



Policy Clarification 2017-04-03

Title: Patient Liability as a Due & Owing Medical Expense

Date: 4/24/2017

From: Jeanine Schieferecke, Medical Policy Senior Manager

Program impacted: Long Term Care Medical and Medically Needy

The cost sharing expense assigned to a nursing home (patient liability), HCBS (client obligation), or PACE (participant obligation) recipient is never allowable as a due and owing medical expense for any medical assistance program, including against a Medically Needy (MN) spenddown. The assigned cost sharing expense has already been used to determine eligibility and therefore can never be applied as a due and owing expense even if never actually paid by the recipient.

Any long term care expenses incurred outside of an eligibility period are allowable if actually due and owing on the first day of the eligibility period. But, that could never include a long term care cost share since that expense is always incurred/assigned within an eligibility period.

Example: Applicant is approved for nursing home coverage with a patient liability of \$1,200/month. Several months later, the recipient produces a due and owing bill of \$2,400 for the first two months of medical coverage. Since this represents the assigned patient liability of an eligible individual, the expense cannot be applied against a future month's patient liability.