DSHS & HCA Panel Presentation

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Tribal Assisters Training
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Spenddown: Definition

Question: **What is a Spenddown?**

Answer:

- An expense or portion of an expense which has been determined by the Agency to be a client liability.
- Expenses which have been assigned to meet a client liability are not reimbursed by the Agency.
- Spenddown liability is deducted from any payment due the provider.
- See WAC 388-519 for complete details.

Question: **Why does the client have a Spenddown?**

Answer:

- Applicant applies for the MN (Medically Needy Program).
- Has income above MN limits for medical benefits.
- Required to spend down excess income.
- Applicant spends down excess income by incurring medical bills.
- Client becomes eligible for Medicaid medical benefits once incurred medical bills equal the spenddown amount.

Spenddown: From the Client's Perspective (DSHS)

Question: **Why would I apply for a spenddown? What does this program help me with and how?**

Answer: When you are applying for Classic Medicaid benefits, DSHS will look at all potential medical programs before making a decision. You may be eligible for SSI related medical benefits if you are aged (65 and older), blind, or considered disabled and meet income and resource requirements. If your income is above the SSI income standard, you may be eligible for a Spenddown.

A Spenddown is the amount of medical expense you must incur within a specified period of time to qualify for Medically Needy benefits.

You must incur medical expenses equal to the excess amount (Spenddown) before medical benefits may be authorized. Spenddown is very similar to an insurance deductible.

The amount of your Spenddown is computed using a base period, consisting of three or six consecutive calendar months, the base period is chosen by the client. Once your Spenddown is met, you may get benefits for all or part of the base period.

Spenddown: From the Client's Perspective (DSHS)

Question: **How to apply for a Spenddown, including the required documentation for resources?**

Answer: You can apply for "Classic Medicaid" benefits if you are aged (65 and older), blind, or considered disabled in the following ways:

- Completing an application online at www.washingtonconnection.org
- Going into your local Community Service Office
- Filling out an application and mailing it to PO Box 11699 Tacoma, WA 98411

In order to determine eligibility for Medicaid, you will need proof of income included but not limited to job earnings, child support, retirement pensions, and tribal income. You will also need proof of resources such as checking accounts, savings accounts, IRA accounts etc.

A Spenddown is the amount of medical expense you must incur within a specified period of time to qualify for Medically Needy benefits.

Spenddown: From the Client's Perspective (DSHS)

Question: **How do I know if my treaty income was not considered as a resource?**

Answer: When determining eligibility for SSI-related programs for American Indians or Alaska Natives, the agency counts or excludes amounts received by tribal members from exercise of gaming revenues (per capita distributions) that are retained after the month of receipt based on the type of resource in which the money is retained.

If the amounts are retained in a countable resource (for example, cash, checking account, or savings account), the agency treats the amounts as a countable resource.

If the amounts are converted to an excluded resource (for example, personal property like a refrigerator), the agency treats the amounts as excluded resources.

Spenddown: From the Client's Perspective (DSHS)

Question: **What happens once I have been approved for a spenddown?**

Answer: You will receive a letter in the mail letting you know you have been approved for a Spenddown. The letter will include the dates of your base period, your spenddown amount, and how long you have to provide verification of incurred medical expenses.

Question: **What happens once I have submitted the claims to meet the spenddown?**

Answer: Each time you submit a claim towards your spenddown, you will receive a letter explaining which bills were allowed and how much you have remaining to meet your spenddown.

Question: **What happens once I have met the spenddown?**

Answer: You will receive a letter in the mail letting you know you have been approved for Medicaid benefits. The letter will include a start date and an end date for benefits.

Spenddown: From the Client's Perspective (DSHS)

Question: **Once I met my spenddown, I became eligible for the Qualified Medicare Beneficiary (QMB) program. Will I be notified if my premiums are no longer being paid by Medicaid?**

Answer: The Medicare Savings Program, also known as Qualified Medicare Beneficiary (QMB) program, is a separate program from a Spenddown. In order to obtain the Medicare Savings Program, you must apply for this benefit. As with all programs administered through DSHS, you will receive a letter notifying you on any approval, denial, or termination.

Question: **What happens if I used to be covered on a spenddown and fail to renew?**

Answer: If you fail to reapply at the end of your three or six month Spenddown base period you will receive a termination notice in the mail. Once terminated you will need to re-apply for Classic Medicaid Benefits.

Spenddown: From the Client's Perspective (DSHS)

Question: **What happens to the extra claims I submitted that were over the spenddown amount; will these be available for the next spend down?**

Answer: A portion of the medical bills can go towards your next Spenddown period, and the other portion can be rebilled to Medicaid once your Spenddown is met as long as the dates of service on the medical bills are within the current base period.

Question: **How are the claims processed? Are the oldest claims processed first or the most recent?**

Answer: Medical Bills are applied to your Spenddown in the order they are received.

Question: **Why do we have to apply for a spenddown specifically?**

Answer: You do not apply specifically for a spenddown. When you are applying for Classic Medicaid benefits, DSHS will look at all potential medical programs before making a decision on the type of medical you are eligible to receive. If your income is above the SSI income standard, you may be eligible for a Spenddown.

Spenddown: From the Provider's Perspective (HCA)

Question: **How does a Provider know if a Client has a Spenddown Liability?**

Answer:

- Review the client eligibility screen in ProviderOne.
- The client benefit inquiry indicates "**Pending Spenddown, No Medical**."
- Spenddown balance will be displayed.

Client Eligibility Spans

Service Type Code	Insurance Type Code	Benefit Service Package	Eligibility Start Date	Eligibility End Date	ACES Coverage Group
30: Health Benefit Plan Coverage	MC: Medicaid	Pending Spenddown - No Medical	08/01/2011	12/31/2999	S99

- Ask the Client for a copy of their **"award"** letter.
- Identifies the medical bills.
- Indicates dollar amounts client must pay.
- Call the spenddown customer service center at 1-877-501-2233.

Question: **What is the Spenddown amount?**

Answer:

- The same eligibility check indicates the spenddown amount:

Spenddown Information Base Period - Start: 08/01/2011 End: 01/31/2012

Total Spenddown	Spenddown Liability	Remaining Spenddown	EMER Liability	Remaining EMER	Spenddown Status	Update Date	Spenddown Start
2022.00	2022.00	2022.00	0.00	0.00	Pending	08/09/2011	08/01/2011

Spenddown: From the Provider's Perspective (HCA)

Question: **When does a provider report the Spenddown amount on a claim?**

Answer: All providers must verify if the client has a spenddown if:

- The client is on the LCP-MNP program.
- The clients ACES Coverage Group Code ends with **"99"**.

Eligibility Start Date	Eligibility End Date	ACES Coverage Group
08/01/2011	12/31/2999	S99

- The claim DOS is the same as the client eligibility begin date**.**
- Call the spenddown customer service center at 1-877-501-2233.

The agency checks the eligibility system (ACES) to see if the claim applies to the spenddown.

- If claim applies, and no spenddown is reported, then the claim is denied.
- If claim applies, spenddown must be reported accurately or the claim is denied.
- If claim applies, spenddown is subtracted from service allowable, then provider may be paid any difference.

Spenddown: From the Provider's Perspective (HCA)

Question: **What if the client has Medicare Primary and a Spenddown?**

Answer: Qualified Medicare Beneficiary (QMB) client eligibility:

✓ May have two active coverage segments at the same time.

- The first segment is their QMB with the dates of coverage.
- Second segment may be the **"Pending Spenddown"** with overlapping dates with the QMB segment.

✓ Bill Medicare, then Medicaid as a crossover:

- Medicaid may pay the crossover (depends on the Medicare paid amount).
- Cannot bill the client for these balance amounts.
- No spenddown amount to report on these claims.

✓ Services not covered by Medicare are used to satisfy the spenddown, **NOT** the crossover claim.

Spenddown: From the Provider’s Perspective (HCA)

Question: **How does a provider report the Spenddown amount on a claim?**

Answer: CMS-1500

- ✓ Electronic batch claims (837P)
  - HIPAA 5010, Loop 2300 in the
  - Patient Amount Paid segment
    - Use value qualifier F5 in AMT01
    - Then enter the $$ amount in AMT02
- ✓ Paper claim
  - Enter the spenddown in field 19, comments
  - Enter SCI=Y
  - Then enter the $$ amount

Spenddown: From the Provider's Perspective (HCA)

Question: **When can a provider bill the client for their Spenddown amount?**

Answer:

- If your claim is on the award letter as part of the incurred expenses to meet the spenddown.
  - ✓ No award letter? Call 1-877-501-2233.
- No waiver form is required to bill the client for their spenddown liability.
  - ✓ Can bill the client only for the spenddown liability amount not the balance of a claim if the Agency makes a payment.
- Provider billed Medicaid for the services and the claim is denied as "Client pending spenddown."
- Client then satisfies spenddown and becomes Medicaid eligible.
- Provider is to check eligibility again before billing the client:
  - ✓ If client is now eligible, bill Medicaid.
  - ✓ If client is eligible and provider has billed client, they need to stop and bill Medicaid.
  - ✓ If the client is eligible and a claim should have been billed to Medicaid, do not send the client to collections but bill Medicaid.

Spenddown: From the Provider's Perspective (HCA)

Question: **When can a provider bill the client for their Spenddown amount? (Continued)**

Answer:

- Client that satisfies spenddown and becomes Medicaid eligible, that eligibility is called retro eligibility.
- Per retro eligibility rules if client has paid anything, refund client and bill Medicaid.
- All billing the client rules apply.
- See the billing the client WAC 182-502-0160 for complete detailed information.

Spenddown: Additional Q&As (HCA)

Question: **If you get someone has Medicaid to pay for the premium for Medicare, will they avoid penalty fees if they decide to drop state aid?**

Answer: If Medicaid was paying for Part B, the client is not penalized for signing up late – provided that HCA got the case before it went into that status.

Question: **Why isn't IHS considered creditable coverage for Medicare B like it is for Medicare D?**

Answer: It is likely because the Feds would want Medicare as prime.

Question: **What happens to Indian folks that work for the fisheries that are exempt from paying taxes when they hit Medicare age? How can we find affordable plans for these folks as they don't qualify for qhp and state aid?**

Answer: They should be able to access a Medicare supplement or advantage plan. Another option is Medicaid. Typically earnings from fisheries could be considered a resource and not income so there is a potential for Medicaid as secondary and Medicare as prime.

Spenddown: Additional Q&As (HCA)

Question: **Why does it take so long for the Washington Healthplanfinder website to respond to a document when it has been uploaded electronically? What is the process for it being approved, so the client can see the results?**

Answer: If the document is for the Exchange you have to call their call center and alert them that the document is there. If it was requested by Medicaid you have to call the HCA call center (MEDS) and get an eligibility worker to view and process.

Question: **I would like to get more clarification on employer insurance for a spouse?**

Answer: This may be an Exchange question. Employer sponsored insurance has many variables.

Question: **Does PRC cover the spenddown expense?**

Answer: Need some clarification about what is meant by PRC.

Washington Connection Tips and Reminders

Question: **How can we find out if a client's Eligibility Review is past due? How can we help them if it's past due?**

Answer: The due date of the eligibility review can be found in the Client Benefit Account (CBA) on the "Important Dates" page. Only medical assistance related to SSI related, Medicare cost sharing, or Long-Term Care AUs will show in the CBA (MAGI AUs won't show anything in Washington Connection). If the "Review Due Date" is prior to the current date, then the review is past due. The benefit status would be likely in "Closed" status. In this case, they need to submit a new application.

Washington Connection
My Account
About This Site
English | Español
A A A
Hello Stacy Elwess (Stacy's Trouble Souls)
Logout

Go To
- Benefit Summary
- Benefit History
- Household Summary
- Important Dates

Important Dates

Back to Summary

Note: Any medical programs listed below are programs supported by this website. For information on Washington Apple Health coverage for children, parent/caretaker with children, pregnant women, and/or adults (age 18 to 64 years old), go to the Washington Healthplanfinder site by clicking here

Back to Search

Benefit Type	Review Due Date	Mid Certification Due Date
Cash Assistance	10/31/2016	
Food Assistance	10/31/2016	

Washington Connection: Tips and Reminders

Question: **If we are the Authorized Representative for a client, do we have to mail or fax the client's consent form to DSHS?**

Answer: Yes, it is necessary to mail or fax the client's consent form to DSHS after you provide the e-signature on the Washington Connection online application or eligibility renewal. In the future, when the "uploading document" feature becomes available, the Authorized Representative will be able to upload and send the consent form image to DSHS attached to the online application or eligibility renewal.

Question: **Where can we find the list of community partners in each county?**

Answer: All registered community partners with public access are listed online on the Public Access Directory page (https://www.washingtonconnection.org/home/publicaccessdirectory.go). This link is on the Washington Connection homepage navigation panel under "Community Partner Resources." You may click on the map of your county and see the names and contact information of other Host Organizations and Assisting Agencies in your county. This link is also available under "How Do I – Find help in my community" on the homepage.

Washington Connection: Tips and Reminders

Question: **How can we update our agency's information on the Public Access Directory?**

Answer:

- You may update your agency's information in your Washington Connection Partner Account.
- Once it's updated, the new information will display on the Public Access Directory automatically.
- You should also inform DSHS about your agency's update information. Send the update information to your Regional Partnership Consultant or Stephanie.Hill@dshs.wa.gov so your agency's profile and data share agreement can be updated.

Question: **Where can we find more information about Washington Connection Community Partnership Program?**

Answer:

The DSHS's Community Partnership Program website (https://www.dshs.wa.gov/node/100) has information about available partnership trainings, contact information, FAQs about partnerships, and publications such as Cross-Agency Desk Aid, "How Do I" flyer, and Washington Connection Tri-fold Card. Any questions or suggestions can be forwarded to Stephanie.Hill@dshs.wa.gov.

Final Thoughts

- Support ongoing communications and information sharing
- Embrace Tribal outreach to improve services and partnerships
- Encourage use of Washington Connection to help clients apply for food, cash, child support, long-term care, Medicaid for 65+ and people with disabilities
- Welcome feedback on Washington Connection functionality

THANK YOU !