



State of New Jersey
Department of Human Services
Division of Medical Assistance & Health Services

NEWSLETTER

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April 2018

TO: LTC Providers, Health Maintenance/Managed Care Organizations - For Action

SUBJECT: Summary of NJ Medicaid Patient Pay Liability/ Cost Share Process and Frequently Asked Questions (Refer to MA 2017-03 for additional information)

EFFECTIVE: Immediately

PURPOSE: To provide clarification of cost share process for members enrolled in Managed Long Term Services and Support (MLTSS) as well as Fee for Service Custodial member.

BACKGROUND: Providers of LTC services are familiar with the responsibility of County Welfare Agencies (CWAs) to calculate the cost share for Medicaid beneficiaries receiving Long-Term Services and Supports (LTSS). This is the amount that a provider is required to collect from a Medicaid LTSS recipient monthly to offset the cost of care for the individual in custodial care.

The Division of Medical Assistance and Health Services (DMAHS) reduces FFS payments to a LTC provider or the capitation paid to a MCO by the cost share amount. The MCO then reduces a Medicaid beneficiary's LTC claim payment by the cost share amount.

The CWA calculates each Medicaid beneficiary's cost share amount through the Personal Responsibility (PR) Web Application System which is administered by DMAHS and Molina Medicaid Solutions. The cost share calculations are made according to federal regulations at 42 CFR 435.725 and 425.726.

In situations when the available income for an individual exceeds the cost of custodial care paid by Medicaid, the available income is used to cover the full cost of care and is paid to the provider. Any balance of the available income that exceeds the cost of care must be returned to the State of New Jersey by the provider.

ACTION: Providers and MCOs shall follow process outlined regarding collection of cost share as well as reconciliation with Managed Care Organizations and Medicaid FFS. In addition, the process that Provider must follow when Cost Share exceeds the cost of care is outlined.

If you have any questions concerning this Newsletter, please contact Molina Medicaid Solutions Provider Services at 1-800-776-6334.

RETAIN THIS NEWSLETTER FOR FUTURE REFERENCE

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Long Term Services and Support (LTSS) Cost Share/Patient Pay Liability (PPL) Summary

The summary of questions below addresses LTSS members in fee-for-service (FFS) Medicaid or enrolled in a managed care organization (MCO). A reference to PACE-specific information is included at the end of the document for members enrolled in PACE.

CALCULATION OF COST SHARE/PPL:

The County Welfare Agency (CWA) calculates each Medicaid Long Term Services and Supports (LTSS) beneficiary's Cost Share/PPL amount through the Personal Responsibility (PR) Web Application System which is administered by Division of Medical Assistance and Health Services (DMAHS) through the New Jersey Medicaid Management Information System (NJMMIS). The Cost Share/PPL amount calculations are made according to federal regulations at 42 CFR 435.725 and 425.726.

The CWA office staff will complete a Personal Responsibility (PR) form for individuals eligible for LTSS services.

- a) PR1, (formerly PA3L) for nursing facility (NF) residents,
- b) PR2 for Assisted Living residents and
- c) PR3 for individuals living in the community.

PAYMENT OF COST SHARE/PPL TO LONG TERM CARE (LTC) FACILITY:

Long-term care providers, i.e. (Specialty Care Nursing Facilities (SCNF), Nursing Facilities (NF) and/or Assisted Living Facilities (AL), collect the Cost Share/PPL monthly from a Medicaid beneficiary and/or their designee to offset the cost of long term care (LTC). Individuals living in the community will pay Cost Share/PPL directly to the State of New Jersey with the exception of PACE participants. For more information, see the PACE members section below.

DISPLAY OF COST SHARE/PPL IN E-MEVs

As of August 15, 2017, a Medicaid LTSS beneficiary's Cost Share/PPL amount is displayed on eMEVs. Previously, the eMEVs response included the available income without Cost Share/PPL amount detail.

- At the time of eligibility determinations, annual renewals, and renewals based on changes in circumstance, the CWAs are required to create and send PR forms to LTSS providers and Medicaid LTSS beneficiaries or their representatives in order to notify them of their payment responsibilities. The PR form will include details regarding Cost Share/PPL calculations. In addition, the Cost Share/PPL amount will be displayed in eMEVs.
- Cost Share/PPL payments begin with the first month that an individual receives LTSS regardless of whether they are a MCO member or Medicaid FFS enrolled. Note that Cost Share/PPL

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amounts may temporarily be reduced to \$0 during periods when a beneficiary is making payments for pre-eligibility medical expenses (PEME) or if the CWA determines there are allowable expenses for the month of admission or month of discharge. The CWA will temporarily update PR forms when these situations occur.

- It is important to note that the CWA calculates Cost Share/PPL amounts for all Medicaid LTSS beneficiaries. The Cost Share/PPL amount reported in eMEVS is the amount that the MCO or Medicaid deducts from the NF or AL facility claims. For Medicaid FFS claims, assisted living facilities are responsible for deducting the Cost Share/PPL amounts from their FFS claims manually. When the CWA updates an individual's Cost Share/PPL amount it may be applied retroactively due to an individual's change in circumstances. The MCO or the state will adjust claim payments for LTSS based on these retroactive updates. LTSS providers should contact the CWA for any specific questions regarding Cost Share/PPL calculations.

If a member is both clinically and financially eligible for LTSS and not enrolled in MLTSS, the member is still responsible for Cost Share/PPL. Providers must collect Cost Share/PPL and return funds to the state if Cost Share/PPL amount is not deducted from the member's claim or if the Cost Share/PPL amount exceeds the amount of the claim.

Frequently Asked Questions Regarding Cost Share/PPL

- 1. When does a nursing facility (NF) begin to collect Cost Share/PPL from an MLTSS member who was receiving home and community based services (HCBS) and is now in the NF for a short term stay?**
 - If an individual is admitted for a short term NF stay and was receiving HCBS services in the community, the facility should not request any funds from the individual during the short stay.
 - The individual's allowable expenses on their PR form will continue to be used to maintain their current, permanent, living arrangement in their absence.
- 2. Is there a NF short term stay limit for an MLTSS member?**
 - Yes, the limit for a short term stay is 180 days. After 180 days the member must be discharged to the community or transitioned to a long term stay, as appropriate. The member may be transitioned earlier than 180 days if it is deemed medically necessary.

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3. Should the provider begin collecting the Cost Share/PPL from the member while they are pending Medicaid eligibility?

- The provider may collect income from their resident while they are pending Medicaid eligibility. The resident must first receive their Personal Needs Allowance; and, if applicable, provide income to their spouse according to regulations, 42 CFR 435.725 and 435.726. If necessary, the resident or their representative may contact the appropriate CWA for guidance on the amount of their Community Spouse Allowance.
- The provider may need to educate the concerned residents and/or their representatives regarding the patient responsibilities in NJ FamilyCare.
- When the PR 1 and PR2 is approved by CWA and entered in NJMMIS, the amount will be deducted from MCO MLTSS capitation payments and FFS LTC Provider payments.

4. How is the Cost Share/PPL going to be accounted for by the MCO?

- Cost Share/PPL/patient payment liability (PPL) will be deducted from the NF and/or AL provider payments. The MCOs' process to account for Cost Share/PPL and payment to facilities will be contained in the individual MCO contract with providers.

5. How are the members Cost Share/PPL amount communicated to the MCO?

- The state sends a weekly file to the MCO with the Cost Share/PPL identified for MLTSS members. In addition, the MCO monthly enrollment file (834) also displays the Cost Share/PPL for MLTSS members. The capitation payment from the state for the individual members to the MCO will be reduced by the State based on the individual member's Cost Share/PPL.

6. How will retroactive Cost Share/PPL be communicated to the MCO?

- The weekly PPL History File from the state for the individual members to the MCO will be adjusted based on the retroactive Cost Share/PPL. The MCO will work directly with the provider to account for the retroactive Cost Share/PPL.

7. How does a provider check the amount of Cost Share/PPL for an MLTSS member if the provider does not have a copy of the Personal Responsibility (PR) form (PR): PR -1 for NF, PR-2 for AL and PR-3 for HCBS?

- The provider needs to contact the local CWA to obtain a copy of the PR form if it has not been received. The PR information (Cost Share/PPL) is also displayed on eMEVS.

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8. Who does the provider contact if the amount of Cost Share/PPL deducted by the MCO is different than the amount on the PR1 and/or eMEVS?

- The provider needs to contact the MCO and forward a copy of the eMEVS information for the member. If the provider is not able to resolve this directly with MCO, they should forward the detail of claim deductions to the Medicaid Provider Relations office. Information should be sent securely to mahs.provider-inquiries@dhs.state.nj.us.

9. If an MLTSS member is authorized for a short stay, is this member also responsible for a Cost Share/PPL, or is the requirement only for the custodial MLTSS time in a NF?

- Cost Share/PPL is only required for custodial long-term care (LTC), whether MLTSS or FFS.

10. When does a fee-for-service (FFS) NJ FamilyCare member approved for LTC begin to turn over monthly income?

- A FFS Medicaid recipient will begin to turn over their Cost Share/PPL, as determined on the PR, to the facility in the first month that they are determined both clinically and financially eligible for long term care/LTSS. This includes the period that they are pending MLTSS enrollment.

11. How should the NFs handle a delay in the receipt of the PR form?

- PRs are completed immediately after an individual is determined eligible for MLTSS. The facility should receive its copy of the approved form within one week. If it is not received within this time period, the facility should contact the CWA or the NJ FamilyCare recipient/authorized representative for follow up. However, if the provider has not received the PR information and the resident has been eligible for LTC for greater than 30 days, the provider should contact the state's County Operation Unit. The phone number for the County Operation Unit is 609-588-2556. Questions regarding claims deductions for Cost Share/PPL should be sent via email to mahs.provider-inquiries@dhs.state.nj.us.

12. How often is the PR updated by the CWA and does it include room and board?

- The PR is updated when a case is renewed annually or when there is a change in circumstance. Room and board is collected by the facility when an individual resides in an assisted living facility. In nursing facilities, room and board are covered Medicaid expenses. The PR-2 form used for assisted living facilities includes a section for room and board payments as a Maintenance Needs Allowance. The final row of the form is titled "Total due to the AL facility." This amount includes the Cost Share/PPL and the room and board. This is the amount due to the AL facility for each month.

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Facilities must ensure that they use the “Cost Share” row not the “total amount” row on the PR2.

- When any type of PR form is incorrect, the CWA must be contacted to correct it. This process is the only way that the MCOs and facilities will be paid properly. If the PR is incorrect in the PR Web Application System, the MCO will receive incorrect information from DMAHS and the MCO deduction from the provider will be incorrect. It is important for a provider to notify the CWA when a resident has a change in circumstance, such as a change in income or address.

PR-1: Sample Cost Share/PPL Overpayment Calculation for NF Resident

- John meets institutional level of care and needs to live in a NF.
- John’s income of \$4,100 is \$1,500 a month in Social Security and \$2,600 per month in pension.
- John is married to Mary. Mary’s Community Spouse Maintenance Allowance totals \$1822 per month.

To calculate John’s Cost Share/PPL, the PR-1 form allows for the following deductions:

\$4,100.00	
-	*50.00 Personal Needs Allowance
-	1,822.00 Community Spouse Maintenance Allowance
-	<u>100.00 Health Insurance Premium</u>
\$ 2,128.00	Available for Cost Share/PPL to be collected by the NF

John goes into the hospital for 25 days in the month. The NF claim is for five days of services totaling \$2,000. The NF must pay the \$128.00 overpayment to the MCO or the state.

*- 2018 Standards ** - 2017-2018 Standard

PR-2: Sample Cost Share/PPL Overpayment Calculation for Assisted Living Facility

- William meets an institutional level of care and would like to be in Assisted Living.
- William’s income of \$4,000 includes \$800 in Social Security and \$3,200 in pension.
- William is married to Lauren. Lauren receives \$771.00 per month from William’s income as her Community Spouse Maintenance Allowance

To calculate William’s Cost Share/PPL, the PR-2 form allows for the following deductions:

\$4,000.00	Total Income
-	900.05 Maintenance Needs Allowance (Room and Board \$788.55)* (PNA-\$111.50)
-	771.00 Community Spouse Maintenance Allowance
-	100.00 Health Insurance
-	<u>No unreimbursed medical expenses</u>
\$2,228.95	Available for Cost Share/PPL to be collected by the AL facility-(PR-2)

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\$3,017.50 Total amount due to AL facility (= R&B + Cost Share/PPL)
\$ 35.00 is due back to the MCO or the state because the AL monthly rate is
\$2,193.90 (\$73.13 X 30)

*-2018 standard

PROVIDER RECONCILIATION OF COST SHARE/PPL DEDUCTION

Fee-for-Service Members

When a LTSS beneficiary is enrolled in FFS, the Cost Share/PPL amount continues to be collected monthly from the beneficiary by the LTC provider. FFS claims submitted by a LTSS provider are reduced by the member's Cost Share/PPL. For nursing facilities, the state deducts the amount based on the PR-1 information identified on the claim. For FFS Assisted Living claims, the Provider must manually deduct the Cost Share/PPL amount from the FFS claim based on the PR-2 form.

Managed Care Members

When a LTSS beneficiary is enrolled in managed care as an MLTSS member, the Cost Share/PPL amount continues to be collected monthly from the beneficiary by the LTC provider. MCO payments to providers for LTSS are then reduced by the Cost Share/PPL amount. When the state reimburses managed care for the cost of LTSS, the Cost Share/PPL amount is withheld from the managed care capitation payment.

PROCESS WHEN COST SHARE/PPL EXCEEDS COST OF CARE

A Medicaid LTSS Member's Cost Share/PPL amount cannot exceed the monthly amount that is billable by the Provider for LTSS. However, the Cost Share/PPL amount may exceed the monthly amount billed by the facility. The following process provides guidance to facilities when the Cost Share/PPL exceeds the monthly claims amounts for LTSS:

Fee-for-Service Members LTC Providers must return Cost Share/PPL overpayments to the State of New Jersey. The provider must include a letter with a detailed explanation for the refund and a contact information regarding refund.

Checks sent regular mail should be sent to:

Payee: Treasurer, State of New Jersey
Mail To: Division of Revenue
Lockbox 656
200 Woolverton Avenue, Bldg. 20
Trenton, NJ 08646

Checks sent certified mail; courier or Fedex should be sent to:

Payee: Treasurer, State of New Jersey
Mail To: Division of Revenue
200 Woolverton Avenue, Bldg. 20
Lockbox 656
Trenton, NJ 08646
Attn: Processing Bureau

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Managed Care MLTSS Member Medicaid LTSS member's Cost Share/PPL amount cannot exceed the amount paid by state for LTC services. When a member is enrolled in MLTSS the LTC provider must return the Cost Share/PPL overpayment to the MCO.

In situations where the provider has collected cost share/PPL which exceed the cost of care and is not addressed by the MCO deductions within 60 days of the notification of overpayment, the provider should submit a return the overpayment to the Treasurer, State of New Jersey with a detailed explanation of the overpayment refund.

For example, if a member has been identified as a LTSS member but transitions to an MCO without MLTSS Enrollment the LTC provider must collect Cost Share/PPL as per federal regulations 42 CFR 435.725 and 435.726. However, the MCO capitation will not be reduced when the member is not in MLTSS capitation, therefore the provider must return the Cost Share/PPL amount to the State.

Checks sent regular mail should be sent to:

Payee: Treasurer, State of New Jersey
Mail To: Division of Revenue
Lockbox 656
200 Woolverton Avenue, Bldg. 20
Trenton, NJ 08646

Checks sent certified mail; courier or Fedex should be sent to:

Payee: Treasurer, State of New Jersey
Mail To: Division of Revenue
200 Woolverton Avenue, Bldg. 20
Lockbox 656
Trenton, NJ 08646
Attn: Processing Bureau

Frequently Asked Question regarding Reconciliation of Cost Share/PPL Deductions:

1. What is the time frame for LTC facilities to submit FFS claims for LTC?

As per N.J.A.C. 10:49-7-2, claims submitted by a nursing facility; shall be received by the fiscal agent no later than one year after the "from date of service" as indicated on the claim. (12 months to submit)

In addition, if a provider submits a FFS claim within the 1 year timely filing period and it is denied an additional year is permitted for claim resubmission and processing. (12 months to correct)

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2. What is the time frame for LTC facilities to submit claims to Medicaid MCOs claims for payment?

In compliance with The Health Claims Authorization, Processing and Payment Act P.L. 2005, C 452 claims are considered timely if they are submitted to the MCO within 180 days of the date of service.

3. What is the time frame for returning excess funds to the State of New Jersey?

As per N.J.A.C 10:49-8.3 -Adjustments following payment of claims

- **(a)** If a claim is incorrectly paid, so that the provider receives an overpayment or underpayment, within 60 days of such receipt, the provider shall correctly adjust the claim by utilizing the web-based claims resolution process or another approved method of automated data exchange, unless an attachment to the claim is required, in which case the provider shall instead use an MMIS Claim Adjustment Request Form, (FD-999). (For the procedure to follow, see Fiscal Agent Billing Supplement following the second chapter of each Provider Services Manual). However, a provider shall immediately adjust all incorrectly overpaid claims that are discovered subsequent to the expiration of the 60-day deadline, also utilizing the web-based claims resolution process or another approved method of automated data exchange, unless an attachment to the claim is required, in which case the provider shall instead use an MMIS Claim Adjustment Request Form (FD-999).
- **(b)** On occasion, a claim will be paid that should not have been paid. If a claim is paid in error, within 60 days of such receipt, the provider shall utilize the web-based claims resolution process or another approved method of automated data exchange to void the claim. (For the procedure to follow, see the Fiscal Agent Billing Supplement following the second chapter of each Provider Services Manual.) However, a provider shall immediately void all claims paid in error that are discovered subsequent to the expiration of the 60-day deadline, also utilizing the web-based claims resolution process or another approved method of automated data exchange.
- **(c)** Any adjustment made by Medicare will not cross over to Medicaid. If Medicare makes an adjustment that results in an overpayment or underpayment by Medicaid, within 60 days of receipt of any such overpayment or under payment, the provider shall notify the Fiscal Agent. (For the procedure to follow, see the Fiscal Agent Billing Supplement following the second chapter of each Provider Services Manual).

PACE Members

PACE Organization members are required to pay Cost Share/PPL –PACE members and Provider's must follow policy outlined by DMAHS and the Division of Aging Services

Additional detail regarding PACE can be found in the Medicaid Communication specified below:

MEDICAID COMMUNICATION NO. 17-13 DATE: August 30, 2017

NJ FamilyCare Eligibility Determining Agencies/ County Welfare Agencies
Division of Aging Services (DoAS)

SUBJECT: PACE (Program for All-inclusive Care for the Elderly) Cost Share/PPL Collection

<http://www.state.nj.us/humanservices/doas/home/forms.html>