Appendix M: Medicare Crossover Claim Payment Methodology

Crossover Payment Methodology
Professional Services (CMS-1500, 837P)
Refer to WAC 182-502-0110

- ProviderOne compares the Medicaid allowed amount to Medicare's allowed amount for the service, selects the lesser amount of the two, then deducts Medicare's payment from the amount selected.
- If there is a balance due, ProviderOne pays the client's cost sharing liability (deductible, coinsurance, or co-pay) up to the lesser of the allowed amounts.
- If there is no balance due, ProviderOne does not make any crossover claim payment because Medicare's payment exceeds the Agency's calculated allowed amount. As of 12/20/15, for QMB clients ProviderOne will pay such claims at $0.00 instead of denying with CARC 23.
- When Apple Health does not cover the service, pricing on QMB clients will use either Medicare's allowed or a Medicaid State Plan rate appropriate to the service, whichever is less. HCA has the option to use a CMS approved negotiated rate instead and will pursue this option over time.

The Agency cannot make direct payments to clients to cover the client's cost sharing liability (deductible, coinsurance, or co-pay) amount of a Part B Medicare claim. The Agency **can** pay these costs to the provider on behalf of the client when:

- The provider **accepts** assignment; and
- Total reimbursement to the provider from Medicare and the Agency does not exceed the rate in the Agency's fee schedule.

Institutional Services (UB-04, 837I) Crossover Payment Methodology

Outpatient Hospital:

- Payment equals the Apple Health allowed amount minus the Medicare paid amount up to the client's cost sharing liability (deductible, coinsurance, or co-pay). Total payment to the provider from Medicare and the Agency does not exceed the Agency's allowed amount.

RHC-Rural Health Clinic:

- For RHCs who bill for Medicare Encounter Services, payment equals the Rural Health Clinic (RHC) Per Diem rate on file with the Agency minus the Medicare paid amount. These RHC claims are submitted using Type of Bill 71x and Billing provider Taxonomy 261QR1300X.

FQHC-Federally Qualified Health Clinic:

- For Federally Qualified Health Centers (FQHCs) who bill for FQHC Services, payment equals the Medicare coinsurance amount. These FQHCs bill crossover claims using Type of Bill 77x and Billing Provider Taxonomy 261QF0400X.

All other Inpatient Hospital claims for client with both Medicare Part A and Part B coverage:

- Payment equals Apple Health allowed amount minus the Medicare paid amount, up to the client's cost sharing liability (deductible, coinsurance, or co-pay).

Note: The Agency will adjust any payment amounts if the client has a Commercial Medicare supplement policy (TPL) and that supplement payer makes a payment after Medicare. In that case the formula is:

Medicaid Allowed – Medicare Paid – TPL Paid = The Agency payment