

TO: Local District Commissioners, Medicaid Directors

FROM: Judith Arnold, Director
Division of Eligibility and Marketplace Integration

SUBJECT: Clarification of Reimbursement Policy Regarding Third Party
Health Insurance Premiums and Copayments

EFFECTIVE DATE: Immediately

CONTACT PERSON: Local District Support Unit
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The purpose of this General Information System (GIS) message is to provide clarification to local departments of social services on the Department's reimbursement policy for third party health insurance premiums and copayments paid during a Medicaid recipient's retroactive eligibility period.

Third Party Health Insurance Premiums

When a Medicaid eligible individual has third party health insurance in force, the Medicaid program may determine to pay part or all of the cost of the premiums when premium payment is determined to be cost effective. By paying the premium, the Medicaid program may cost avoid claims that would otherwise be covered by Medicaid.

It is not cost effective for the Medicaid program to reimburse an individual for the cost of third party health insurance premiums paid during the three-month retroactive eligibility period. Costs covered by private insurance in the three-month retroactive eligibility period have already been avoided. Eligibility for reimbursement of cost-effective third party health insurance is determined for the month of application and subsequent months.

Reimbursement of Third Party Health Insurance Copayments

Copayments (or co-pays) related to third party health insurance that are paid for care and services during the three-month retroactive eligibility period before the date of the Medicaid application are eligible for reimbursement even when the service is from a non-Medicaid provider. If the amount of the co—pay exceeds the Medicaid fee or rate for the service, reimbursement would be made up to the Medicaid fee or rate; otherwise, full reimbursement of the co-pay would be made. Co-pays related to third party health insurance that are paid for care and services on or after the date of application and up until the day the recipient receives his or her Common Benefit Identification Card (CBIC) are also eligible for reimbursement but must be obtained from a provider enrolled in the Medicaid program. The basis for providing reimbursement for these costs is that third party health insurance copayments are a medical expense incurred by an individual when receiving a specific service. Examples of reimbursable copayments include payments for doctor's visits and prescriptions.

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For further information on the Department's reimbursement policy, refer to 10 OHIP/ ADM-9, "Reimbursement of Paid Medical Expenses Under 18 NYCRR §360-7.5(a)".

Please direct any questions concerning this message to your local district liaison.