Department of Public Health and Human Services MEDICAL ASSISTANCE	Section: MEDICALLY NEEDY Subject: Cash Option Refunds

Supersedes: MA 702-2 (07/01/06)

References: 42 CFR 435.831 and ARM 37.82.101, & .1107

► GENERAL RULE--A medically needy recipient may request a refund of a cash option payment if:

1. a cash option payment was made to the Department,
2. Medicaid was issued for the recipient,
3. the recipient does not believe he or she used medical services equal to the cash option payment amount.

The recipient may request a refund any time after payment. However, because Medicaid providers have up to 365 days to bill for medical services, a refund may not be issued for up to 14 months after the month eligibility was authorized. Refunds will be equal to the difference between the provider-billed amounts and the Medicaid cash option payments.

► **NOTE:** When a recipient requests multiple months of cash option refund, the requests will be held and processed together after twelve months have passed since the last eligible month.

Since refunds will be delayed, it is important that recipients be reasonably certain that they will need medical care costing an amount at least equal to the cash option obligation before paying the cash option.

In some situations, a recipient may be entitled to a refund of all or part of his or her cash option payment due to administrative errors or adjustments. Examples include death of the recipient prior to the start of the benefit month, discovery of Pickle or DAC eligibility, policy adjustment, or administrative error. For the examples listed in this paragraph only, refunds will not be delayed by 14 months. Please follow procedure below for issuing cash option refunds related to an administrative adjustment.

► Cash option refunds requested by recipients are limited to the 36 months immediately preceding the month of the refund request. Refunds due to administrative error will be made for no more than the 36 months immediately preceding the month in which the correction is identified.

PROCEDURE - Administrative Adjustment

Responsibility:		**ACTION**
►Eligibility Case Manager	1.	Adjust up to 36 months of eligibility determinations. For cases on TEAMS, do not make system adjustments, as this causes the INCU screen to become inaccessible to view. For cases on CHIMES, make adjustments in the system, thereby creating a new version of the eligibility determination.
	2.	Complete <u>detailed</u> case notes including months adjusted, reason for adjustments, policy applied, and amounts to be refunded. **NOTE:** There is no need to have the client or representative complete HCS-412 for refunds related to administrative adjustment.
	3.	Send an e-mail to the ABD Medicaid policy specialist, requesting refund. Include case number, case name, SSN of person requesting refund, address, and a detailed breakdown of individual months' cash option refund amounts, including reasons.
Policy Specialist	4.	Review adjustments and refund request.
	5.	Send request for refund to Fiscal Bureau.
	6.	Send e-mail confirmation to eligibility case manager.
Fiscal Bureau	7.	Issue client a warrant for the amount of the refund approved by the policy specialist.

PROCEDURE - CLIENT REQUESTS REFUND (not related to administrative adjustment)

Responsibility:		**ACTION**
Recipient	1.	Complete 'Section I' of HCS-412, "Refund Request - Medically Needy Cash Option".
►		**NOTE:** A separate form may be completed for each month for which a refund is requested; however, if several months of refund are requested, one form may be used and a list of individual months' cash option payments attached.

Eligibility Case Manager	2.	Complete any portion of Section I that the client could not complete.
	3.	Complete Section II of Form HCS-412. **Please note if recipient was also enrolled in QMB for the refund period.** (This is noted because Medicaid payments made on Medicare-covered services are benefits of the QMB program, regardless of any other Medicaid coverage. These services are not considered in calculating the provider-billed services to determine cash option refund.)
►	4.	Immediately mail all completed HCS-412 forms to: ABD Medicaid Policy Specialist HCSD/Public Assistance Bureau PO Box 202925 Helena, MT 59620-2925
Policy Specialist	5.	Upon receipt of HCS-412 forms: a. if coverage month is less than 12 months in the past, file the form until all medical bills have been received from medical providers for the coverage month; or b. if coverage month is 12 months in the past, obtain a printout of medical bills received and Medicaid payments made on the recipient's behalf for the coverage month listed.
	6.	Deny or authorize refund. If authorized, send completed HCS-412 to Fiscal Bureau.
	7.	Send e-mail confirmation to the eligibility case manager.
Fiscal Bureau	8.	Issue the client a warrant for the amount the client's cash payment exceeded the medical provider(s) billed charges.
►Eligibility Case Manager	9.	If refund is denied or refund authorized is for less than the full amount of the cash option payment, notify recipient, including appropriate legal cites on the notice.

nc

oOo