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Upcoming Medicaid changes could snarl payment system again

Idaho providers who have struggled for several months to be paid through [Molina Healthcare](#), Idaho's Medicaid administrator, have a new concern on the horizon. Changes in law go into effect July 1 that will add new complications to the reimbursement process.

“It's likely we'll take a step backward when Medicaid implements changes on July 1,” said Idaho Medical Association Executive Director Susie Pouliot.

Idaho contracted with Unisys in 2010 to administer payments for [the federal-state program](#) that helps pay for services for the disabled, low-income children and pregnant women. Molina acquired Unisys in May 2010, and started paying Idaho's 100,000 or so Medicaid claims per week that June.

Idaho medical providers soon reported problems with thousands of claims. Some said they had to close their doors to Medicaid patients or pay staff out of their personal accounts as they worked for weeks and months without reimbursement. Others spent hours on the phone with representatives from the Long Beach, Calif.-based Molina. The problems were so acute that at one point Terry Reilly Health Services, the state's largest community health center for the poor and uninsured, was owed almost \$500,000, said Karen Kuhn, credit and collections manager at Terry Reilly.

A study in March by the Legislature's Office of Performance Evaluation blamed Molina, saying the problems “were the result of unclear contract requirements, a lack of system readiness, and the absence of adequate end user participation throughout the enrollment and testing phases.”

The OPE report said in March that Health and Welfare was still working to recoup more than \$60 million in outstanding interim payments, and that \$2 million might not be recouped at all.

The situation has improved. In January, the state still had more than 9,000 claims that were at least 90 days overdue, said Tom Shanahan, a spokesman for the state Department of Health and Welfare, which administers the federal Medicaid program. By the beginning of May, that had dropped to 5,500, Shanahan said.

“Their progress always has been kind of slow, but they keep plugging away,” he said. “This last month has been a real good one. We actually got a letter from a provider in Idaho Falls praising them.”

But Shanahan and Pouliot noted problems persist. “From what I hear from our reimbursement team, there are still some lingering Molina problems out there,” Pouliot said. “Not as numerous, but still nagging problems.”

Shanahan, Pouliot, and providers who are directly involved in patient care expect changes coming on July 1 to complicate things once again.

Legislative cuts to Medicaid programs this winter resulted in a loss of around \$100 million in the Medicaid budget, including federal matching funds. The cuts do away with services for poor and disabled adults _ such as preventive dental care _ and for elderly people. They go into effect July 1 and the accompanying changes in coding and other paperwork could throw Molina back into the confusion that plagued the company over the summer and fall.

“I think we’ll get valid complaints that the coding isn’t right, and then complaints, too, from people who say, ‘You didn’t pay me right,’” Shanahan said. “And it’s just that your payments were cut by the Legislature.”

Kuhn said she thinks Molina will be able to handle most of the changes. She worked in Molina’s offices with another Terry Reilly staff member for four days in February and March to resolve some of the billing problems.

“The things that will no longer be covered, the dental for adults and so forth, they’ll handle that part just fine,” Kuhn said. “The things that Molina won’t handle are patients that they still cover for expanded services and the changes to the services that will be provided to those developmentally disabled clients.”

A spokesman for Molina said the company is fully prepared to adjust to the Medicaid changes, especially since most of them involve the removal of patients from the Medical rolls. Molina won’t raise staffing at its call center in advance of July 1, said spokesman Dell Bell.

But the providers who rely on Molina for reimbursement aren’t so sure.

“It sounds like Molina’s not going to be ready,” said Denise Chuckovich, head of the Idaho Primary Care Association, which oversees 13 community health centers at 35 sites around Idaho, including Terry Reilly.

Chuckovich said most of her group’s clinics have reported their problems with Molina have been resolved.

“But now with Medicaid going forward, they have a number of new provisions in the law they’re going to implement, and it’s going to be struggle for them,” Chuckovich said.