



Change to MHCP Copay Requirements

Summary of Change

Because of a court order, federally funded MA or MinnesotaCare recipients are protected from denial of service based on inability to pay as long as they inform the provider that they are unable to pay the copay. Providers must continue to accept their assertion of inability to pay.

Background

In 2003, the Minnesota Legislature enacted a Medicaid copay statute, Minnesota Statutes section 256B.0631, that became effective October 1, 2003. The statute outlines when copays apply and allows providers to collect those copays. MHCP reduces the reimbursement amount to providers by the copay amounts, regardless of whether providers collected the copays from the recipients. Subdivision 3 of the statute provides that "Providers may not deny services to recipients who are unable to pay the co-payment, except as provided in subdivision 4."

Subdivision 4 provided that "If it is the routine business practice of a provider to refuse service to an individual with uncollected debt, the provider may include uncollected co-payments under this section. A provider must give advance notice to a recipient with uncollected debt before services can be denied."

Among the DHS policies developed to implement MA copays was the following:

An unpaid copay is considered to be unpaid debt. A provider may refuse to continue serving a recipient with unpaid debt if 1) it is the provider's general or routine business practice to refuse to serve all individuals with unpaid debt, 2) the provider gives the recipient advance notice that service will be discontinued or refused in the future, 3) the provider gives the recipient a reasonable opportunity to pay the debt, and 4) the recipient does not pay the copay(s) owed or agree to a payment plan. ([CPY-05-01](#))

Federal statute 42 U.S.C. 13960(e) states that providers cannot deny services to a Medical Assistance recipient because of an inability to pay a copay:

(e) Prohibition of denial of services on basis of individual's inability to pay certain charges. The State plan shall require that no provider participating under the State plan may deny care or services to an individual eligible for such care or services under the plan on account of such individual's inability to pay deduction, cost sharing, or similar charge. The requirements of this subsection shall not extinguish the liability of the individual to whom the care or services were furnished for payment of the deduction, cost sharing, or similar charge.

On September 15, 2005, a Ramsey County District Court Judge issued an order declaring that Minnesota Statute 256B.0631, subdivision 4, conflicts with the federal statute 42 U.S.C. 13960(e) and is thus preempted for federally funded programs.

Changes to MHCP Copay Requirements

Effective September 15, 2005, as a result of the Ramsey County District Court ruling, the MHCP unpaid debt policy no longer applies to the federally funded Medical Assistance (MA) and MinnesotaCare programs. Health plan contracts will be amended to reflect the change in policy.

This document is available in alternative formats to individuals with disabilities by calling:

MHCP Provider Call Center (651) 282-5545 or 1-800-366-5411

TDD: (651) 215-0086 or 1-800-366-8930 or 7-1-1

www.dhs.state.mn.us/provider

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A provider may *not* refuse to serve federally funded MA and MinnesotaCare recipients with unpaid debt even:

- 1) If it is the provider's general or routine business practice to refuse to serve all individuals with unpaid debt, or
- 2) If the provider gives the recipient advance notice that services will be discontinued or refused in the future if the debt is not paid.

Federally funded MA or MinnesotaCare recipients are protected from denial of service based on inability to pay as long as they inform the provider that they are unable to pay the copay. Providers must continue to accept their assertion of inability to pay.

General Assistance Medical Care (GAMC), GAMC Hospital Only (GHO) and other state-funded MA and MinnesotaCare programs are not affected by the federal statute.

Phone Verification

When you verify eligibility using the phone eligibility verification system and hear one of the following benefit sets, you must continue to provide services if the recipient asserts that he or she is unable to pay the copay:

- MA: Medical Assistance
- FF: MinnesotaCare Basic Plus
- FF: MinnesotaCare Basic Plus Two

MN-ITS Verification

When you verify eligibility using the secure [MN-ITS Eligibility Inquiry/Response \(270/271\)](#) and see one of the following benefits sets, you must continue to provide services if the recipient asserts that he or she is unable to pay the copay:

- MA: Medical Assistance
- FF: MinnesotaCare Basic Plus
- FF: MinnesotaCare Basic Plus Two

Copays Continue to Apply

Although providers cannot refuse services to federally funded MA and MinnesotaCare recipients based on inability to pay, all copays continue to apply as before and copay amounts will continue to be deducted from provider reimbursements.

Resources

MHCP issued a number of provider updates notifying the provider community of copays and policies related to copays. Where appropriate, these updates have been modified to reflect current policy.

All Providers [Update #162](#) (09/17/2003)
 [CPY-04-01](#) (01/15/2004)
 [CPY-05-01](#) (06/15/2005)

Dentists [Update #163](#) (09/29/2003)
 [DEN-04-01](#) (03/12/2004)

FQHCs and RHCs [CLN-04-01](#) (04/19/2004)

MHCP Provider Manual
 [Health Care Programs & Services](#)
 [Billing Policy](#)