

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

101.15 OTHER CHANGES

❖ Aged, Blind and Disabled Programs

101.15.01 CHANGES IN MEDICAID INCOME

The amount of income an institutional client must pay to the nursing facility toward the cost of his care is known as Medicaid Income. Changes in income, marital status or non-covered medical expenses will either increase or decrease Medicaid income. The effective dates of such changes are determined as follows:

Decrease in Medicaid Income

A change which results in a decrease in Income is effective the month in which the change is reported or becomes known to the agency. For example, a decrease in income reported any time in the month of June will be effective as of June 1. The notice issued to the client and to the facility will specify June 1.

Increase in Medicaid Income

A change which results in an increase in Medicaid Income requires advance notice to the client advising of the increase. However, advance notice for Medicaid Income increases is based on issuing notice 10 days before the date Medicaid makes its payment to the facility.

A nursing home cannot submit a claim for any month's payment until the first day of the following month. Payment is then made to the facility on the first Monday following receipt of the claim. This means the specialist has 10 days before Medicaid makes its payment to a facility to increase Medicaid Income for the current month. Since payment schedules may vary, policy governing increasing Medicaid Income in the current month is based on whether advance notice can be issued 10 calendar days before the first of the following month.

Example: An increase in a recipient's income is discovered on October 10, Medicaid Income can be increased effective October 1 if advance notice of the increase is issued no later than October 21.

NOTE: If a state or local hearing is requested within the advance notice period, the increase cannot be effective until the final hearing decision is rendered.

MISSISSIPPI DIVISION OF MEDICAID

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CHANGES IN MEDICAID INCOME (Continued)

Temporary Decrease in Medicaid Income

When Medicaid Income is temporarily decreased due to the allowance of a deduction, i.e., health insurance premium or other non-covered medical expense, and Medicaid Income is subsequently returned to the amount previously in effect, this action is not considered an increase in Medicaid Income subject to advance notice.

When the client is notified of the allowance of the deduction, the notice should also advise that Medicaid Income will return to the previous amount and specify the amount and date Medicaid income will resume.

In any instance where Medicaid Income does not revert back to the amount in effect prior to allowance of a deduction, an increase would require advance notice.

Increase in Medicaid Income Combined with a Closure

In instances where income is counted in the month received, but receipt of the income also renders the client ineligible, the excess income is included in the Medicaid Income computation provided there are 10 calendar days left in the month of receipt to allow for advance notice. In addition to increasing Medicaid Income for the month of receipt, the case is also scheduled for closure.

Example: A client receives a lump sum VA payment of \$4000 in December which is reported to the regional office on December 12. Action is taken to include the \$4000 as income for December for Medicaid Income purposes. On December 19, notice is issued to allow advance notice of the increase in Medicaid Income effective December 1 and closure for December 31 due to excess resources for January.

The amount of Medicaid Income due for the month will be the actual shown on the notice or the Medicaid reimbursement rate for the facility, whichever is less. The client or representative must be advised to contact the facility to obtain the lesser of the two amounts.

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

Temporary Increase in Medicaid Income

When excess resources are not an issue, but receipt of additional income results in the monthly income total being over the income limit for LTC, the case will remain open if, for whatever reason, there is not time to allow advance notice of closure. However, if there are 10 calendar days left in the month, Medicaid Income must still be increased to the amount of that month's income or the Medicaid reimbursement rate for the facility, whichever is less. The client or representative must be advised to contact the facility to obtain the lesser of the two amounts.

For the following month, eligibility will continue. The additional income will be removed from the Medicaid Income calculation and Medicaid Income will return to the amount in effect prior to the temporary income increase.

Example: A client receives a lump sum VA payment of \$2500 in December which is reported to the regional office on December 21. The office became aware of the income too late to close the case; however, action is taken on December 21 to include the \$2500 as income for December for Medicaid Income purposes. On December 21, notice is issued to allow advance notice of the increase in Medicaid Income effective December 1. The lump sum did not cause resources to exceed the limit; therefore, eligibility continues. The income is removed from the Medicaid Income calculation and Medicaid income returns to the prior amount effective January.

101.15.02 CHANGE TO A REDUCED SERVICE COVERAGE GROUP

Changing from a full service coverage group to a reduced coverage group requires advance notice before the change can be effective the following month. It is not possible to change an active full service case to a reduced service coverage group such as QMB, SLMB, or QI in MEDS for the following month unless there are at least 12 days remaining in the current month.