Distribution: Mental Health Providers

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Automated Medical Payments

Medicaid Bulletin Colorado Title XIX

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Urgent Read Immediately

Adjustments for Medicare crossover psychiatric services

 O_n July 24, 2000, Medicaid will re-adjust automatic crossover claims for psychiatric services processed between December 1, 1998 and March 1, 1999.

Medicaid adds back Medicare's 37.5% psychiatric reduction amount to the Medicare allowed amount and coinsurance on automatic Medicare crossover claims. Between December 1, 1998 and March 1, 1999, automatic psychiatric crossovers were not modified to include the psychiatric reduction add-back and claims were underpaid.

- In March 1999, automatic crossover claims that had been processed between December 1, 1998 and March 1, 1999 were systematically adjusted to include the Medicare psychiatric reduction add-back and paid correctly.
- In November 1999, all crossover claims were reprocessed including the automatic psychiatric crossover claims. During the second reprocessing, the system did not include the psychiatric reduction add-back, and the pre-March 1, 1999 claims again paid incorrectly. The claims were underpaid and recovered money from providers. For some providers, accounts receivable amounts were established and money was recovered from future payments.

On July 24, 2000, the pre-March 1999 psychiatric automatic crossover claims that paid incorrectly in November 1999 will be adjusted. The adjustments will add the Medicare psychiatric reduction add-back to the Medicare allowed amount and coinsurance and reimburse providers for payment recoveries made in November 1999. The adjustments will appear in the "Adjustments Paid" heading on the Remittance Statement.

Note: Some providers have received financial transactions to offset the accounts receivable credit balances until the claims could be reprocessed. As soon as adjustment processing is completed and claims have been correctly repaid, the accounts receivable amounts will be re-established and the balance owed will be deducted from future claim payments.

Please direct questions about this bulletin to:

Medicaid Provider Services 303-534-0146 or 1-800-237-0757 (toll free Colorado)