

CMS Will Pay Bills for Undocumented Aliens By G. Christopher Kelly

As part of the Medicare Prescription Drug, Improvement and Modernization Act, on May 9, 2005, CMS issued a final guidance for a system that will allow for payment of medical services rendered to individuals who are not U.S. citizens and are not legally residing in the U.S. The program will be referred to as “1011”, after the section of the Act that brought it to existence. CMS stated that this system is an important step in assuring that hospitals and other medical service providers recoup a portion of the costs they incur in providing emergent medical care to patients that can not pay their bills, regardless of the patient’s citizenship status.

One billion dollars has been set aside for this program’s first four years, or \$250 million per year. However, the money will be spread out to individual states based on the state’s percentage of undocumented aliens, with the top six states getting one-third of the funds and the remaining two-thirds going to the other 44 states and Washington D.C.. This means that California will receive the lion’s share of the funding, the most of any state at \$70.8 million, while Texas will come in second at \$46 million. Other states will also receive varying amounts of the budgeted \$1 billion. This money will be paid out to participating medical providers quarterly. Adjustments will be made to the payment if the bills received exceed the states’ allocation, that is if the bills for a quarter are higher than a particular states funding for that quarter, all providers will receive a proportionally lower payment.

To qualify for payments under the 1011 program, a patient must be: 1) an undocumented alien (individuals who entered the U.S. without permission or who remain in the U.S. after permission, such as a visa, has expired); 2) aliens paroled into the U.S. at a port of entry; or 3) Mexican citizens permitted to enter the U.S. under a “laser visa”. In addition, the patient must have an emergency medical condition. Services rendered by an ambulance service, physician or hospital prior to the condition being stabilized are covered.

Claims for payment for services that meet these criteria can be submitted to the intermediary contractor, but only after attempting to collect from all other sources. Remember, this program is for payment when the individual can not pay, therefore you must attempt to bill the patient first, and only if the patient (or of course their insurance) does not pay should you submit your “1011” program claim. You will be required to keep an account of your collection attempts. Similar to the Physician Certification Statements, this account will be kept in your files and not submitted to the intermediary with the claims. For ambulance services, you will likely need to get information about the patient, such as their place of birth, from the hospital. Hospitals are required to give you this information within 30 days of your request under the terms of the program.

CMS announced in July that the national contractor for these claims will be TrailBlazer Health Enterprises. Much like the Medicare and Medicaid programs, providers who wish to participate in this program must enroll. TrailBlazer has set up a web site, www.trailblazerhealth.com/section1011, and a toll-free phone number, 866-860-1011, for

assistance with and enrollment in the program. Enrollment is ongoing and payments will likely begin in October of this year, but claims may be made for services rendered after May 10, 2005.

This new program may not cover all of the costs associated with providing emergency medical services to undocumented aliens, but it will help, especially in the states hit the hardest by these expenses. Enrollment and compliance with terms of the program are required and information on both can be best found on the TrailBlazer web page dedicated to the 1011 program.

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