



Policy Clarification 2017-06-01

Title: Due and Owing Bills from an Assisted Living Facility

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Program impacted: Elderly and Disabled Medical Programs

The purpose of this document is to clarify KEESM 8270.1 (1)(b)(iii) and KEESM Appendix Item P1, Medical Necessity, regarding allowable limits of charges from Assisted Living facilities.

When determining the allowable portion of a Due and Owing bill from an Assisted Living facility, only the medical portion of the monthly charge is considered. Pharmacy items ordered by a physician or other medical practitioner are considered medical expenses. The following charges are not allowable:

- Charges directly attributable to Room and Board
- Charges for ancillary services (such as beauty shop and cable television)
- Charges for pharmacy items that are not ordered by a physician (such as deodorant or tissues)

As most facilities provide an all-inclusive rate, this policy will usually require the facility to provide a special statement indicating the portion of the bill attributable to medical expenses. It is the responsibility of the facility to provide the break down. The facility has flexibility in how the bill is presented. An itemized accounting, showing each individual charge for the resident, is acceptable. Or, if the business model allows, a generalized statement derived from rate setting, expenses, etc. is also allowable. Pharmacy expenses do not have to be listed separately as long as the rate provided by the facility includes only those items order by a physician.

Although KEESM allows the ability to use the HCBS cost of care if a facility cannot separate out the costs, this would be rare. For example, if a facility was no longer in business. The limitations noted in item #24 of Appendix P1, Medical Necessity, do not apply to Assisted Living facility charges for an individual determined eligible for HCBS services. These limitations do apply to individuals who not meet HCBS or NF level of care.

Note that the due and owing portion of a bill can never include an unpaid client obligation/patient liability from a long term care setting when Medicaid payment was authorized.

Questions regarding treatment of any medical expenses can be submitted to KDHE Policy for guidance.