

Kansas Department of Social and Rehabilitation Services

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MEMORANDUM

To: EES Program Administrators and
Staff
HealthWave Clearinghouse Staff

Date: DRAFT - December 17, 2004

From: Jeanine Schieferecke

RE: SOBRA Spenddown Processing

The purpose of this memo is to tell you about changes the Medicaid fiscal agent, EDS, has implemented for processing SOBRA cases where the beneficiary must meet a spenddown. These new processes now in effect and all cases newly approved for SOBRA coverage can now be processed under these new rules.

Policy and procedure designating services which qualify as an emergency are not changing. Only labor and delivery services as well as those services found to meet the emergency criteria and documented on the form MS-2156 are designated as SOBRA-qualifying emergencies. An approved MS-2156 form is necessary for all SOBRA approvals not related to labor and delivery. For more information on the MS-2156 process, see Memorandum dated 10-01-2001.

MMIS CHANGES

The interChange MMIS has been modified to recognize SOBRA cases where a spenddown amount exists. In these situations, spenddown processing similar to that used in the Medically Needy programs is now also used by the MMIS for SOBRA cases. When a spenddown exists, the process will ensure claims are not paid until the spenddown amount is satisfied. Once the spenddown is met, only approved emergency-related claims will be paid.

The MMIS identifies SOBRA spenddown cases through information received from KAECSES. Records for MA or MS programs with a spenddown amount are targeted for spenddown processing.

The same edits that are used in the Medically Needy program will also be applicable to SOBRA spenddown cases.

- Most medical bills for the individual may be billed to the MMIS to be used against the spenddown, not just those related to the emergency. However, only the specific expenses for the delivery or approved emergency may ultimately be paid.

- Only medical expenses with dates of service within the authorized month(s) of the base will be processed by the MMIS. Although all expenses within the base are allowable, because the MMIS can only consider expenses where the service dates are for months in which an active record exists, the MMIS will not process expenses outside of the authorized period.
- Beneficiary billed claims are also allowable for SOBRA spenddowns. The same rules and procedures used for Medically Needy cases are also applicable for these case situations.

KAECSES CHANGES:

KAECSES has not been changed to accommodate the new MMIS process. However, following correct procedures is critical to ensure correct information is sent to MMIS:

1. Continue to consider eligibility under other programs prior to processing a spenddown for a SOBRA applicant (e.g. For a pregnant woman, consider MP before MA).
2. Base periods are established as for the Medically Needy program. For example, a 3 month prior medical period is used where the applicant is claiming an emergency occurred in one of these months. A six month base is used for current requests.
3. On the KAECSES ETRC screen, a citizenship code of **ES MUST** continue to be used for all SOBRA eligibles. The code is only appropriate for the month(s) in which SOBRA coverage is actually approved, including suspended months included in a base period. For all other months, the citizenship code of IA is used.
4. When processing medical assistance on the same case number for different, non-SOBRA family members, case processing must occur over the course of two days. For example, a new mother applies for SOBRA coverage for herself to cover labor and delivery charges and ongoing coverage for her newborn (citizen) son. See Memo for instructions.
5. When processing medical assistance on different case numbers for other non-SOBRA family members, all case actions may be completed in one day.
6. Only the month(s) in which the emergency occurred are actually authorized. The other months of the base period are suspended or assistance is terminated.

EXAMPLE 1: Application received on 11-04-04 for Maria, an ineligible immigrant, and her newborn son (DOB - 10-14-04). Because of the labor and delivery services, Maria is potentially eligible for MA-related SOBRA coverage in the month of 10-04 only. Countable income exceeds the MP PW limit for Maria and a spenddown under the MA program is established.

Because this a request for prior medical, a base period of 08/04 - 10/04 is established.

Because 10-04 is the only month in the base period in which an emergency service was provided, it is only month in which coverage is authorized on KAECSES. Even though the months of 08-04 and 09-04 are included in the base, coverage is not authorized. The case is actually suspended in these months, using an SU code in the Benefit Issuance indicator on the MAID or MSID screen.

EXAMPLE 2: Application received 02-15-05 for Franco, age 70, who was involved in an auto accident on 02-02-05. The MS-2156 was completed and indicated Franco's condition met the emergency criteria for the period of 02-02-05 through 02-07-05. Because of his age, Franco is potentially eligible for SOBRA coverage under the MS program. Franco has income of \$995.00/month. After verifying resources are below the limit, a spenddown is established for the period of 02/05 through 08/05 in the amount of \$3000 ($\$995 - \$20 - \$475 = \500×6 months). Only the month of 02/05 is authorized, as the only approved month of coverage. The citizenship code is changed on ETRC and the case is closed effective 02-28-05.

Existing/Pending SOBRA Applications:

There are several cases where SOBRA coverage has not been fully approved, as per the instructions issued when the MMIS was implemented. These cases are still not authorized and information has not yet been sent to MMIS. The following steps shall be taken to authorize the case and subsequently send eligibility information to MMIS.

- These instructions assume there is an allowable emergency expenses, either a labor an delivery expense or an approved emergency as documented on a signed MS-2156. If there is no allowable emergency service or labor and delivery, the case shall be denied.
- Previous instructions were to list all allowable bills on MEEEX. However, under the modified process, bills listed on MEEEX are not be included in the duplicate checks made when processing. This will made it possible to allow the same bill twice. To avoid this, all bills incurred by the beneficiary (except those listed as allowable on MEEEX, above) with a date of service within an authorized month, are to be removed from MEEEX. Then, to allow the expenses either create a beneficiary billed claim encourage the provider to bill the MMIS.
- Services incurred outside of the authorized range and those expenses which are always allowed on MEEEX may be left on MEEEX.
- Due and owing expenses or those provided for other family members are also allowed on MEEEX.
- Once all MEEEX entries are corrected, reauthorize the appropriate months of the base period (the months in which the emergency occurred).

- Any remaining spenddown amount will then be send to MMIS.
- Send the approval notice, V404 - SOBRA Approval - Spenddown Unmet, for these situations. Instructions for showing the letter to the provider are included in the notice.
- Medical cards will not be issued through the MMIS and the client shall be encouraged to share the approval notice with other providers asking them to bill the MMIS.
- Because resolution of this issue has been pending for many months, some claims may have already passed timely filing limits. It is not the intention to deny claims caught in these SOBRA spenddown problems strictly because of the timely filing edits. Special procedures may be available in these situations. Please refer providers to their provider representatives.

All SOBRA spenddown cases previously processed will need to be reprocessed under the new guidelines. A list of claims submitted to Central Office has been compiled and is attached. These claims are to be reviewed and re worked by 11-05-04.