TRANSMITTAL LETTER FOR MANUAL RELEASES

STATE OF MARYLAND
DEPARTMENT OF HEALTH AND MENTAL HYGIENE
OFFICE OF ELIGIBILITY SERVICES ADMINISTRATION
DIVISION OF ELIGIBILITY POLICY
201 WEST PRESTON STREET
BALTIMORE, MARYLAND 21201

410-767-1463 or 1-800-492-5231 option 2 and request extension 1463

MANUAL: **Medical Assistance** **EFFECTIVE DATE: When received**

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APPLICABILITY: Chapter 10 clarification

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COMMENTS

This Manual Release clarifies paragraph B(1) of Policy Alert 10-12, issued March 2006 by MR-132.

Policy Alert 10-12

Deduction of Noncovered Medical or Remedial Services from an Institutionalized Person's Available Income for the Cost of Care

Certain deductions are allowed when calculating an institutionalized person's available income for the cost of care in a long-term care (LTC) facility or waiver program (see pages 1000-34 – 1000-37 of the Manual). One of the allowable deductions is for the individual's unpaid, incurred expenses for necessary services recognized under State law as medical or remedial care but not covered by the State's Medical Assistance (Medicaid) program.

Under two circumstances, noncovered services may be used as a deduction from a recipient's contribution towards the cost of care (patient resource amount):

A. The individual was enrolled as a Medicaid LTC or waiver recipient for the date of service, but the necessary medical or remedial services is not covered under the Medicaid State Plan.

   For example, services that are only covered by Maryland Medicaid for children younger than 21 years old (e.g., private duty nursing, eyeglasses, dental care, dentures, or hearing aids) may be deducted from an adult LTC or waiver recipient's available income for the cost of care. Deductions for noncovered assisted living services may not include room and board, just expenditures for the types of services covered for waiver enrollees.

B. The recipient is not Medicaid-eligible for the service date, and the service was received:

   - During the three-month retroactive period associated with the date of application; or
   - During any period between the application month and the first month of current eligibility.

   For example, unpaid bills for nursing facility services received by a recipient during ineligible months in the retroactive period (e.g., when the recipient was still resource over scale) may be deducted from the recipient's available income for the cost of care.

   **Please note that there is no retroactive period associated with a waiver application, just with MA-LTC applications for nursing facility services.*

1. The eligibility case worker requests from an applicant or authorized representative, or collects from a recipient or authorized representative, unpaid medical bills and then:

a. Verifies that the service:

- Meets one of the two conditions above;
- Is unpaid and remains the obligation of the applicant/recipient (A/R) to pay (e.g., had not already been paid and is not subject to payment by a third party), as verified by a current bill, invoice, or contract from the provider;
- Is recognized under Maryland law as a medical or remedial service (see Appendix to Chapter 9 of this Manual for the description of covered and noncovered services); and
- Was necessary (e.g., would be reimbursed by Maryland Medicaid if the individual and/or service were covered).

b. Requests the necessary verifications. The provider's bill, invoice, or contract must:

- Be either a current contract or a bill or invoice that is no more than one month old;
- Specify the date(s) of service;
- Give a detailed description of the services received;
- Specify the provider's charge for each service received (e.g., give separate charges for nursing facility services and for non-medical services such as beauty parlor);
- Specify any payments received or third party liability for the services (e.g., payments from the A/R or others on the A/R's behalf, health insurance, Medicare, LTC insurance, etc.); and
- Give the provider's name, address, and telephone number.

2. To determine the allowable deduction, the eligibility case worker sends a self-addressed envelope, a copy of the cost of care worksheet, and a copy of the detailed current bill, receipt, or contract to:

DHMH Office of Eligibility Services
Attn: Noncovered Services
201 West Preston Street, Room L-9
Baltimore, MD 21201

3. When the caseworker receives DHMH's approval to deduct a specified total amount for the noncovered services, the caseworker manually calculates the A/R's available income for the cost of care, to assure that it is calculated correctly. Use the DHMH 1159D (LTC) Worksheet for Institutionalized Persons — Cost of Care/Available Income. (See this form