


IM-#
2012

MISSOURI DEPARTMENT OF SOCIAL SERVICES
FAMILY SUPPORT DIVISION
P.O. BOX 2320
JEFFERSON CITY, MISSOURI

M E M O R A N D U M

TO: ALL COUNTY OFFICES
FROM: ALYSON CAMPBELL, DIRECTOR 
SUBJECT: INTRODUCTION OF NEW OPTIONS FOR PARTICIPANTS
TO MEET THEIR MO HEALTHNET SPEND DOWN

MANUAL REVISION #

0810.010.00
0810.010.15
0810.010.15.01
0810.010.20.17

FORMS MANUAL REVISION#

DISCUSSION:

The purpose of this memo is to introduce additional ways that participants may meet their spend down. Effective July 1, 2012, participants may carryover incurred medical expenses that are currently owed, and use a combination of incurred expenses and pay-in to meet spend down.

Spend down is still computed on a monthly basis. Participants may still choose to apply incurred medical expenses to meet spend down liability in the same month in which they were incurred. However, if they do not have enough expenses to meet spend down in one month, or they would rather use the expenses to meet spend down in a different month, participants now have more choices.

This memo discusses the following:

- CARRYOVER EXPENSES THAT ARE CURRENTLY OWED
- COMBINATION OF INCURRED EXPENSES AND PAY-IN
- PROCESSING CURRENT MONTH INCURRED EXPENSES AND PARTIAL PAYMENT
- MANUAL REVISIONS

CARRYOVER EXPENSES THAT ARE CURRENTLY OWED

Participants may choose to use incurred medical expenses that are currently owed to meet spend down liability in a different month than when they were incurred. Spend down participants can use eligible expenses incurred in the three months prior to the current eligibility month to meet spend down. In addition, if the amount of the incurred expenses from prior month(s) exceeds the current month's spend down amount, the excess remaining balance due can be used towards their spend down for the following three months.

Requirements for Carryover Expenses

Participants may provide proof of medical expenses that they are personally responsible to pay, that were incurred in the month for which they are requesting MO HealthNet coverage and/or from the prior three months. These incurred medical expenses can be used to meet spend down if all of the following requirements are met:

- The medical expenses were incurred while the participant was eligible for MO HealthNet spend down;
- The medical expenses were not paid and will not be paid for by MO HealthNet;
- The medical expenses were not previously applied in any month to meet spend down, including use as out of pocket expenses;
- The medical expenses are currently owed by the participant; and
- The medical expenses were not incurred in any months in which the participant received SLMB2 (QI-1).

NOTE: Timely filing is 12 months. Bills submitted within 12 months will be applied to the appropriate month(s) spend down.

Meeting Spend Down with Carryover Expenses

When all of the above requirements are met, the participant is determined to be eligible for the current month or future month(s) when personal responsibility for current medical expenses or medical expenses accumulated in the prior three months equals or exceeds the spend down liability for the month. The participant's remaining personal responsibility may be carried over to the next month or to succeeding months' spend down liability, not to exceed three months.

EXAMPLE: It is the month of June. Mr. G has a \$300 spend down. He had incurred eligible expenses in April of \$1000 for dentures. Mr. G. had no other medical expenses incurred in April or May. He chose not to use the expenses to meet April or May spend down. The expenses that are currently owed can be used for meeting spend down in June (\$300), July (\$300), and August (\$300), and the balance (\$100) toward his September spend down.

MONTH	SPEND DOWN LIABILITY	COUNTABLE MEDICAL EXPENSES
04/2012	\$300 – no coverage selected for April	\$1000 (unpaid dental bill) applied 06/01/2012 – 09/2012
05/2012	\$300 –no coverage selected for May	
06/2012	\$300 – met with carryover and coverage starts June 1	carry over unpaid balance from April \$300
07/2012	\$300 – met with carryover and coverage starts July 1	carry over unpaid balance from April \$300
08/2012	\$300 – met with carryover and coverage starts August 1	carry over unpaid balance from April \$300
09/2012	\$300 – \$100 carryover applied, but spend down not met– remaining liability \$200	carry over unpaid balance from April \$100

Participant Designation of Months of Coverage

The participant may designate the month(s) that they want to apply the balance remaining (carryover.) The participant must make this designation in writing. If the participant does not designate which month(s) they want their medical

expenses applied, the medical expenses will be applied to the current month or to the three succeeding month(s) the incurred medical expense can be applied.

NOTE: The participant cannot later choose another month to use the medical expenses to meet spend down. The eligibility specialist **must record** the participant’s decision on the Eligibility Unit Member Role (EUMEMROL\FM3Z) screen. The recording must include what month(s) the participant chooses to apply medical expenses to meet spend down.

Spend Down Coverage Start Date

Carryover expenses will be credited to spend down on the first day of the month that coverage is selected.

EXAMPLE: It is June. Mr. B has a \$300 spend down. He had incurred eligible expenses in April of \$150 for a dental bill. He paid \$50 in April. In May, he had \$200 expense for eyeglasses. Three-hundred dollars (\$300) are currently owed by Mr. B, and have not been used to meet April or May spend down. Mr. B chose to apply the expenses to his June spend down because he is going to have an outpatient procedure, and wants his coverage active so he can get transportation and prescriptions filled the day of the procedure. The April and May expenses can be applied toward his June spend down as of June 1.

MONTH	SPEND DOWN LIABILITY	COUNTABLE MEDICAL EXPENSES
04/2012	\$300 – not met	\$100 (unpaid dental bill) applied 06/01/2012
05/2012	\$300 – met with carryover but coverage selected for June	\$200 (unpaid optometrist bill)
06/2012	\$300 – met with carryover and coverage starts June 1	carry over from April and May totaled \$300

If the participant uses a combination of carryover expenses, that are currently owed, from one or more of the past month(s), and expenses incurred in the month they want the MO HealthNet coverage, apply accumulated expenses to the first day of the month and current month’s expenses based on the date of service.

EXAMPLE: It is June. Mr. H has a \$300 spend down. He had incurred eligible expenses in April of \$100 for a dental bill. Those expenses are currently owed and have not been used to meet April or May spend down. The April expenses can be applied toward his June spend down as of June 1. He had additional expenses in June. On June 6, he had a \$90 expense for an office visit at the optometrist. On June 13, he incurred a \$110 expense for eye glasses. He met his spend down June 13.

MONTH	SPEND DOWN LIABILITY	COUNTABLE MEDICAL EXPENSES
04/2012	\$300 – not met	\$100 (dental bill) applied 06/01/2012
06/2012	\$300 spend down met 06/13/2012	\$90 (optometrist bill) 06/06/12
		\$110 (bill for glasses) 06/13/2012
		\$300 Total medical expenses

COMBINATION OF INCURRED EXPENSES AND PAY-IN

Participants may now combine incurred medical expenses and partial pay-in of an invoice amount to meet spend down. Because Family Support Division (FSD) and MO HealthNet Division (MHD) systems are not yet designed to allow for these processes, the following manual process will be implemented until systems are enhanced.

INCURRED EXPENSES AND PARTIAL PAYMENT

Participant Submits Bills Prior to Submitting Payment

When a participant sends incurred expenses to the local FSD office that do not meet their spend down liability, the eligibility specialist (ES) determines the remaining spend down liability and sends the participant the Spend Down Notification (IM-29(SPDN)) form to inform the participant that they need to provide additional bills or partial pay-in to meet spend down. If they choose to mail a partial payment to the MHD Premium Collections, the participant should include the IM-29 (SPDN) Spend Down Payment Option page and their invoice, if available.

If a participant makes a partial payment for the same month that the medical expenses are incurred, spend down coverage starts from the last date of service when total expenses plus partial payment meets the spend down amount.

If there are carryover incurred expenses from the prior three months combined with partial payment, spend down coverage starts on the first date of the month coverage is selected by the participant.

Participant Submits Payment Prior to Submitting Bills

If the participant sends partial payment to the MHD Premium Collections, the partial payment is held for 60 days from the last day of the month the payment is received. MHD will notify the MO HealthNet (MHN) Program and Policy to determine if incurred medical expenses have been submitted.

Processing Partial Payments

MHD will send a notice to MHN Program and Policy that a partial payment has been received including:

- participant's name and DCN,
- date received,
- amount of the payment, and
- month payment should be applied if different than the month received (if known).

MHN Program and Policy corresponds with the local FSD office to determine if incurred expenses have been received and the start date of coverage.

MHN Program and Policy enters spend down liability and date in MO HEALTHNET DIVISION ADD SPENDDOWN COVERAGE (MSPA) screen, updates the Method field code in MO HEALTHNET DIVISION SPENDDOWN UPDATE (MSSU) screen to "O" for other, and notifies MHD to process the payment.

MHN Program and Policy notifies the local FSD office to send an IM-29(SPND) form to the participant notifying them of the date spend down was met.

MANUAL REVISIONS

The following sections of the Income Maintenance Manual have been revised to include the new options of using carryover expenses and combination of incurred expenses and partial payment to meet spend down:

0810.010.00 MO HEALTHNET SPEND DOWN COVERAGE

0810.010.15 Meeting Spend Down with Incurred Expenses

0810.010.15.01 Documentation of Incurred Medical Expenses

The following section has been added to the Income Maintenance Manual to include the option of using a combination of incurred expenses and partial payments to meet spend down:

0810.010.20.17 COMBINATION OF INCURRED EXPENSES and PAY-IN

The forms manual has been revised to include the updated IM-4 *What is Spend Down?* pamphlet.

Frequently Asked Questions have been developed to distribute with the IM-4 *What is Spend Down?* and are attached to this memo.

NECESSARY ACTION:

- Review this memorandum with appropriate staff.
- Recycle or destroy copies of the IM-4 with revision dates prior to 07/2012

ATTACHMENTS:

- IM-4 *What is Spend Down?*
- Frequently Asked Questions

HA