

Customer Liability and Co-payments Q & A

1. If a customer has private insurance as primary, and has Medicaid as secondary:

- a. Is the customer responsible for the private insurance co-payment?

Response: If an enrolled provider accepts the customer's secondary coverage under HFS' medical programs the provider may not charge the customer for co-payments, customer fees, coinsurance, deductibles, or any other form of customer cost-sharing, except as specifically allowed under the customer's coverage with HFS. In no other instance may any form of customer cost sharing be charged to eligible customers for any service covered by HFS. Please refer to [Chapter 100](#), Topic 101.3.

- b. Is the customer responsible for the private insurance deductible?

Response: Please refer to the response to Question 1.a. above.

- c. Can the provider bill HFS for the private insurance co-payment or deductible?

Response: Providers cannot bill HFS for the private insurance co-payment. When private insurance does not pay on a claim because the customer's deductible has not been met, the provider may bill HFS with TPL status code 10 – deductible not met. HFS' reimbursement will be based on its fee schedule. TPL status codes may be found on the [Provider Handbooks webpage](#).

- d. Should the provider collect the HFS co-payment?

Response: Yes

- e. Can a provider accept a customer as "private insurance only" and then collect the private insurance co-payment?

Response: Yes, if the enrolled provider accepts the customer with their private insurance only and informs the customer *prior to rendering services* that their Medicaid coverage will not be accepted as secondary, they can collect the private insurance co-payment from the customer. Please refer to the response to 1.a. above.

2. Under what circumstances is a customer liable for payment?

- a. For non-covered services?

Response: All providers may charge a customer they have accepted as covered by Medicaid for non-covered services. The provider must inform the customer *before services are rendered* that they will be responsible for payment. The customer then has the choice to receive the service(s) or not. Please refer to [Chapter 100](#), Topic 101.3.

- b. Can a provider charge a co-payment for Medicaid family planning services?
Response: Federal regulations stipulate that a customer receiving family planning medical services and contraceptive methods cannot be charged a co-pay. This applies to all customers covered under the Department of Healthcare and Family Services (HFS)' medical programs.
- c. An enrolled anesthesiologist provides anesthesia for a surgery that turns out to be a non-covered service. The anesthesiologist has no opportunity to verify eligibility, nor does the anesthesiologist have the opportunity to inform a customer before rendering services if the service will not be covered by Medicaid. Can the anesthesia provider bill the customer?
Response: Yes, if anesthesia was provided for a non-covered service (e.g. cosmetic surgery, fertility treatment, etc.) the provider may bill the customer. Billing the customer, or balance billing the customer, is only prohibited if reimbursement for the service would have been available if the provider had timely and properly billed the Department.
- d. Customer is a 30-year-old female who has regular Illinois Medicaid. Physician orders a screening mammogram for the customer to be performed at an outpatient hospital. An enrolled, independent radiologist performs interpretation of the mammogram, which is subsequently denied because the service is not covered for customers under age 35 years. The radiologist has no opportunity to verify eligibility, nor does the radiologist have the opportunity to inform the customer before rendering services that the services are not covered by Medicaid. Can the radiologist bill the customer?
Response: Yes, billing the customer or balance billing the customer is only prohibited if reimbursement for the service would have been available if the provider had timely and properly billed the Department.
- e. Customer receives services on 01/01/22 and the enrolled provider bills HFS. HFS rejects the claim, R03, Recipient Not Eligible on Date of Service. Provider then bills the customer, receives no payment, and eventually sends customer's account to a collection agency. In the meantime, the customer is approved for eligibility backdated to 01/01/22 but failed to inform the provider in time for the provider to bill HFS timely (within 180 days of system update). Is the customer liable?
Response: No, the customer is not liable. The provider failed to verify eligibility on the date of service and make payment arrangements with the patient upon seeing no Medicaid coverage. The provider then also billed HFS and, by doing so, the provider has agreed to accept the patient as a Medicaid recipient at their word. Because the provider accepted the patient as a Medicaid recipient, the customer may not be asked for payment. Please refer to [Chapter 100](#), Topic 101.3.

- f. Customer receives services on 01/01/22 and makes arrangements to pay privately because there is no Medicaid eligibility on the date of service. The enrolled provider does not bill HFS. Customer is later approved for Medicaid eligibility backdated to 01/01/19 but the claim would be out of timely if billed because the provider was not informed of backdated eligibility within 180 days of the system update. Is the customer liable?

Response: Yes, the provider may hold the customer liable. If the provider never billed HFS, nor agrees to accept the patient's Medicaid coverage and bill HFS when informed of backdated eligibility since the provider is aware the claim would be denied for timely, then the provider may adhere to the original payment arrangement and continue to bill the customer.

- g. Customer is enrolled in a Medicaid MCO. Customer goes to a Medicaid enrolled provider who is not contracted with the customer's MCO and therefore the services are not covered by the MCO. Is the customer liable?

Response: No, the customer is not liable. The provider should have verified eligibility prior to rendering services. The provider's only option is to contact the MCO to see if anything can be arranged between the MCO and the provider.

- h. Customer is Medicare primary but not QMB or DUAL. Provider renders a service covered by Medicare but not Medicaid, so Medicaid has no financial liability on the claim. However, Medicare automatically crosses the claim over to HFS. Provider cannot stop this crossover process. Is customer liable?

Response: Yes.

- i. Can an enrolled provider charge an HFS customer for missing appointments?

Response: No, according to federal statutes and regulations Medicaid customers must not be charged for missed or canceled appointments. If no service was delivered, no reimbursement is available. Also, missed appointments are not a distinct, reimbursable Medicaid service, and are considered part of a providers' overall cost of doing business.

- j. Can an enrolled provider charge an HFS customer for copies of their medical records, or to transfer a customer's medical records to another provider?

Response: If the provider has a written office policy to charge all patients for personal copies of their medical records, that policy may be applied to HFS customers. However, medical records are to be made available to other health care providers who are treating or serving the customer, without charge and in a timely manner, when authorized by the customer in writing.

- k. Can a provider charge a co-payment to a resident of a Nursing Facility, Supported Living Facility or an Intermediate Care Facility for Individuals with Intellectual Disability (ICF/IID)?

Response: No. Refer to [Cost Sharing Provider Notice dated August 20, 2012 \(pdf\)](#).

3. If a provider does not accept Medicaid and requires private pay what release or steps are necessary? Does the customer have to agree in writing?

Response: Providers should apply the same standing office policy they use to inform any customer of their responsibility to pay for a service. The Department does, however, recommend that the notification be in writing, dated, initialed or signed by the customer, and maintained in the customer's file.

4. Can an enrolled provider decide to accept a customer one-day as Medicaid, and not Medicaid the next day?

Response: Yes, if the provider has a written office policy that allows for a service-by-service determination as to whether they accept the customer's insurance coverage, that policy may be applied to HFS customers for covered services. However, per the response in 2.i. above, a provider cannot choose to not accept a customer's Medicaid coverage for the purpose of billing for a missed appointment. Any customer that is Medicaid eligible (whether primary or secondary, enrolled in HFS Medicaid or a Managed Care plan) may not be billed a no-show fee under any circumstances. In all cases, the provider must inform the customer, before services are rendered, that they will be responsible for payment. The customer then has the choice to receive the services or find another provider who will accept their Medicaid coverage.

5. Collecting HFS co-payments:

a. Customer refuses to pay his co-pay. What can provider do in this case if anything?

Response: Federal regulations stipulate that an enrolled provider **cannot deny services** to an individual covered under a Title XIX program or a Title XXI program due to the person's inability to pay a co-payment. Providers may apply their standard office policies relating to the collection of co-payments to customers covered under these programs.

b. Can a provider discharge a customer from the practice for repeated failure to pay the co-payment?

Response: Federal regulations stipulate that an enrolled provider **cannot deny services** to an individual covered under a Title XIX or Title XXI program due to the person's inability to pay a co-payment. The provider may, however, apply their standard office policies relating to the termination or discharge of the physician/customer relationship.

c. Can the enrolled provider bill the customer for the co-payment later, if the customer cannot pay at the time of service?

Response: Yes