

Department of Public Health
and Human Services

MEDICAL ASSISTANCE

Section:
HOME & COMMUNITY BASED
SERVICES (WAIVER)

Subject:
Medically Needy with an Incurment

Supersedes: MA 1003-1 (07/01/03)

References: 42 CFR 435.217, ARM 37.40.1401, 1406-.1408, ARM 37.82.101

GENERAL RULE--HCBS/Waiver clients with income exceeding the categorically needy income standard for one person (see MA 001) must satisfy an incurment obligation which is equal to the difference between the Medically Needy Income Level (MNIL) for one (see MA 002) and their monthly countable income, after deductions for community spouse income maintenance and/or family maintenance, if these allowances apply.

Recipients may satisfy their incurment obligation by:

1. making a cash payment to the Department equal to their incurment obligation;
2. incur medical expenses equal to their incurment obligation;
3. a combination of medical expenses and cash payment.

The following expenses may be used to meet the incurment:

1. paid and unpaid medical expenses incurred during the benefit month;
2. paid and unpaid medical expenses incurred during the three months preceding the benefit month; and
3. current payments on the unpaid balances of bills incurred more than three months prior to the benefit month.

NOTE: See MA 700 for additional medically needy information.

**PROJECTING
EXPENSES**

Eliminated as an option as of 7/1/03.

**USING PREVIOUS
MONTH EXPENSE
TOWARD CURRENT**

As a replacement for the option of projecting waiver expenses for the medically needy with incurments, HCBS case management can hold back authorization on any waiver service received during a waiver-eligible month.

INCURMENT

If services are not authorized for payment in a waiver-eligible month, even if the recipient was eligible to receive those services, the amount of

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services not authorized for payment can be used toward a future month's incurment (for up to three months). This can allow a recipient to use the combination method for Medicaid and save issuing one-day authorizations.

Example: Recipient is opened for waiver effective January 1. Recipient has an incurment of \$500 per month. For January, a combination of bills incurred in the previous three months plus cash option is used to meet the incurment. HCBS case management will authorize all January waiver services except for \$350 of services. This will be verified to the eligibility case manager via SLTC-131. For February, the \$350 in unauthorized January services will be applied toward recipient's incurment. In combination with \$25 in cost share payments and \$58.70 in Medicare premium, the net cash option is \$66.30. In February, HCBS case management will authorize all February expenses except for \$350 again, etc. In recipient's final month of HCBS/Waiver participation, HCBS case management will authorize all waiver services in full.

WAIVER SERVICES Waiver services include:

1. Case Management;
2. Homemaker;
3. Personal care (waiver-related);
4. Adult day care;
5. Respite;
6. Habilitation, which may include:
 - a. independent living evaluation;
 - b. habilitation aid;
 - c. physical therapy - maintenance;
 - d. occupational therapy - maintenance;
 - e. speech therapy - maintenance;
 - f. psychological consultation,
 - g. other services as defined by Case Management.
7. Medical alert;
8. Nutritional/Dietitian;
9. Non-medical transportation;
10. Environmental modification/Adaptive equipment;
11. Respiratory therapy;
12. Nursing services;
13. Supported Living services;
14. Pre-vocational services;
15. Supported employment services;
16. Specially trained attendant services;

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17. Cognitive rehabilitation services;
18. Behavioral programming services;
19. Chemical dependency counseling;
20. Comprehensive day treatment;
21. Community residential rehabilitation services;
22. Special child care for children with AIDS;
23. Adult residential care;
24. Specialized medical equipment and supplies; and
25. Consumer/family intensive support service.

Monthly waiver service expenses can only be applied toward the incurment obligation when a billing statement is provided.

**SPECIAL
PROCESSING
FOR MEDICALLY
NEEDY GROUP
HOME RESIDENTS**

For medically needy group home residents who would qualify for SSI State Supplement payments except for income exceeding the SSI State Supplement income standard, the difference between the residential service rate at the group home where they reside and the Medically Needy Income Level (MNIL) will be recognized as a medical expense to be used to meet the incurment for Medicaid purposes only. These residential service rates may include a personal needs allowance.

To determine the medically needy medical expense, deduct the MNIL from the total residential service fee (group home rate). The result is entered on INCU as an "00" bill for each benefit month.

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