

Quick Points



December 21, 2010

Medicaid subrogation claims

The Deficit Reduction Act of 2005 (the “Act”) contained provisions that strengthened states’ ability to identify and collect from third-party payers. As a result of this Act, states were required to pass laws implementing the provisions contained in the federal law. Blue Cross and Blue Shield of Minnesota and Blue Plus (Blue Cross) have been working with Health Management Systems, Inc. (HMS), the chosen vendor to Minnesota Department of Human Services (DHS), to meet the requirements outlined in the state laws.

In the past, when Minnesota Medicaid paid health benefits and later found that the patient was covered by Blue Cross, DHS sent paper claims to Blue Cross to seek reimbursement. This is commonly referred to as subrogation. With the recent work toward administrative simplification in Minnesota, Blue Cross has worked with HMS and DHS to enhance this process through the consistent electronic exchange of eligibility and the electronic transmission of claims rather than paper claims.

Blue Cross plans to begin to accept electronic claims from HMS beginning in February 2011. Initially HMS will send Blue Cross claims dating back as far as January 2008 for subrogation resulting in higher than normal volumes of claims.

How does this affect providers?

Blue Cross reimburses DHS for the amount paid by DHS when we adjudicate the subrogation claim. Further, if the provider is participating and our negotiated reimbursement for the provider is higher than what DHS has already paid the provider, Blue Cross sends the provider the additional reimbursement due according to your contract.

Providers will see additional payment for amounts above the DHS fee schedule for these services up to the full negotiated amount due from Blue Cross. Since the subrogation claims may go back as far as January 2008, some of your accounts may already have been closed. You may have to make special adjustments to accept these payments in your accounting system. These payments will be found on your regular remittance advices. As with any adjustment, the ANSI Remark Code of MA67 will be shown on the remittance. If you access provider web self-service (PWSS) at providerhub.com, you will also see our internal Remark code of X410 on these claims.

Questions?

If you have questions, please contact provider services at **(651) 662-5200** or toll free at **1-800-262-0820**.