

Health Home Implementation Webinars

Session #37– May 14, 2014

Spend Down-The Excess Income Program



Agenda

- Excess Income Program Overview
- Questions and Answers

What is the Excess Income Program?

- The Medicaid Excess Income Program is also known as the Spenddown program. We will be referring to it as the Excess Income Program. It is a program that helps eligible individuals with excess income get assistance with their medical bills.
- Excess income is the amount over the Medicaid level. If an individual is eligible for Medicaid except for having excess income and can show medical bills equal to their monthly excess in a particular month, Medicaid will pay their additional medical bills beyond that for the rest of the month.
- Example: The 2014 Medicaid income level for a single individual is \$809. If the individual's monthly income is \$1,200, the individual must reduce their monthly income by \$391 (amount they are over the MA income level) to be MA eligible.

Who is Eligible to Participate in the Excess Income Program?

Individuals in medically needy categories:

- Under 21;
- Age 65 or older;
- Certified blind or disabled;
- Pregnant; or
- Parent of a child under 21.

NOTE: The above categories are budgeted using the Medicaid Income Levels, not the higher levels established by the ACA.

How is the Excess Income Amount Determined?

- The amount is determined by the Medicaid worker at the local district.
- It is the difference between the monthly Medicaid income level for a single individual (\$809) and the individual's countable income.

How Does An Individual Get Medicaid Through the Excess Income Program?

- A completed Access New York (4220) Medicaid application must be submitted to the local district;
- The local district determines Medicaid eligibility;
- If Medicaid ineligible, a denial notice will be issued indicating the reason for the denial.
- If Medicaid eligible but for income above the Medicaid income level an acceptance notice will be issued along with the Explanation of the Excess Income Program and the Provider-Recipient letter. This letter notifies the provider and the recipient of the client's liability toward that provider's bill(s).

Note: When more than one provider is being used to establish eligibility, a separate letter is issued to each provider detailing only his bill(s). This is to ensure confidentiality.

How Does An Individual Get Medicaid Through The Excess Income Program? (continued)

The acceptance notice will:

- Inform of the type of coverage that has been authorized;
- Include the amount the income is over the Medicaid level;
- Inform that paid or unpaid medical expenses equal to or greater than the monthly excess income amount must be submitted monthly to the local district; and
- Inform that payment of the excess income amount may be made to the local district for any month in which the individual needs coverage (Pay-In Program, will be discussed later in the presentation);

PROVIDER or MANAGED LONG TERM CARE PLAN/RECIPIENT LETTER
 (Financial Obligation of Recipient Toward Medical Expenses)

To: (Name/Address of Provider or Managed Long Term Care Plan)	Concerning: (Name/Address of Recipient)	CIN #
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This report is to advise the Medicaid provider or Managed Long Term Care plan and the Medicaid recipient of the sharing of certain costs between the recipient and the Medicaid program.

The Medicaid provider named on this form must take note of all payment exclusions/limitations as noted on this form before billing the Medicaid program for this recipient.

Medicaid has been authorized for the above recipient for the period of _____. This authorization is for:
 Outpatient Care Only All Available Benefits (Inpatient and Outpatient)

This decision was based on the fact that you, as the recipient, had income/resources in excess of the eligibility level, as you were advised in your Notice of Decision, and had to incur medical costs at least equal to the amount of this excess to become eligible for Medicaid. The unpaid bills which you used to become eligible are listed below. These bills are your responsibility and are not to be billed by your medical provider to the Medicaid program.

Bill Date	Date of Service	Patient's Name/Account Number	Amount

**NOTE TO ELIGIBILITY WORKER:
COMPLETE THE FOLLOWING SECTION ONLY IF APPLICABLE**

You, as the recipient, are responsible for \$ _____ of the following bill. After deducting this amount from the Medicaid rate or fee, the balance, if any, may be billed by your medical provider to the Medicaid program.

Bill Date	Date of Service	Patient's Name/Account Number	Amount

The Managed Long Term Care plan must reduce the excess income amount collected from the Medicaid recipient by the amount shown below.

If you owe your excess income to a Managed Long Term Care plan and have provided proof of medical expenses that you have paid, the amount of the medical expenses is applied toward the amount you owe. You have provided proof of paid medical expenses of \$ _____ for the month of _____. After deducting these medical expenses from your excess income of \$ _____, the amount you owe the Managed Long Term Care plan is \$ _____.

ELIGIBILITY WORKER'S SIGNATURE X	TELEPHONE NO.	DATE
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NOTE TO AGENCY RECIPIENT AND PROVIDER:
SEE REVERSE FOR IMPORTANT INFORMATION/INSTRUCTIONS.

What Coverage Will Be Authorized When The Individual Has Not Met Their Excess Income Liability?

An individual who has not met their excess income liability will receive provisional coverage, i.e., no coverage.

What Coverage Will Be Authorized Once The Individual Has Met Their Excess Income Liability?

- If a one-month excess income liability has been met, outpatient coverage will be authorized for that month and the appropriate notice issued.
- If a six-month excess income liability is met, inpatient (full) coverage will be authorized for six months and the appropriate notice issued.

Example #1: In June, a single individual with a \$100 excess income liability goes to the doctor and is billed \$100. The bill is submitted to the local district and the individual's one-month spenddown is met, the district authorizes outpatient coverage and Medicaid pays future outpatient claims for this month.

Example #2: In May, a single individual with a \$100 spenddown falls and breaks his/her leg, resulting in a \$600 inpatient hospital stay. As a result, the individual meets their six-month liability ($\$600 \text{ spenddown} = \$100 \text{ spenddown} \times 6 \text{ months}$) and full coverage is authorized May through October.

Outpatient Care and Services: One-Month Liability Met

- Outpatient treatment in a hospital or clinic
- Treatment and preventative health and dental care (doctors and dentists)
- Prescription drugs
- Laboratory and X-ray services
- Medical supplies
- Transportation to and from necessary medical services
- The individual will need to speak with their local district worker to find out whether they are eligible for long-term care services such as adult day health care, personal care and the Assisted Living Program.

Inpatient Care and Services: Six-Monthly Liability Met

An individual who has met their six-month excess income liability may receive inpatient treatment in a hospital as well as all outpatient care and services.

How Does An Individual Meet Their Excess Income Obligation?

- Provide paid or unpaid medical bills; or
- Pay excess income amount to the local district, e.g., Pay In Program.

Pay-In Program

- If the individual does not have bills that equal or exceed their excess income liability, they can “opt” to participate in the Pay-In Program.
- In order to utilize this program, the individual must pay their excess income amount to their local district for any month they need Medicaid coverage.

Note: If an individual needs inpatient hospital coverage they must pay six consecutive months of their spenddown liability in order to have full coverage. This can be done monthly or in a lump sum.

Paid and/or Unpaid Medical Expenses

- The individual must show that they have met their excess income amount by bringing in, mailing or faxing their medical expenses to the local district;
- Expenses must be medically necessary;
- Expenses can be paid or unpaid;
- In general, the amount and nature of the medical bills submitted to the local district determines the length and time for which coverage will be authorized. The local district will review the submitted receipts and make this determination.

Types of Bills

The following medical expenses can be counted toward the individual's excess income liability:

- Doctor, dental and clinic visits;
- Eye exams, lab tests and prescription drugs;
- Transportation to and from medical appointments (with a receipt);
- Surgical and medical supplies, medical equipment, prosthetic devices, hearing aides;
- Eyeglasses.

Note: Once outpatient/inpatient coverage is authorized, Medicaid will only pay medical bills from a provider who is enrolled in the New York State Medicaid program.

Types of Bills (continued)

- Over-the-counter drugs as ordered by your doctor (such as bandages and dressings);
- Chiropractic services (and other medical services not covered by Medicaid);
- Co-payments and deductibles for medical insurance, including Medicaid and Medicare (including the Medicare Prescription Drug Program – Part D);
- If the individual has Medicare or private insurance, they can only use the part of the bill that Medicare or private insurance does not pay.

Types of Bills (continued)

- Medical expenses paid/incurred by a public program, e.g., Elderly Pharmaceutical Insurance Program (EPIC) or the AIDS Drug Assistance Program (ADAP), and other public programs of the State or county;
- Therapists, nurses, personal care aides (home attendants) and home health aides, as ordered by a doctor. Note: personal care aides (home attendants) must be approved by the Community Alternative Services Agency (CASA) or Department of Social Services in your county.
- Medical expenses for your spouse, children under 21 years old living with you.

Non-Allowable Bills

- Bills for cosmetics and other non-medical items are not acceptable;
- Filters for any equipment, such as air conditioners or humidifiers;
- Air conditioners;
- Exercise equipment;
- Special clothing used for weight loss program, such as a swimsuit or jogging outfit;

Non-Allowable Bills (continued)

- Batteries, generators or service contracts of medical equipment. Note: Hearing aid batteries are an allowable expense.
- Cell phones, Lifeline (telephone discount);
- Toothpaste;
- Feminine hygiene products;
- Herbal remedies.

**OPTIONAL PAY-IN PROGRAM FOR INDIVIDUALS
WITH EXCESS INCOME**

Individuals whose income exceeds the Medical Assistance income limit may still receive help with medical bills. The form DSS-4038, "EXPLANATION OF THE EXCESS INCOME PROGRAM" explains that if you bring in or send us your medical bills each month which are equal to or more than the amount of your excess income, you may receive coverage for any other outpatient medical expenses you incur from a Medical Assistance provider in that month. Explained below is another way you can get Medical Assistance coverage.

Instead of bringing or mailing in your medical bills each month, you can pay to this agency the amount of your income that is over the limit. If you decide to pay this money to us, you will be given outpatient coverage for the month you are paying for, and will not have to wait until you incur a medical bill. If you pay a total of six months of excess income, you will be given outpatient and inpatient coverage for that six month period. Once you are given coverage, you can use your Medical Assistance card to obtain services from your doctor or other medical provider. You must be sure the provider accepts payments from the Medical Assistance program before you receive the service.

If you pay your excess income to this agency, and then get or pay a bill for medical services that Medical Assistance does not cover (for example, chiropractor's service), we will give you a refund or we will give you a credit toward the next available uncovered month. You must bring in or send to us the paid or unpaid bill in order to get a credit or refund.

*Remember, we will not pay for or give credit for any bill or portion of a bill that is covered by Medicare or other health insurance that you have.

If you decide to pay your excess income to the agency, from time to time we will review the amount of all the claims we have paid for you, and compare this amount to the amount you have paid. If you have paid more than you should have, we will decide to give you a refund or give you credit for coverage in another month. We will make this decision based on your circumstances.

You should consider the following before deciding to take part in the PAY-IN PROGRAM:

1. Unless you know that you will need medical services during a month, it is NOT to your benefit to pay us your excess income that month.
2. If you pay your excess income for a period and then do not use your Medical Assistance card, it may take at least a year for us to give you a refund or credit. This is because we must wait to see if any claims have been paid for you for that period.
3. If you decide you want to pay your excess income to this agency, you may do so every month, or only in those months that you know you will need medical services. If you want, you may pay us for more than one month at a time, up to six consecutive months. However, if you decide to pay your excess income and then do not make a payment to us for three consecutive months, you MAY receive a notice of our intent to close your case. You may reapply for Medical Assistance if you incur or expect to incur medical expenses at least equal to your excess income and wish to make a payment or submit bills to receive coverage.

If you did not provide proof of your resources when we determined your eligibility for Medical Assistance, you will not be eligible for coverage of long-term care services. Please read the enclosed "Explanation of the Excess Income Program" for information about coverage of long-term care services. The information will also tell you what you need to do in order to have coverage of inpatient hospital care, home care or nursing home care.

**YOUR MEDICAL ASSISTANCE EXAMINER CAN ANSWER ANY QUESTIONS YOU HAVE
AND HELP YOU DECIDE IF PAY-IN IS RIGHT FOR YOU.**

Explanation of the Excess Income Program

If your monthly income is over the Medicaid level, you may still get help with your medical bills. This leaflet explains how to do that. The amount your income is over the Medicaid level is called excess income. The Notice of Decision letter you received tells you the amount of your excess income. Once you have medical bills at least equal to your excess income (spenddown or surplus) which is like a deductible, Medicaid will pay your medical bills for the rest of the month.

How to get Medicaid through the Excess Income Program

First, you must be under age 21, age 65 or older, certified blind or certified disabled, pregnant or a parent of a child under age 21. This allows you to become eligible for Medicaid even though your monthly income is too high. You can spenddown to the Medicaid level in one of two ways:

1. Outpatient Care and Services (One Month Eligibility)

If you need outpatient care, in a hospital, clinic or doctor's office, prescription drugs or medical supplies, you may be able to get help with these bills. If you have medical bills that are equal to or more than your monthly excess income, you can get Medicaid outpatient services for one month. The Excess Income Program can provide outpatient coverage for one month at a time.

First, you need to tell your local Department of Social Services that you want to be in the Excess Income Program. You must then bring in or send your medical bills to your local Department of Social Services when they at least equal your excess income amount. These bills can be paid unpaid. You will need to do this each month you need outpatient care.

You may be able to get long-term care services like adult day health care, personal care services and the Assisted Living Program. Your social services worker will be able to tell you if you are eligible for these services.

Or

2. Inpatient/Hospital Care and Services (Six Months Eligibility)

If you need hospital care or need help paying your hospital bills, you may be able to get Medicaid inpatient services, in addition to the outpatient care described above. You must have medical bills that are at least equal to your monthly excess income amount for six months. These bills can be paid or unpaid. They can also be for medical services other than hospital care.

Once your medical bills at least equal your excess income amount for six months, you must bring or send these bills to your local Department of Social Services. You will then receive Medicaid six months.

Pay-In Option If you do not have medical bills but you need medical care, there is another option called the Pay-In Program. You can pay your monthly excess income amount for any month to your local Department of Social Services. You should only do this if you need services in that month. Ask your social services worker about this option.

Once You Enroll in the Excess Income Program

- Each month you need Medicaid services, bring in, send, or fax (if available in your county) your medical bills to your local Department of Social Services. Only send these bills when they are equal to or more than the amount of your excess income.
- You should make doctors' appointments or fill prescriptions early in the month. This will help you meet your excess income amount faster. Once you reach your excess income amount, Medicaid will pay for covered services for the rest of the month.

Bills You Can Use Toward Your Excess Income

- You may use bills from a doctor or other medical provider who does not take Medicaid.

Important Note: Once you have enough bills to meet your excess income for any month, Medicaid will only pay medical bills in that month from a doctor, pharmacist, or other provider who is in the New York State Medicaid program. You need to see if your doctor or other medical provider is enrolled in Medicaid so your bills can be paid. You cannot use bills from a non-Medicaid provider until the next month when you need to meet your excess income again.

- You can use any part of a bill that Medicare or private insurance does not pay. You cannot use a bill that Medicare or private insurance will pay in full.
- Bills may be for medical care given to you, your spouse, or your children who are under 21 years old. If you provide medical support for a child not living with you, you may be able to use the child's bills. Medical bills for your parent(s) may also be used toward meeting your monthly excess if you are under 21 and live with your parent(s).
- You can use unpaid medical bills from prior months to meet your current monthly excess income. Once you use a bill to meet your excess income, you cannot use it again.

You can also use the following bills to meet your excess income amount:

- The cost of transportation to get to and from medical appointments (in most cases);
- Medical bills or payments made to therapists, nurses, personal care attendants and home health aides (as ordered by a doctor);
- Prescription drug bills;
- Payments made for surgical supplies, medical equipment, prosthetic devices, hearing aids and eyeglasses (as ordered by a doctor); and
- Any bills paid by public programs of the State or county like the Elderly Pharmaceutical Insurance Program (EPIC) or the AIDS Drug Assistance Program (ADAP), in addition to your copayments.

In addition, you can use medical bills that the Medicaid program does not cover like:

- Chiropractor services and other non-covered medical services;
- Co-payments you are charged when you receive certain Medicaid services;
- Some over-the-counter drugs and medical supplies such as bandages. You can use these to meet your spenddown if your doctor has ordered them. Bills for cosmetics and other non-medical items are not allowed; and
- Any out-of-pocket costs associated with the Medicare Prescription Drug Program such as premiums, co-payments and deductibles.

**If you have questions, please contact your county's Department of Social Services.
Or for more information go to http://nyhealth.gov/health_care/medicaid/**

Regulations require that you immediately notify your county's Department of Social Services of any changes in need, income, resources (if you are age 65 or older, certified blind or certified disabled), living arrangements and address.

For Additional Information

Information on the Excess Income Program is available on the Department of Health Website:

http://www.health.ny.gov/health_care/medicaid/excess_income.htm

Useful Contact Information

- Visit the Health Home website:

http://www.health.ny.gov/health_care/medicaid/program/medicaid_health_homes/

- Get updates from the Health Homes listserv. To subscribe send an email to: listserv@listserv.health.state.ny.us (In the body of the message, type SUBSCRIBE HHOMES-L YourFirstName YourLastName)

- To email Health Homes, visit the Health Home Website and click on the tab “Email Health Homes”

http://www.health.ny.gov/health_care/medicaid/program/medicaid_health_homes/

- Call the Health Home Provider Support Line: 518-473-5569