

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Department of Health Care Finance



DHCF Transmittal No. 12-20

**TO:** District of Columbia Managed Care Organizations

**FROM:** Linda Elam, Ph.D, MPH  
Deputy Director- Medicaid

**DATE:** AUG 10 2012

**SUBJECT:** Retroactive Eligibility Status Changes and Provider Recoupments

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The Economic Security Administration (ESA) of the District of Columbia (DC) Department of Human Services is the D.C. agency responsible for determining medical assistance eligibility for District residents. Periodically, ESA makes retroactive changes to the Medicaid or Alliance eligibility of a beneficiary due to receipt of additional information and/or to update the beneficiary's eligibility. When this occurs, it has caused the beneficiary to be dis-enrolled retroactively from the managed care program and caused recoupments of past capitation payments by the Department of Health Care Finance (DHCF) from the Managed Care Organization (MCO).

Effective May 1, 2012, DHCF is no longer implementing such retroactive managed care disenrollments. Upon notification via daily file transmission of a retroactive eligibility status change from ESA's Automated Client Eligibility Determination System (ACEDS) to DHCF's Medicaid Management Information System (MMIS), beneficiaries will be disenrolled from the MCO on the first day of the following month. As a result, DHCF will not recoup capitation payments from the MCO in these instances and the MCO will not recoup payments from providers.

**Exceptions to this new process include the following:**

**1. Deaths**

- Regardless of the date that MMIS receives the death notification, the managed care disenrollment will be effective on the beneficiary's date of death. In these cases, DHCF will recover capitation payments made for any month following the month of which a beneficiary died.

**2. Until October 1, 2012, Status changes for Alliance and Immigrant Children that transition to Emergency Medicaid Program (780) due to an Emergency Medical Condition.**

- As defined with the Code of Federal Regulations 42 C.F.R. § 440.255, an Emergency Medical Condition is the sudden onset of a medical condition (including labor and delivery), manifesting itself by acute symptoms of sufficient severity

(including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in:

- a. Placing the patient's health in serious jeopardy;
- b. Serious impairment to bodily functions *or*
- c. Serious dysfunction of any bodily organ; or part.

In these cases, DHCF will retroactively terminate the beneficiary's managed care eligibility in the MMIS for that specified time frame, so that providers can bill Medicaid for services rendered for emergency medical conditions.

**3. Managed care eligibility changes (retroactive on-line updates) by authorized DHCF, Division of Managed Care personnel.**

- Retroactive on-line updates are conducted by DHCF on a case- by- case basis to accommodate an immediate need for a medical service that a beneficiary is unable to receive if they remain in a managed care plan. In these cases, DHCF will continue to recoup capitation payments from the MCO for the months on and subsequent to the change in eligibility and disenrollment from the MCO. In these circumstances MCO may still recover any payments to the providers in accordance with MCO Contract § C.11.7.7. Contractor shall utilize a post-payment review methodology to assure claims have been paid appropriately. Contractor shall complete post payment reviews for individuals retroactively disenrolled by DHCF within ninety (90) days of the date that DHCF notifies Contractor of the retroactive disenrollment. Contractor shall complete the recoupments from Providers within ninety (90) days of identifying the claims to be recouped. In no case shall Contractor recoup money from Providers for individuals retroactively disenrolled by DHCF more than one-hundred and eighty (180) days from the date that DHCF notified Contractor of the retroactive disenrollment.

If you have any questions, please contact Elisa Fautleroy, Management Analyst, Division of Managed Care at 202/442-8998.