

Office of Health Insurance Programs

Division of Long Term Care

MLTC Policy 13.19: Medicare/Medicaid Coordination of Benefits

Date of Issuance: July 15, 2013

The purpose of this policy document is to remind Managed Long Term Care Plans (MLTCPs) of the need to effectively coordinate Medicare and other third-party liability benefits for the MLTCP's dual-eligible membership.

Federal regulations require Medicaid to be the payer of last resort. All third party insurance carriers, including Medicare and private health insurance carriers, must pay before Medicaid provides any reimbursement. Ensuring that Medicaid is the payer of last resort, or coordination of benefits, continues to be applicable in the managed long term care environment. In most payment hierarchies, commercial health insurance is primary to Medicare and Medicare is primary to Medicaid.

As part of an effective coordination of care process, the MLTCP should determine if services required as part of the member's plan of care can be appropriately provided through a Medicare licensed entity and billed to the Medicare program as a Medicare benefit with Medicare as the primary payer.

For example, certain services provided by a Certified Home Health Agency (CHHA), such as skilled health care or rehabilitation services, may be reimbursed by Medicare. If the member's assessment determines that CHHA services are an appropriate component of the plan of care and meet the Medicare criteria regarding skilled need and homebound status, the MLTCP should utilize a CHHA as the service provider and the CHHA must seek appropriate reimbursement from the Medicare program.