fee For Service (FFS) fee schedules. For example, if the child is in Managed Care, the provider would bill the child's additional charges at the rates listed on their contracted fee schedule with the MCO. If the child is FFS, then the provider would bill the charges at the Medicaid FFS fee schedule rates.

- Elimination of the full Early Periodic Screening, Diagnostic and Treatment Services (EPSDT) benefit. Medical extensions to Medicaid's benefit plan will not be included, other than medically necessary transplants.

We regret the steps have been necessitated by the current budget shortfall the State continues to experience. If and when the economic outlook improves, the need for further reductions in services and payments will be negated, and we will seek to make whole the adjustments that have been necessary during these trying times.

Thank you for continuing to serve those who need your help in Nevada.

PDL – Changes to the Preferred Drug List were effective Sept. 25, 2008. The PDL is posted at <https://medicaid.nv.gov>.