| | MEDICAL ASSISTANCE BULLETIN<br>COMMONWEALTH OF PENNSYLVANIA * DEPARTMENT OF PUBLIC WELFARE | |
|---|---|---|
| | **SUBJECT**<br><br>Healthy Horizons and Medicare Cost Sharing | **BY**<br><br>Eileen M. Schoen<br>Deputy Secretary for Medical Assistance Programs |
| **NUMBER:** | 99-89-02 | |
| **ISSUE DATE:** | January 4, 1989 | |
| **EFFECTIVE DATE:** | January 1, 1989 | |

**PURPOSE:**

The purpose of this bulletin is to advise providers of benefits available to elderly, disabled, and qualified medicare beneficiaries who apply for and meet Department of Public Welfare program guidelines for a new program called "Healthy Horizons".

**SCOPE:**

This bulletin is applicable to all providers enrolled in the Medical Assistance program.

**BACKGROUND/DISCUSSION:**

The Healthy Horizons program which begins on January 1, 1989, will expand the number of elderly, disabled and qualified medicare beneficiaries eligible for coverage by the Department.

The Sixth Omnibus Budget Reconciliation Act (SOBRA) of 1986 (Public Law 99-509) provided for the creation of a new categorically needy group of elderly/disabled individuals with family income up to 100% of the Federal poverty guidelines. Those individuals who qualify for the categorically needy portion of the Healthy Horizons Program will be eligible for full medical assistance services. Recipients eligible under SOBRA will be issued medical services eligibility cards with:

1. a category of PA or PJ and a program status code of 80, or;

2. a category of PS and a program status code of 40, 70, or 90.

In addition, the above categories of assistance and program status codes, **with the exception of category PS with program status code 40**, are eligible for payment of the Medicare deductible and coinsurance up to an established Medical Assistance Program fee.

The Medicare Catastrophic Coverage Act of 1988 (Public Law 100-360) mandates state medicaid agencies to pay the Medicare Part B premium for individuals who qualify for Medicare benefits and meet special income and resource limits. Those qualified individuals are considered to be "Medicare cost-sharing only" and will only be eligible for medicaid payment of the Parts A and B Medicare deductibles and part B Medicare coinsurance, up to the Medical Assistance program fee. **If Medicare denies a service or does not otherwise cover a service, the Medical Assistance Program has no responsibility to pay for the service**. Individuals designated as Medicare cost-sharing only are not eligible for the Medical Assistance Program services. These participants will be issued an orange colored identification card which is marked MEDICARE COST-SHARING ONLY and contains either a PG or PL category of assistance and a program status code of 00.

In addition to the eligibles who are issued an orange card, the Department has decided to extend the cost-sharing benefit for Medicare covered only services to the following categories of assistance and the respective program status codes:

| CATEGORY | PROGRAM STATUS |
|---|---|
| A | Not Applicable |
| J | 80 |
| M | Not Applicable |
| PA | 80 |
| PJ | 80 |
| PS | 70, 90 |
| PG | 00 |
| PL | 00 |

Although these categories of assistance may have additional program status codes, only the above program status codes are applicable for this cost-sharing benefit.

**PROCEDURE:**

For services provided to persons eligible under the "categorically needy" part of the Healthy Horizons Program, the appropriate Medical Assistance Program invoice must be used. Instructions for completing the invoice are contained in the billing instructions section of your provider handbook.

**Billing instructions for the Medicare cost-sharing coverage for Medicare only services will be issued in a separate bulletin**. Note: Providers must have billed Medicare and received the Explanation of Medicare Benefits which indicates there is a deductible or coinsurance due. Payment towards the deductible and coinsurance amounts will be made by the Medical Assistance program for these cases only when the **Medicare approved amount is less** than the fee established by the Department.

**COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:**

Bureau of Hospital and Outpatient Programs
P.O. Box 2675, Bldg. #33, Cherry Wood
Harrisburg, Pennsylvania 17105

1-800-822-2901

Visit the Office of Medical Assistance Programs website at www.dpw.state.pa.us/omap.