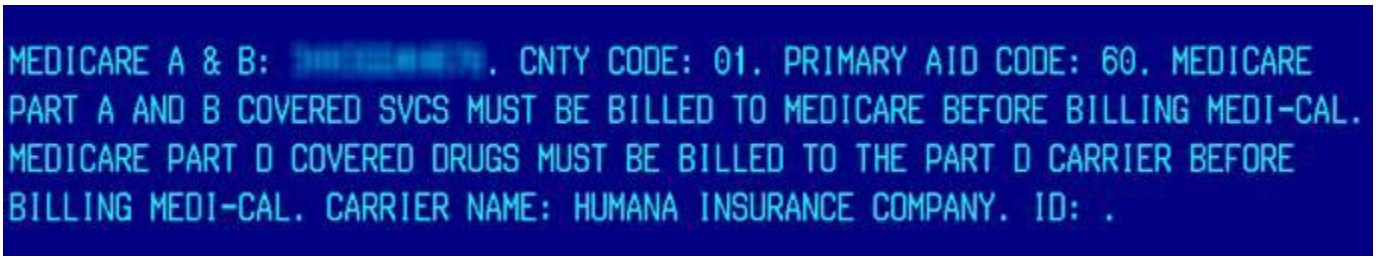
Frequently Asked Question #11 – Does Medicare cover Substance Use Disorder (SUD) services and when do providers need to bill Medicare for SUD services?

Medicare beneficiaries can have Fee for Service (FFS) Medicare or select an HMO plan for their Medicare benefits (aka a Medicare Senior Advantage or Medicare Part C plan).

Traditional Fee for Service (FFS) Medicare, does not cover SUD services. So, there is no need to bill Medicare for clients with a Traditional FFS Medicare plan. Services for Medi-Medi clients with a Traditional FFS Medicare plan can be billed directly to Medi-Cal, as DHCS recognizes that Medicare FFS does not cover SUD services.

Medicare only clients with a Traditional FFS Medicare plan would not be covered for SUD services.

The following is a screen snippet of a client's eligibility response message when the beneficiary has Traditional FFS Medicare plan. The beneficiary has Medicare Part A (Inpatient Coverage) and Part B (Outpatient Coverage). And they have Part D (Medication/Drug Coverage through Human Insurance Co.



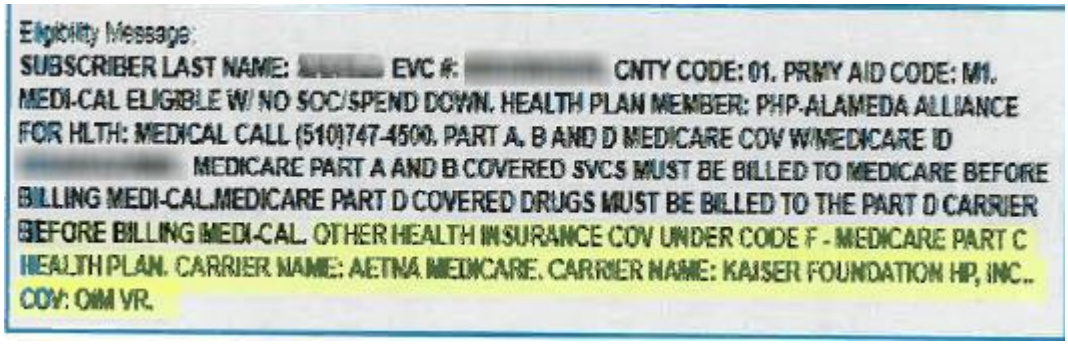
Medicare via an HMO plan (aka a Medicare Senior Advantage or Medicare Part C plan), may cover SUD services and is considered a commercial insurance (aka private insurance plan). Beneficiaries are expected to receive covered services from the HMO plan network of providers. Or if your agency elects to serve the client you must perform one of the following (2) processes:

1. Obtain authorization from the HMO plan to provide the services or enroll in their network and bill the HMO plan for reimbursement. Follow the ACBH OHC process, by submitting the

payment information to the ACBH Billing dept. and any co-pay or deductible can then be claimed to Medi-Cal.

2. Get clarification from the HMO plan that the services you are going to provide are not a covered benefit under the plan for the client, provide the service and then bill the HMO plan to obtain a valid denial (e.g. not a covered benefit or benefits have been exhausted). Follow the ACBH OHC process, by submitting the denial information to the ACBH Billing Dept. and the services will be claimed to Medi-Cal for reimbursement.

Clients with this type of Medicare HMO plan will appear as follows when verifying eligibility on the Medi-Cal website. See below where it states Other Health Insurance, coverage under Code F – Medicare Part C and in this particular case the HMO carrier is Aetna Medicare and Kaiser.


Eligibility Message:
SUBSCRIBER LAST NAME: [redacted] EVC #: [redacted] CNTY CODE: 01. PRMY AID CODE: M1. MEDI-CAL ELIGIBLE W/ NO SOC/SPEND DOWN. HEALTH PLAN MEMBER: PHP-ALAMEDA ALLIANCE FOR HLTH: MEDICAL CALL (510)747-4500. PART A, B AND D MEDICARE COV W/MEDICARE ID [redacted] MEDICARE PART A AND B COVERED SVCS MUST BE BILLED TO MEDICARE BEFORE BILLING MEDI-CAL.MEDICARE PART D COVERED DRUGS MUST BE BILLED TO THE PART D CARRIER BEFORE BILLING MEDI-CAL. OTHER HEALTH INSURANCE COV UNDER CODE F - MEDICARE PART C HEALTH PLAN. CARRIER NAME: AETNA MEDICARE. CARRIER NAME: KAISER FOUNDATION HP, INC.. COV: OIM VR.