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## INFORMATIONAL NOTICE

**DATE:** October 2, 2006

**TO:** Participating Hospitals – Chief Executive Officers, Chief Financial Officers, and Patient Accounts Managers; and Ambulatory Surgical Treatment Centers (ASTCs)

**RE:** Hospital and ASTC Services Cost Sharing for All Kids Health Insurance Program

Effective with dates of service on or after July 1, 2006, HFS' medical coverage for children expanded under the provisions of Governor Blagojevich's new All Kids program. As part of this expansion, Medicaid and KidCare coverage of children has been renamed All Kids as well.

### All Kids Cost Sharing Requirements

The expanded coverage has been named All Kids Premium Levels 2 through 8 to correspond with seven income groups. Cost sharing, for children covered under the expansion to higher income levels, includes co-payment and percentage coinsurance amounts that vary by family income. Please note that co-payment requirements for children previously covered under All Kids (KidCare) have not changed.

Appendices 12 and 13 of the Chapter 100, General Policies and Procedures Handbook have been updated to reflect new institutional and fee-for-service co-payment and coinsurance requirements. Chapter 100 is available on the department's Web site at: <http://www.hfs.illinois.gov/handbooks/>

### Institutional Billing Co-payment and Coinsurance Assessment

- Inpatient Claims – For patients in one of the premium levels requiring a co-payment, the department assesses a co-payment only to an admission through discharge claim (Type of Bill Frequency Digit of "1"), or the initial claim in a continuing series (Type of Bill Frequency Digit of "2"). For patients in one of the premium levels requiring a percentage coinsurance based on the HFS rate per admission, the department assesses the coinsurance to all bills submitted.

Claims containing a Source of Admission "D" (Transfer from Hospital Inpatient in the Same Facility Resulting in a Separate Claim to the Payer) or Source of Admission "4" (Transfer from a Hospital Different Facility) will not be assessed a co-payment. However, if the patient is assigned to one of the coinsurance payment levels, the department will assess coinsurance on the claim.

- Outpatient Claims - If more than one general outpatient (Ambulatory Procedures Listing) service is performed on the same day, the coinsurance is based on the highest payable procedure code or revenue code on the claim. An individual coinsurance amount is **not** assessed for each procedure code or emergency/observation revenue code for the same date of service.

**Outpatient renal dialysis treatment (category of service 25), psychiatric clinic Type A and Type B services (categories of service 27 and 28), outpatient rehabilitation services (category of service 29), and subacute alcohol and substance abuse treatment services (category of service 35) are exempt from coinsurance assessment.**

## Collection of Co-payments and Coinsurance

When billing the department, providers should bill their usual and customary charge and **should not** report the co-payment or coinsurance on the claim. The department will automatically deduct the co-payment or coinsurance for All Kids Premium Levels 2 through 8 from the provider's reimbursement. Providers may choose not to charge the participant for the co-payment or coinsurance. If the participant is charged, the provider is responsible for collecting these amounts. The Remittance Advice will reflect the amount of the co-payment or coinsurance withheld by the department and will display the informational code I05 with the message, "All Kids Pmt Reduc Copay/Coins."

If a hospital charges an individual a co-payment or coinsurance in excess of what is reported on the Remittance Advice, the hospital is responsible for refunding the patient the difference, if the payment has already been collected from the patient.

**Example:** A patient in All Kids Premium Level 2 is charged a \$30.00 co-payment for emergency department services. The hospital bills the service as a Non-emergency/Screening and is paid at \$26.00. The patient is responsible only for the \$26.00. The patient cannot be charged a co-payment greater than the department's reimbursement for the service. In this case, the patient is due a \$4.00 refund from the hospital.

If a patient receives emergency department or observation services and is then admitted as an inpatient on the same date, department policy allows separate billing of the emergency room charge or observation services on an outpatient claim. Any ancillary services must be shown on the inpatient claim. In these situations, a co-payment or coinsurance is applied to **each** claim.

Federal regulations stipulate that a provider cannot deny services to an individual covered under a Title XIX or Title XXI program due to the person's inability to pay a co-payment. This requirement does not apply to the All Kids Premium Levels 2 through 8. Providers may apply their office policies relating to the co-payments and coinsurance to participants covered under the All Kids Premium Levels 2 – 8.

## Eligibility Verification

Providers will be able to determine the appropriate co-pay amount for a child using the MEDI or REV eligibility verification systems. The AVRS eligibility system will only identify the All Kids coverage level, not the specific co-pay amount.

In addition, the All Kids medical cards issued to families with children covered by All Kids Premium Levels 2 – 8 will contain the following message:

Co-pays apply for most medical services. **There are no co-pays for immunizations for children and well-child visits.** To obtain co-pay status, providers may use the MEDI Web site at: <[www.myhfs.illinois.gov](http://www.myhfs.illinois.gov)>, a REV vendor, or call 1-800-842-1461, the Automated Voice Response System.

To register to use the MEDI system for verifying eligibility, go to: <<http://www.myhfs.illinois.gov>>. Information on the REV System can be found in Topic 131.2 of the Chapter 100, General Policy and Procedures Handbook available on the department's Web site at: <<http://www.hfs.illinois.gov/handbooks/>>. The AVRS Provider Health Care Hotline can be reached by dialing 1-800-842-1461.

For additional information regarding the All Kids Program, visit the following Web site: <<http://www.allkidscovered.com/>>.



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