CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES

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May 2, 2013

Kelly Munson
WellCare of Kentucky
13551 Triton Park Boulevard
Suite 1800
Louisville, KY 40223

Dear Ms. Munson,

I am writing this Letter of Concern regarding WellCare's Durable Medical Equipment (DME) reimbursement practices for Medicaid recipients whom are Qualified Medicaid Beneficiary (QMB) eligible and receiving SSI benefits.

It has come to the Department's attention that WellCare may be under reimbursing pharmacy DME providers by deducting a copayment for services and products on QMB-SSI member claims. Generally, recipients eligible for SSI benefits are responsible for cost share liability. However, some SSI recipients also have QMB eligibility. These combination recipients are identified on the 834 file with a status description of ZZ-SSI w/ QMB. Those members eligible for SSI and QMB pursuant to both federal and Kentucky state guidelines are eligible for Medicaid payment of Medicare Part A and Part B premiums plus all cost share, including deductibles, coinsurance, and copayments (except for Part D claims). This would include DME copayments for diabetic supplies since DME falls within the purview of Medicare Part B reimbursement.

It is the responsibility of WellCare to ensure proper reimbursement of cross over claims such as these. I am requesting that WellCare review their current reimbursement process for crossover claims related to Medicare Part B DME diabetic supply claims submitted from a pharmacy DME provider source for recipients identified as SSI with QMB eligibility and formulate a plan to align reimbursement with the applicable guidelines.

In accordance with Contract Section 39.4(B), I am asking that WellCare notify me within two business days of receipt of this letter with an outline of the steps WellCare is taking to investigate and resolve any reimbursement discrepancies. Please note that any corrective reimbursement for providers should include an interest adjustment.

I look forward to receiving your response and will be available for any questions you may have.

Sincerely,

Thomas McMahan
Senior Policy Advisor
Department for Medicaid Services

cc: Lawrence Kissner, Commissioner, Department of Medicaid Services
Lee A. Guice, Director of Policy and Operations, Department of Medicaid Services
Christina Heavrin, General Counsel, Cabinet for Health and Family Services
Elizabeth Justus, Managed Care Oversight, Department for Medicaid Services