Children's Special Health Care Services
Integrated Operational Services
Policy & Procedure Manual

Revised Claim Policy -
Policy #D-1

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Date: 2/21/11

Title: Co-Payment Amount

Revision Effective Date: July 1, 2007 (medical claims)
January 1, 2006 (pharmacy claims)

Effective Date: January 1, 2005

Purpose: To establish guidelines for handling the payment consideration of Co-Payment Amount associated with "other health insurance policies" under which an applicant/participant has benefit coverage and to provide additional incentive to the insurance policy holder to maintain their other insurance coverage for the applicant/participant.

Rule References:

IC 16-35-2-6 – Fees and charges same as Medicaid
410 IAC 3.2-5-1 – Health insurance information and utilization
410 IAC 3.2-7-2(b) – "Pay no greater than the Medicaid rate…"

Other References:

Provider Agreement – Indiana State Department of Health, Children's Special Health Care Services Program Addendum "Acknowledgement of Participation"

Policy:

The CSHCS program is mandated to reimburse all providers at the Indiana Medicaid allowed rate, and this payment must be accepted by the provider as payment in full. Even when there are insurance co-payments involved, total reimbursement to the provider for a CSHCS approved claim will be limited to the Medicaid allowed rate.

Guidelines:

1. Effective for medical claims processed on or after July 1, 2007, the CSHCS $25.00 co-payment policy will no longer be followed by the CSHCS program. The following calculation method is used to calculate CSHCS payments for **medical** claims. In calculating the payment amount, CSHCS allows the lowest of the following:

    a. Usual & Customary (U&C) charge amount less other insurance payment, or
    b. Allowed amount less other insurance payment, or
    c. Co-payment amount up to $1,000

2. Effective for pharmacy claim dates of service on or after January 1, 2006, the CSHCS $25.00 co-payment policy will no longer be followed by the CSHCS program. The following calculation method is used to calculate CSHCS payments for **pharmacy** claims. In calculating the payment amount, CSHCS allows the lowest of the following:

    a. Usual & Customary (U&C) charge amount less other insurance payment, or
    b. Medicaid allowed rate less other insurance payment, or
    c. Co-payment amount up to $1,000

    This calculation also applies to multiple-month quantity prescriptions. CSHCS allows a maximum 90 day supply.

3. Using the methodology described above, we may pay a larger co-payment amount (more than the previously allowed $25.00) if the usual & customary rate or the Medicaid allowed rate, less other insurance payment, is greater than the co-pay amount being billed. Alternatively, there would be a limitation of the reimbursement for the co-payment if the billed co-payment is greater than the usual & customary rate or the Medicaid allowed rate minus the other insurance payment.

4. Providers may not bill the family for any payment balance that exists after CSHCS has approved a claim at the Medicaid allowed rate.