New process for making “encounter” payments to Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs)

UCare, along with other managed care organizations (MCOs) that offer Minnesota Health Care Programs (MHCP), has been working closely with the Minnesota Department of Human Services (DHS) on implementation of a new process for making “encounter” payments to Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs).

Effective January 1, 2015, Minnesota Statute 2014, Section 256B.0625, subd. 30, requires a change in claims processing methodology for some MHCP managed care participants and services. You can find the related statute at: www.revisor.mn.gov/statutes/?id=256B.0625.

UCare’s goal is to implement a process that ensures timely, accurate payments to FQHC and RHC providers while maintaining continuity of care for UCare members.

This new process does not apply to claims for members who are eligible for Medicare, with the exception of dental services. This means, with the exception of dental services, this process does not apply to claims for individuals enrolled in:

- UCare Minnesota Senior Health Options (MSHO).
- UCare Minnesota Senior Care Plus (MSC+) who are eligible for Medicare.*
- UCare Connect (aka Special Needs Basic Care) who are eligible for Medicare.*

*Note: Not all MSC+ and UCare Connect members are eligible for Medicare. Medicare eligibility can be confirmed in MNITS. All MSHO members are Medicare eligible.

The following are the critical process changes MCOs, DHS and FQHC/RHCs will experience for impacted services rendered on and after January 1, 2015:

- FQHC/RHCs will continue to receive Remittance Advice (RA) or provider explanation of Payment (EOP) from the member’s MCO and from DHS. However, DHS will no longer deduct payments made to providers by MCOs from the FQHC/RHC encounter rate DHS pays FQHC/RHC providers, other than eventual deduction of member copayments by DHS.
- MCOs will pay $0 (zero dollars) on the applicable claims. The $0 payment transaction will be reflected on UCare’s RA 835 transactions or EOPs.
- If the MCO submits a $0.00-payment claim to DHS, and DHS denies it, DHS will send a denial on their EOP/RA to the provider and UCare.
- If an applicable claim needs to be resubmitted, the FQHC/RHC cannot submit a replacement claim until DHS has fully adjudicated the claim and issued their RA/EOP. FQHC and RHC providers need to include both UCare’s Internal Control Number
(ICN) and the DHS Transaction Control Number (TCN) on replacement claims. The DHS TCN is included on the DHS RA/EOP for the encounter payment.

**Please note:** If you are a Provider-Based Biller, this will only impact claims filed on a CMS-1500 form.

Below is a high level overview of what is staying the same:
- There is no change to the initial claim submission process. Providers should conduct business as usual.
- If UCare denies a claim, you will receive an EOP from UCare indicating this denial. UCare will not send denied claims to DHS.
- Member copayments associated with the claim will continue to display on UCare’s RA/EOP.

Below are the ANSI codes that will display in UCare EOPs for various FQHC/RHC claim status scenarios:

<table>
<thead>
<tr>
<th>SCENARIO</th>
<th>CARC</th>
<th>RARC</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCare “paid” claims at $0.</td>
<td>256 – Service not payable per managed care contract.</td>
<td>N193 – Specific federal/state/local program may cover this service through another payer.</td>
</tr>
<tr>
<td>UCare applied copayment to “paid” claim.</td>
<td>3 – Co-payment amount.</td>
<td>MA125 – Per legislation governing this program, payment constitutes payment in full.</td>
</tr>
<tr>
<td>UCare “paid” replacement claim at $0.</td>
<td>256 – Service not payable per managed care contract.</td>
<td>N193 – Specific federal/state/local program may cover this service through another payer.</td>
</tr>
<tr>
<td>UCare applied copayment to replacement claim.</td>
<td>3 – Co-payment amount.</td>
<td>MA125 – Per legislation governing this program, payment constitutes payment in full.</td>
</tr>
<tr>
<td>DHS TCN missing.</td>
<td>16 – Claim/service lacks information or has submission/billing error(s) which is needed for adjudication.</td>
<td>M47 – Missing/incomplete/invalid/internal or document control number.</td>
</tr>
<tr>
<td>Voided claim.</td>
<td>16 – Claim/service lacks information or has submission/billing error(s) which is needed for adjudication.</td>
<td>N463 – Missing support data for claim.</td>
</tr>
</tbody>
</table>

For questions about claims processed by UCare, call UCare’s Provider Assistance Center (PAC) at 612-676-3300 or 1-888-531-1493.

For questions about DHS encounter payments, call MHCP Provider Call Center at 651-431-2700 or 1-800-366-5411.

**Questions?** Thank you for your patience as we implement this new statute. If you have questions about UCare’s process, please contact our Provider Assistance Center at 612-676-3300 or 1-888-531-1493, Monday – Friday, 7 a.m. – 5 p.m.