



# STATE OF IOWA

CHESTER J. CULVER, GOVERNOR  
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DEPARTMENT OF HUMAN SERVICES  
CHARLES J. KROGMEIER, DIRECTOR

## INFORMATIONAL LETTER NO. 894

**DATE:** April 9, 2010

**TO:** Iowa Medicaid providers submitting claims to Medicare part B

**ISSUED BY:** Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

**RE:** Auto-Medicaid-submission of certain Medicare denied claims

**EFFECTIVE:** April 5, 2010

The Coordination of Benefits Agreement (COBA) Program established a process that allows the IME to receive certain Medicare adjudicated claim data. Utilizing this system, the IME has been processing claims for secondary consideration after they are paid as primary by Medicare carriers and forwarded to the IME through COBA.

This process is designed to pay any remaining coinsurance/deductible obligation Medicaid may have for members who are "dual eligible," meaning they have Medicare coverage (primary) followed by Medicaid (secondary). A subset of these claims are denied by Medicare bearing reason codes that make it clear the entire claim obligation might actually lie with Medicaid (because there is no Medicare coverage in the situation). The two Medicare Explanation of Benefit (EOB) denial codes where the IME has determined it is always reasonable to check the potential for Medicaid (primary) obligation are:

- PR96 "non-covered charge(s)"
- PR204 "service/equipment/drug not covered under the patient's plan"

**Beginning April 1, 2010, the IME will automatically re-submit as Medicaid primary any Medicare B claim lines received through COBA that Medicare had denied with EOB code PR96 or PR 204.**

In this course of action, the claim will actually process twice at the IME; the first will be a denied Medicare B cross-over claim and the second will be the resubmitted Medicaid primary (CMS 1500 "professional" format) claim. These will be submitted on a line item basis and the results of both transactions (the cross-over denial and primary claim result) should be reflected on the remittance advice for the same pay cycle.

Providers should understand that the claims the IME turns around as primary will be subject to our usual editing, and in some cases may deny again for Medicaid reasons. In our testing, some of the top denial reasons were procedure codes that were not covered by Medicaid, missing referring provider ID and differences in how a provider's NPI structure is set up with Medicare versus Medicaid. Claims that deny from the primary Medicaid submission would need to be submitted by the provider to the IME (as appropriate), just as they are today.

We hope this new process relieves some administrative burden and speeds payment timeliness and accuracy where possible. The IME appreciates your partnership as we work together to serve the needs of Iowa Medicaid members. If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909, locally (in Des Moines) at 256-4609 or by e-mail at: [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).