



August 28, 2015

Kitty Rhoades, Secretary
Wisconsin Department of Health Services
1 West Wilson Street
PO Box 7850
Madison, WI 53707-7850

Subject: Seeking a Delay in Third Party Liability Systems Changes

Dear Secretary Rhoades:

At the Medicaid nursing home provider meeting on Monday, August 24, 2015, DHS officials indicated they were planning to impose new billing and verification requirements/procedures to ensure that nursing homes make reasonable efforts to secure payment from all other existing health insurance sources before billing Medicaid as the payor of last resort. (Note: This formal rollout of the proposed billing changes was presented at the same meeting during which DHS officials announced nursing home Medicaid support services rates will be cut by \$1.26 per resident day, effective July 1, 2015.)

As you know, nursing homes currently bill other insurance sources whenever possible since those sources typically reimburse at significantly higher rates than Medicaid. LeadingAge Wisconsin members fully support maintaining Medicaid as the payor of last resort; our concerns are with the timing of the proposed DHS changes to the Third Party Liability (TPL) system.

Medicaid officials have proposed changing the TPL process for nursing homes so that claims will be electronically identified under the "explanation of benefits" when the Medicaid member is enrolled in Medicare A or is covered by a commercial health insurance on the dates of services for which the claim is filed. Under the proposal, nursing home billing staff will be required to implement, via Forward Health, the TPL systems changes and update billing claims as a way of documenting that all other health insurance sources are exhausted. As I understand it, the proposal would require the nursing home billing staff to follow the new procedures beginning on October 1, 2015, but the systems would not "go live" until January 1, 2015.

I am writing to request that the proposed TPL billing changes be delayed until April 1, 2016 (i.e., begin testing on that date with full implementation to occur three months later).

Nursing home billing personnel already are overwhelmed with the significant changes that are required to implement ICD-10 which will happen on October 1, 2015. As noted in a recent CMS communication to nursing homes, "The ICD-10 transition will affect every part of your practice, from software upgrades, to patient registration and referrals, to clinical documentation and billing." (See: www.cms.gov/Medicare/Coding/ICD10/ProviderResources.html)

Nursing facilities are extremely concerned that implementation of ICD-10 could result in claims being denied or not paid timely, thereby creating additional financial risks to their operations. Because of these concerns and recognition that facility billing personnel already are consumed by the enormity of ICD-10 implementation, we respectfully ask DHS to delay the proposed TPL changes until April 1, 2016.

On behalf of the LeadingAge Wisconsin members, I thank you for your consideration of this request.

Sincerely

A handwritten signature in black ink, appearing to read "J. Sauer". The signature is fluid and cursive, with the first letter "J" being particularly large and stylized.

John Sauer, President/CEO

cc Brian Shoup
Dave Varana