


STATE OF WISCONSIN  
Department of Health and Family Services  
Division of Long Term Care

**DLTC Memo Series 2008-2**  
Date: January 23, 2008

**Index Title: Medical/Remedial Expenses used for Long-Term  
Care Medicaid Eligibility and Cost-Sharing**

To: Listserv

For: Area Administrators / Human Services Area Coordinators-LTC  
County COP Coordinators  
County Department of Community Program Directors  
County Departments of Developmental Disabilities Services Directors  
County Departments of Human Services Directors  
County Departments of Social Services Directors  
County Waiver Coordinators  
DLTC Bureau Directors  
DLTC Section Chiefs  
Tribal Chairpersons/Human Services Facilitators  
Family Care Managed Care Organizations/WPP  
Aging and Disability Resource Centers

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Administrator

Subject: Medical/Remedial Expenses used for Long-Term Care Medicaid Eligibility and  
Cost-Sharing

### Document Summary

**Effective immediately, certain types of medical/remedial expenses will not be allowed when determining cost-shares or spenddowns for people participating in Family Care, Partnership and Home and Community Based Waiver programs<sup>1</sup>**

### Background

Federal law permits states to impose reasonable limits on allowable amounts of medical/remedial expenses, so long as these limits are described in the Medicaid State Plan and are approved by the Center for Medicaid and Medicare Services (CMS). The Bureau of Eligibility Management (BEM) has amended the State Plan to reflect changes in this regard. OPS Memo #08-02, dated 01/04/2008 was issued to inform Income Maintenance Agencies of the new policy at <http://dhfs.wisconsin.gov/em/ops-memos/2008/default.htm>.

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<sup>1</sup> Home and Community Based Waivers include Community Integration Programs 1A/1B, Brain Injury Waiver, Community Integration Program II, Community Options Program Waiver, Children Long-Term Support Waiver, Community Opportunities and Recovery Waiver. **Note that the new policy also applies to people in Nursing Homes, which are processed solely by Income Maintenance Workers.**

This DLTC Memo and the attached technical assistance document informs applicable agency staff in County Waivers Agencies, Managed Care Organizations (MCOs) and Aging and Disability Resource Centers (ADRCs) of how these changes affect the processing of Family Care and Home and Community Based Waiver applications or recertifications.

## Policy

Effective immediately, the following types of bills may not be used as medical/remedial expenses to offset the cost-share or to meet the spenddown obligation in the eligibility determination process in Family Care (both at the nursing home and non-nursing home level of care), Partnership, and in the Home and Community Based Waivers:

1. Medical bills which remain unpaid, but were previously used to meet a Medicaid deductible;
2. Bills which were for the cost of institutional care provided during a previous Medicaid divestment penalty period;
3. Bills that represent a patient liability amount/cost share incurred during some previous period of institutionalization and Medicaid eligibility or an unpaid Medicaid Home and Community Based Waiver/Family Care or Partnership cost-share obligation.
4. Medical bills which will be paid by a legally liable third party, e.g. private health insurance, Medicare, Medicaid, etc.
5. Medical bills which were previously allowed as a medical/remedial expense and counted to reduce a waiver cost share or used to reduce a nursing home patient liability obligation.

A technical assistance document illustrating example for each situation stated above is attached.

**Action Required:** Effective immediately, the disallowed medical/remedial expenses described in this memo cannot be used when processing eligibility for Family Care, Partnership and Home and Community Based Waivers, or Institutional Medicaid. The policy applies to new applications and to current participants/enrollees at review/certification time.

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MEMO WEB SITE: [http://dhfs.wisconsin.gov/dsl\\_info/](http://dhfs.wisconsin.gov/dsl_info/)

Attachment: Technical Assistance Document