STATE OF GEORGIA

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Division of Family and Children Services

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Governor

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Interim Director

TO: OFI Directors; Regional Directors; Communications Directors; OFI Program Directors; all OFI Staff; RSM Project Director, Managers and RSM Project Staff

FROM: DFCS/OFI Medicaid Program & Policy Unit

SUBJECT: MAO Policy Memo # 14-19 – Clarification of Retroactive Medicaid and IME Policy

DATE: December 10, 2014

Please distribute to all eligibility staff responsible for Medicaid eligibility, both Family Medicaid and ABD. These policies and procedures are effective immediately.

Background

Since 1998 Retroactive Medicaid has included the concept of "intervening months", which is currently defined as the month of application through the month of case disposition for ABD, Family Medicaid and SSI. This allowed for the "protection" of these months so that eligibility could be reconsidered for any month in which the denial was for a procedural reason (i.e. failure to provide verification, lack of information, etc.). Prior months (three months immediately preceding the month of application" and "intervening months" were included under the umbrella term "retroactive months". This also allowed the application of Institutional Long Term Care Medical Expenses deductions to the "intervening months" (see Section 2555 in the Medicaid Policy Manual on ODIS).

DCH has clarified that the concept of "intervening months" as protected arose from a law suit relating to SSI gap month, ex-parte and retroactive Medicaid policy for SSI applicants and recipients. The term "intervening month" was coined to differentiate the action required on these cases. There is, however, no support in federal regulations for the concept of "intervening months" in its current usage. Intervening months policy is "only" applicable to SSI applicants as delineated in Section 2060-9 – Special Considerations for SSI Applicants.

Policy

This is to clarify that, effective immediately, the term "retroactive Medicaid" applies only to the three months prior to the month of application. The months from the month of application through the month of determination, formerly termed "intervening months", will no longer be termed such and are not "protected" as months for which eligibility may later be determined. The month of application is "protected" in so far as it identifies the protected three prior months.

The term "intervening months" will also be removed from Section 2555. Policy currently states on 2555-1:

> *IMEs incurred in months for which no vendor payment is made are not deducted.*
>
> ***Exception**: Institutional Long Term Care Medical Expenses incurred within three months prior to the month of application and any intervening months that were ineligible due to income or resources.*

The sentence "*IMEs incurred in months for which no vendor payment is made are not deducted*" will be removed from the manual and the policy will read:

Institutional Long Term Care Medical Expenses incurred within three months prior to the month of application through the month of completion that were ineligible due to income or resources may be deducted as an allowable expense.

When calculating the allowable IME, remember to subtract the A/R's income from the Medicaid Reimbursement rate, the remainder will be the allowable IME. When the A/R is over the resource limit, first subtract the resource limit from the total countable resources (less any other allowable expenses), and subtract the remainder from the Medicaid Reimbursement rate. That remainder will be the allowable IME. See 2555-4 for entering the IME in SUCCESS.

Additionally, on 2555-2, policy currently reads:

Institutional long term care medical expenses incurred within three months prior to the month of application may be allowed as a deduction at an amount equal to or less than the Medicaid reimbursement rate for that facility. This includes any intervening months up to the month of approval that are not approved for Medicaid. The Applicant/Recipient's monthly income and any other insurance payments must be taken into consideration when determining the IME. These expenses are not subject to the three month IME averaging period and may be combined and rolled over to subsequent months until the full expense(s) is absorbed.

This policy is hereby revised to read:

Institutional long term care medical expenses incurred within three months prior to the month of application through the month of completion may be allowed as a deduction at an amount equal to or less than the Medicaid reimbursement rate for that facility. The Applicant/Recipient's monthly income and any other insurance payments must be taken into consideration when determining the IME. These expenses are not subject to the three month IME averaging period and may be combined and rolled over to subsequent months until the full expense(s) is absorbed.

This policy memo supercedes any and all references to the pertinent policy in the Medicaid Policy manual on ODIS, including any references regarding "intervening months", until such time as the Medicaid Policy manual is updated in manual transmittal 49.

Please contact the the ABD Help Desk at ABDHelpDesk@dhr.state.ga.us if you have any questions.