

SA-VIT COLLECTION AGENCY TIPS OF THE MONTH ARCHIVES



May 2008

Don't Send Medicaid Balances to Third-party Collectors

It appears that some medical practices that participate with New Jersey Medicaid/NJ FamilyCare or Medicaid HMO programs are attempting to collect balances covered by these policies. Patients covered by these policies are not responsible for any amount not paid by Medicaid.

When services are rendered in a participating hospital, and the practice does not participate with Medicaid, the practice is prohibited from billing the patient for these charges.

No provider may balance bill a beneficiary enrolled in a Medicaid HMO, regardless of the HMO payment amount. These balances must be canceled and not sent to a collection agency.

There are only three exceptions where a practice can bill and collect from Medicaid recipients.

1. The beneficiary waives the Medicaid/NJ FamilyCare benefits and chooses to pay the provider directly as a self-pay or private patient.
2. The beneficiary is requesting a service that is a non-covered Medicaid/NJ FamilyCare service, and the beneficiary is clearly notified before the services are rendered, that the service is non-covered.
3. Services that are determined to be not medically necessary by the Program prior to being rendered, may be billed in their entirety (full charges) to the beneficiary, if the beneficiary is notified of this determination before the services are rendered.

Under these circumstances, it is recommended that the provider should require the beneficiary to sign a statement *before* services are rendered, waiving the Medicaid benefits for the particular services and agreeing to privately pay the bill or the balance due, after all other third party liability is satisfied. In these cases any unpaid

balances can be sent to the collection agency along with a copy of the statement signed by the beneficiary.

Topic suggested by Harry Ramos