**Changes in Crossover Claims for Services Rendered to Qualified Medicare Beneficiaries**

The Division of Medical Assistance (DMA) has conducted a comprehensive review of changes made to its processing of Medicare crossover claims for services rendered to Qualified Medicare Beneficiaries (QMBs). It has determined that the changes implemented on March 1, 2015, are not aligned with the federal Centers for Medicare and Medicaid Services’ (CMS) evolving guidance to state Medicaid plans and have resulted in the over payment of some of these claims.

Based on guidance most recently provided by CMS to DMA, the “lesser of” logic will be applied to services rendered to QMB recipients covered by both Medicare and Medicaid. Specifically, payment for Medicare-covered services that are also covered in the Medicaid state plan will be paid at the lesser of the Medicare cost-share (which is the sum of co-insurance, deductible and co-pay) or the difference between the amount paid by Medicare and the Medicaid state plan rate (if any). (Please review the Medicare Crossover Update dated October 7, 2013 at <https://www.nctracks.nc.gov/content/public/providers/provider-communications/provider-announcements/Medicare-Crossover-Update.html> for general information.)

For services not covered under the North Carolina Medicaid plan, DMA will pay the Medicare cost share amount.

This methodology results in the provider receiving the Medicare or Medicaid allowable and the QMB recipient not being responsible for any additional monies for services covered by Medicaid and/or Medicare.

To align the processing of Medicare crossover claims for services rendered to QMB recipients with CMS’ guidance, DMA will take the following actions:

* Effective July 20, 2015, DMA will implement the first of three steps. The first step is to revert to the pre-March 1 reimbursement methodology of paying all claims for services rendered to QMB recipients using the “lesser of” logic. This will result in some underpayments but avoid overpayments.
* In the fall, DMA will implement the second step which is to begin processing claims for services rendered to QMB recipients by paying the Medicare cost share of non-Medicaid covered Medicare services and “lesser of” logic for services covered by Medicare and Medicaid. This will correct the underpayment of claims going forward.
* After the fall update, the affected claims for services rendered to QMB recipients dating back to July 1, 2013, will be reprocessed and corrected, i.e., additional payments will be made for claims that were underpaid prior to March 1, 2015 and from July 20th until the date in the fall that the second step described above becomes effective. Overpayments made from March 1st until July 20th will be recouped.

As these key milestone dates approach, we will inform you of the impending changes and claim reprocessing.

These actions supersede the announcement of Feb. 27, 2015, shown below.

**Changes in Payment of Medicare Crossover Claims for QMB Cost Sharing**

**(Feb. 27, 2015)** As described in the CMS Informational Bulletin, Payment of Medicare Cost Sharing for Qualified Medicare Beneficiaries (QMBs) dated June 7, 2013, Medicaid is legally obligated to reimburse providers for cost sharing that is due for a QMB according to the state's CMS-approved Medicare cost-sharing payment methodology. QMBs, or those Medicare recipients qualified under the Medicare Catastrophic Coverage Act of 1988, include recipients with the following Program Aid Categories with Q classification: MQBQ, MAAQ, MABQ, MADQ, SAAQ and SADQ. In addition, the NCTracks system must adjudicate and reimburse providers for QMB cost sharing "without regard to whether the costs incurred were for items and services for which medical assistance is otherwise available under the plan, i.e., not covered by NC Medicaid."   
  
Beginning March 1, 2015, NCTracks will pay the entire Medicare cost sharing amount (deductible, coinsurance and copayment) on claim detail lines for dates of service (DOS) during the time when a recipient is identified as QMB. The “lesser of logic” to which most Medicare crossover claims are subject will no longer be applied to claims for QMB recipients. This includes Medicare crossover claims for services not covered by Medicaid and claim detail lines that were denied by Medicare during the time when a recipient is identified as QMB, as well as Medicare Part C claims.   
  
This change affects claims subject to QMB cost sharing regardless of how they are submitted, both when they automatically crossover from Medicare and when the secondary claim is submitted directly to NCTracks by the provider.   
  
Medicare crossover claims subject to QMB cost sharing that were processed by NCTracks prior to March 1, 2015, will be reprocessed to reimburse providers for the entire Medicare cost sharing amount. The schedule for claim reprocessing has not yet been determined. More information will be posted when it is available.   
  
(This is an update to the announcement originally posted on February 24, 2015.)