



# STATE OF IOWA

CHESTER J. CULVER, GOVERNOR  
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES  
CHARLES J. KROGMEIER, DIRECTOR

## INFORMATIONAL LETTER NO. 824

September 22, 2009

**TO:** Iowa Medicaid Psychiatric Medical Institution for Children  
(PMIC) Providers

**FROM:** Iowa Department of Human Services, Iowa Medicaid Enterprise

**RE:** Third Party Liability for PMIC

**EFFECTIVE:** Immediately

A provision of Senate File (SF) 478, Section 182, enacted by the 83rd Iowa General Assembly states that when a child meets Medicaid criteria for admission to a Psychiatric Medical Institution for Children (PMIC), the child shall also be deemed to meet the acuity criteria for inpatient benefits under most commercial health insurance plans as defined in Iowa Code section 513B.2, or under organized delivery systems authorized under 1993 Iowa Acts, chapter 158.

The type of insurance affected by this requirement are any commercial group health policies, contracts or plans providing third- party-payment or prepayment of health medical and surgical benefits issued by a carrier or health maintenance organization.

These commercial insurers are subject to Iowa's mental health parity law, Iowa Code section 514C.22, which requires coverage of a minimum of 30 days inpatient days per year for persons meeting the acuity criteria and having the following psychiatric diagnosis:

- a. Schizophrenia
- b. Bipolar disorders
- c. Major depressive disorders
- d. Schizo-affective disorders
- e. Obsessive-compulsive disorders
- f. Pervasive developmental disorders
- g. Autistic disorders

Effective immediately, the IME will check for Third Party Liability (TPL) on all PMIC claims for dates of service on or after July 1, 2009. This means that it is the responsibility of the PMIC to bill the member's commercial insurance prior to submitting a claim to Medicaid.

General policies for Third Party Liability (TPL) can be found on page 34 of the Iowa Medicaid General Program Policies Provider Manual at:  
[http://www.dhs.state.ia.us/policyanalysis/PolicyManualPages/Manual\\_Documents/Provman/all-i.pdf](http://www.dhs.state.ia.us/policyanalysis/PolicyManualPages/Manual_Documents/Provman/all-i.pdf)

If TPL has been identified for the Medicaid member then the claim must be billed to the TPL carrier prior to billing the IME as Medicaid is the payer of last resort. Medicaid will consider the

claim after the primary carrier has processed billed services. The payment from TPL must be entered on the claim form by the provider. Providers who bill electronically should contact their electronic software company for instructions on where to place TPL payment or denial information. Providers who bill on paper must follow the directions contained in the UB-04 instructions available on the IME website.

Exception: If the child has health insurance provided by an absent parent, the PMIC should bill Medicaid without billing the insurance and then the IME will bill the health insurance company after payment is made by Medicaid. To determine if there is insurance through an absent parent, ask the placing parent. If that parent is unsure, the provider may call IME Provider Services to obtain the information.

Full instructions for completing the paper claim form are available at:

<http://www.ime.state.ia.us/docs/2007UB04BillingInstr.doc>

If you have any questions, please contact IME Provider Services, 1-800-338-7909, locally 515-725-1004 or by e-mail at [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us)