Louisiana Department of Health and Hospitals
BAYOU HEALTH Informational Bulletin 12-26
June 11, 2012

**Issue: Billing Bayou Health Members**

**Balance Billing**
Balance billing is the practice of charging or accepting payment, in whole or in part, from one or more recipients for goods, services, or supplies for which the provider has made or will make a claim for payment to Louisiana Medicaid. Louisiana’s Medicaid State Plan does not currently include any provisions for cost sharing with the BAYOU HEALTH members through co-pays or other fees. Services are to be provided through the BAYOU HEALTH plan at no cost to the recipient. Providers are also prohibited from charging recipients for missed appointments.

Per the terms of each of the three prepaid BAYOU HEALTH Plans contract with DHH the Health Plans are responsible to ensure that all medically necessary Medicaid covered services are available to their BAYOU HEALTH members within the specified time and distance requirements. Within each Plan these services can be provided through a combination of in-network (contracted providers) and out-of-network (non-contracted providers).

**In-Network Providers:** Approval of services and payment to contract providers are governed by the contract between each Health Plan and the individual provider. At a minimum, the Health Plan must pay contracted providers no less than 100 percent of the current published Medicaid rate; unless a **provider submitted request** has been approved by DHH for a lesser amount. The contract provider agrees to accept payment from the Health Plan for services to BAYOU HEALTH members as payment in full and may not charge DHH nor the member for any additional cost of covered services.

**Out-of-Network Providers:** non-contracted providers have the following two **mutually exclusive** options in billing for services provided to members that are enrolled in a BAYOU HEALTH prepaid (MCO) plan:

1. **Payment from the BAYOU HEALTH Plan:** the provider must get prior approval to provide services to the member from the BAYOU HEALTH Plan in which the member is enrolled (according to the Plan’s policies and procedures) and to accept an agreed upon payment as payment in full. The Health Plan has the option to approve the provision of service by the out-of-network provider at a rate no less than 90% of the published Medicaid rate if three documented attempts to execute a contract with the provider have been made or can direct the member to an available in-network provider for services, as long as, the BAYOU HEALTH plan ensures that all medically necessary services are provided in accordance with their contract requirements with DHH.
2. **Payment from the Member:** the member does have the right to seek medical care outside of the Medicaid program. The provider may offer to provide the service and directly charge the patient for payment in full **without any charge to or payment from Medicaid.** In order to do this the provider must get written consent from the member, **prior** to the provision of the service. The consent must state that:

   a. The member understands they have the option to choose a different provider who is either in-network or approved by their Health Plan who will provide the service at **no cost to the member**; and

   b. If the member chooses the current out-network provider that the **member will accept sole responsibility for payment of services** to the out-of-network provider. In this case the provider cannot bill Medicaid directly or through the BAYOU HEALTH Plan and will not receive any payment from Medicaid. Nor can the member seek reimbursement from Medicaid for charges incurred.

Per the terms of BAYOU HEALTH prepaid plans’ contract with the Department it is the Plan’s responsibility to notify contract and non-contract providers authorized to provide services to BAYOU HEALTH members enrolled in prepaid plans of this policy and to monitor and ensure their compliance.

If you have evidence of specific providers who have balanced billed members, please forward the details of the case (provider name and NPI, member name and Medicaid ID, and claim information) in writing to Mary Johnson at [mary.johnson@la.gov](mailto:mary.johnson@la.gov) for investigation by the Department.