

**INCOME
EXCESS****SIX-MONTH**

- (2) Determine the percentage of the hospital stay to be covered by Medicaid (100% minus the percentage covered by the A/R's liability);
- (3) Multiply the DRG case payment amount by the Medicaid percentage to arrive at the Medicaid payment amount;
- (4) Subtract the Medicaid payment amount from the DRG case payment amount. Enter this amount as the Net Available Monthly Income (NAMI) in the Principal Provider Subsystem (PPS). Please note: the amount entered in the PPS will be different from the client's actual liability. Local districts must ensure that the case record, client notices, and the notice to the hospital reflect the actual liability;
- (5) Enter the actual dates of service in the Principal Provider Subsystem (PPS);
- (6) Instruct the hospital to enter the adjusted client liability as the surplus on the claim form, and complete the rest of the claim form according to normal procedures.

90 ADM-46 contains a more detailed description of "Watkins" cases using the Medicaid per diem rate, or Diagnostic Related Groups (DRG) case payment amount and includes some case examples.

When to Verify:

When an SSI-related, ADC-related, under age 21 or pregnant A/R, has income in excess of the Medically Needy Income level and:

- (1) Declares in the application that s/he has unpaid acute in-patient care expenses; or
- (2) Indicates in the application that any member of the family household is in acute in-patient care, will require acute in-patient care or has acute in-patient care expenses.