



VM-06-06

September 12, 2005

MEMORANDUM FOR CENTERS FOR INDEPENDENT LIVING

From: Brenda F. Campbell, Interim Director
Division of Senior and Disability Services

Subject: Prior Authorization (PA) for Medicaid Payment

Within the new statutory requirements, Medicaid reimbursement for Consumer-Directed Services (CDS) requires a prior authorization (PA) to exist within the Medicaid Payment System. A prior authorization indicates:

- That a consumer has met the program eligibility requirements at the time services were authorized;
- The authorization time frame; and
- An authorization level sufficient for care reimbursement during the PA time frame for the month(s) in which the maximum number of units would be needed.

Until state staff has reevaluated a consumer, the current care plan authorized within the Oracle database will remain effective. It is not necessary for Vendors to forward referrals for *reevaluation of existing care plans* as the department has that information available. However, Vendors shall continue to forward referrals for current consumers with an identified need for a care plan change. As consumers are reevaluated, department staff will update the prior authorization—*notifying both the consumer and the vendor of the new care plan*. Until that time, the database will contain a fixed unit authorization that reflects the maximum number of reimbursable units that can be billed during a 31-day month. As required by Medicaid procedures, billing must be based on actual delivery—and delivery must be consistent with the state approved care plan. Delivery of services over the approved care plan may constitute fraud of the program.

Attendants shall be reimbursed for services delivered as authorized on a plan of care. Vendors must ensure billing (and delivery) is consistent with care plans as it relates to the daily authorization for services and frequency of delivery. Care plans are currently being transmitted from the DVR Oracle database into Infocrossing Healthcare Services (the current Medicaid fiscal agent) to create the PA files. The complexity of this data upload is currently in final test stages and Vendors should be able to submit claims for CDS within September. The department will issue an electronic notice (E-mail) when the system is ready to process the initial CDS billing cycle.

BFC/MW

CC: Distribution List 4

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