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**DEPARTMENT  
POLICY****MA Only**

The medical services authorization data elements are:

- Provider ID number
- Level of care .
- Patient-pay amount
- Begin date .
- End date .

**MANAGED CARE  
BENEFICIARY  
ENTERS L/H**

It is the local MDHHS's responsibility to enter the medical services authorization.. However, see BAM 120 when a beneficiary in managed care (LC 07) becomes an long term care or hospital (L/H) patient.

DHHS and Medical Services Administration (MSA) share responsibility for the medical services authorization for these beneficiaries.

**LEVEL OF CARE  
CODES (LC)**

Long term care (LTC) facilities and waiver services providers will not be paid unless the appropriate LC code is in Bridges. For hospitals, an LC code is needed **only** when the beneficiary has a patient-pay amount. For DHHS staff, adding, removing or changing an LC code are not negative actions.

**Exception:** Changing an LC code to 56 for an L/H or waiver MA patient is a negative action. See BEM 405.

**LTC**

See BAM 120 when a beneficiary with LC 07 enters LTC.

For LTC facilities, use the following LC codes:

- LC code 08 for ICF/ID.
- LC code 10 for state psychiatric hospitals **only** when the person has a patient-pay amount.

**Note:** For individuals in a state psychiatric hospital with no patient-pay amount, call the Department of Health and Human Services at (517) 241-8759. DHHS will enter provider ID number 3470083 and LC code 88.

- LC code 02 for all other LTC facilities.

The begin date is the date the person entered the LTC facility **or** the MA eligibility begin date, **whichever is later**.

Enter the facility's MA provider ID number on the MSA-2565-C, Facility Admission Notice, or contact the facility to obtain the number.

Medical Services Administration within MDHHS is responsible for notifying the beneficiary and LTC facility if nursing care is not needed. MSA enters LC code 55 and the facility will not be paid by Medicaid.

A beneficiary in an LTC facility may also be enrolled in a hospice. MSA enters LC code 16 for these cases.

LC code 16 cannot be removed or changed by local office DHHS staff.

The medical services authorization end date is the local office specialist responsibility. The end date is:

- The beneficiary's date of death.
- Date of discharge when the individual goes home or to any other non-LTC/hospital setting.

**Note:** Do not change the LC code or post-eligibility patient-pay amount when a beneficiary is transferred to a hospital or another LTC facility.

- Last day of the last month of MA coverage if the beneficiary is still in LTC when MA is terminating.

**Exception:** Use instructions in BEM 405 to end the divestment penalty, LC code 56.

## Hospital

Use LC code 10 **only** when the beneficiary has a hospital or post-eligibility patient-pay amount.

Always enter the hospital's MA provider ID number. See the MSA-2565-C, Facility Admission Notice, or contact the hospital to obtain the ID number.

See "**PATIENT-PAY AMOUNTS**" for the LC code begin and end dates.

### MI Choice Waiver

Enter a provider ID number. Waiver agents will supply their provider ID number.

Use LC code 22 for waiver patients (see BEM 106). The begin date of LC code 22 is the date the individual is "**APPROVED FOR THE WAIVER**" (see BEM 106) or the MA eligibility begin date, **whichever is later**.

The LC code 22 end date is:

- The date the beneficiary's waiver terminates.
- The day prior to the date the beneficiary is admitted to an LTC facility.
- The beneficiary's date of death.
- The last day of the month the beneficiary has Medicaid coverage.

**Exception:** Use LC code 56 for a divestment penalty period. See BEM 405.

### HOSPICE AND LTC

When a beneficiary receiving hospice care enters LTC DHHS will receive an MSA-2565-C, Facility Admission Notice, with "HOSPICE" entered in the remarks section.

Take the following actions:

- Determine the patient pay amount (PPA).
- Determine if LC code 16 is in Bridges.
- Enter the PPA and the correct provider ID number in Bridges and enter LC 02.

When a beneficiary in LTC begins receiving hospice care DHHS will receive an MSA-2565C, Facility Admission Notice, with "HOSPICE" entered in the remarks section.

Take the following actions:

- Determine that the PPA has not changed. If it has changed re-enter the correct PPA using the correct provider ID. LC code must be 16.  
  
MSA is responsible for starting and changing LC code 16.
- Complete the MSA-2565C, Facility Admission Notice, and send a copy to the LTC facility.

## PATIENT-PAY AMOUNTS

There are different patient-pay amounts (PPAs):

- **LTC and hospital** - Used to establish Group 2 income eligibility. See BEM 545.
- **Post-eligibility** - Certain L/H patients' share of their cost of care. See BEM 546.

Approval of MA for a month is a positive action even when there is a PPA.

Always enter the PPA when adding MA coverage regardless of:

- How long an application has pended.
- Which month of coverage is being added to an active deductible case.
- Whether the DHS-3227, Tentative Patient-Pay Amount Notice, was sent to the LTC facility.

### Adding MA Coverage with a PPA

When adding MA coverage for a month having a hospital, LTC, or post-eligibility PPA:

- The begin date of the PPA is the first day of the month **or** the hospital admission date/LTC admission date, **whichever is later**.
- The end date is the hospital discharge date/LTC discharge date **or** the last day of the month, **whichever is earlier**.

**Exception:** When MA eligibility will be ongoing for an L/H patient, the end date of the ongoing post-eligibility PPA is 9s.

### Changing Post-Eligibility PPAs

When changing a post-eligibility PPA for an MA beneficiary:

- Begin a **higher** PPA the first day of the month following the month in which the negative action pend period ends.
- Begin a **lower** PPA the first day of the month:
  - The change occurred, if it was reported within 10 days.
  - The change was reported, if not reported within 10 days.

**Note:** Changes that result in a lower PPA include reduced income and higher needs as allowed by BEM 546. For example, a beneficiary will have a higher patient allowance when in an LTC facility only part of a month.

### RETROACTIVE ADJUSTMENTS

Do **not** increase or add a PPA for a past period for which the beneficiary already has MA coverage.

Correct PPAs that should have been lower for past periods. In addition to the beneficiary, notify the hospital/LTC facility so that the providers may adjust their MA billings.

### LEGAL BASE

#### MA

42 CFR 435.725, .726 and .832

42 CFR 456