

**DATE:** December 14, 2018

**TO:** AHCCCS Contractors

**FROM:** Virginia Rountree, Assistant Director, DHCM

**SUBJECT:** SNF Payments for AHCCCS Members with Medicare

It has been brought to AHCCCS' attention that issues with claims payments for dual (Medicare-Medicaid) eligible AHCCCS members in a skilled nursing facility (SNF) stay have resurfaced. AHCCCS previously sent out communication regarding these payment concerns on multiple occasions including most recently in 2015. AHCCCS expects all Contractors to update claims payment systems as necessary so these payment issues do not continue or reoccur.

Skilled Nursing Facility claims billed for members with Medicare Part A should not be denied or paid at \$0 with a reason of *Primary Payor/Insurance has paid the maximum allowable amount for days 21 through 100 of the stay*. The Contractor shall pay 100% of the member's cost sharing amount for Medicare Part A SNF days (for days 21 through 100 of the stay), even if the Medicare paid amount exceeds the Contractor's contracted rate for the services or the AHCCCS Fee-for-Service (FFS) rate (for non contracted providers).

For members who have Medicare Part B only, Medicaid is the primary payor for services generally covered under Medicare Part A, including hospitalizations, skilled nursing facilities and hospice. A claim for these services should not be denied for lack of Medicare Explanation of Benefits (EOB) when a member only has Medicare Part B coverage.

Likewise, for members who have Medicare Part A only, Medicaid is the primary payor for services generally covered under Medicare Part B, including physician visits, durable medical equipment and outpatient therapy.

Therapy services provided to members while inpatient at a hospital, skilled nursing facility, or hospice are covered under Medicare Part A.

The AHCCCS Contractor Operations Manual (ACOM) Policy 201, Medicare Cost Sharing for Members Covered by Medicare and Medicaid addresses payment rules for dual eligible members. The policy can be found on the AHCCCS website at the following link: <https://www.azahcccs.gov/shared/ACOM/>

AHCCCS will continue to monitor SNF payment issues related to members with Medicare and will address any continued issues going forward on an individual Contractor basis.

Thank you for your immediate attention to this matter. If you have any questions, please contact Christina Quast at [Christina.Quast@azahcccs.gov](mailto:Christina.Quast@azahcccs.gov) or 602-417-4527.