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Medicaid providers wait for checks

Already struggling because of postponed payments, Idaho providers have been hit with new billing system

A new computer billing system is causing problems for Idaho Medicaid providers, delaying payments that were already postponed three to eight weeks for budgetary reasons.

Nelia Hart, the owner of the Unique Senior Care assisted living facility in Lewiston, finally got a few reimbursement checks Tuesday. They were the first payments she's received in almost two months, and they only covered a small fraction of what she's due.

"The big check was for \$160, for one (patient)," Hart said. "That's 3.7 days. How did they figure that? It's more frustrating than not getting paid at all. I have no idea what they paid."

Hart is licensed for as many as eight patients. Like other Medicaid service providers, she knew her reimbursement checks would be delayed in June because the Idaho Department of Health and Welfare ran out of money. The state bumped an estimated \$75 million in payments from fiscal 2010 into fiscal 2011, which began July 1. Those payments were supposed to get caught up this month.

No one anticipated, however, that the new billing system would compound the delay. Hart said it's more difficult to use than the old system, and she isn't sure the information she's entered has been accepted. When she calls or e-mails the system contractor for help, she doesn't get answers.

"I don't understand why they didn't have this set up earlier (before the June payment delays) and why they don't have something set up to handle the calls and e-mails," she said.

Department of Health and Welfare spokeswoman Emily Simnitt said Medicaid requires states to periodically upgrade their computer billing systems. Idaho's new system was developed by a division of Unisys; that division was acquired May 1 by California-based Molina Healthcare.

Some of Idaho's 14,000 Medicaid providers still haven't been paid for their June bills, Simnitt said, but she wasn't sure how many. About 2,000 didn't re-enroll in the new system by the April deadline, which contributed to the delays. Molina is working to address the remaining issues, she said.

Since payments resumed July 6, the state has paid out about \$120 million to Medicaid providers. That's about double the average rate. Simnitt said it includes delayed payments from fiscal 2010 as well as some July bills. "We also made an extra payment this week, to try to catch up some with those who haven't been reimbursed," she said.

Susie Poliot, chief executive of the Idaho Medical Association, said the computer glitch has affected doctor offices across the state. When the new billing system went live July 1, Molina was "flooded with calls" from association members.

"This issue has caused concern among our members," she said. "We don't know how long it's going to take to work it out. Some issues have been addressed, but we're still hearing from members about other issues. It is causing cash-flow problems with some providers."

State Rep. John Rusche, D-Lewiston, a former medical director for Regence BlueShield of Idaho, said he's never seen a billing system conversion that didn't have some degree of implementation problems. Unfortunately, the delayed June payments compounded the issue, "which puts providers - particularly small providers - in jeopardy."

Simnitt said Molina provides daily updates on the number of claims getting paid, but there isn't a solid time frame for when the reimbursements will be up to date.

Hart said she's had to take money from the bank to pay her employees and other business costs, but she can get by for now.

"It's just now knowing," she said. "When am I going to get paid?"