



**DEPARTMENT OF
HUMAN SERVICES**

The Basics of Medical Spenddowns with Managed Care

Gina Smith – Special Needs Purchasing

Common Acronyms

- MSC+ – Minnesota Senior Care Plus
- MSHO – Minnesota Senior Health Options
- SNBC – Special Needs BasicCare
- D-SNP – Dual Eligible Special Needs Plan

What is a spenddown?

- Cost sharing approach which allows Medical Assistance (MA) eligibility for people whose net countable income is greater than the Federal Poverty Guideline (FPG) standard
- Recipients can become income eligible for MA by “spending down” their excess income to the FPG standard.
- Outside of managed care, excess income is “spent down” by incurring medical bills every month before MA pays.
- In managed care, some spenddowns must be paid in advance to DHS instead of to a provider.

Different Types of Spenddowns

Medical Spenddown

- Spenddown for enrollees who live in the community
- “AMM” in RSPL in MMIS

Institutional Spenddown

- Spenddown for enrollees who are long term care facility residents
- “AIM” in RSPL in MMIS

Waiver Obligation

- Spenddown for enrollees who live in the community and are on the Elderly Waiver
- “AWM” in RSPL in MMIS

Managed Care Options for Seniors

- Minnesota Senior Care Plus (MSC+)
 - Product ID Codes in MMIS
 - MA30 (without EW)
 - MA35 (with EW)
 - MA36 (with EW and Moving Home Minnesota)
 - See DHS-5025 for a service area map
- Minnesota Senior Health Options (MSHO) (D-SNP)
 - Product ID Code MA02 in MMIS
 - See DHS-4840 for a service area map

Managed Care Options for People with Disabilities

- Special Needs BasicCare (SNBC)
 - Product ID Codes in MMIS:
 - MA37 (non-integrated and does not include Medicare)
 - MA17 (integrated and includes Medicare) (D-SNP)

MSHO (Ages 65+, coordinated Medicare)

- People with medical spenddowns are not eligible to enroll unless they are transitioning directly from SNBC with no break in coverage.
- People who acquire a medical spenddown after being enrolled into MSHO are allowed to continue MSHO enrollment if the spenddown is paid directly to DHS.
 - If a case is closed for renewal and then reopened with a spenddown, DO NOT add an SS exclusion.

MSC+ (Age 65+)

- Enrollees with medical spenddowns are excluded from enrollment in MSC+ with an “SS” exclusion.
- If an MSC+ enrollee gains a medical spenddown after being enrolled, they will be disenrolled.

SNBC (ages 18-64)

- People with medical spenddowns are not eligible to enroll unless they are transitioning between integrated/non-integrated SNBC with no break in coverage.
- People who acquire a medical spenddown after being enrolled into SNBC are allowed to continue SNBC enrollment if the spenddown is paid directly to DHS.
 - If a case is closed for renewal and then reopened with a spenddown, DO NOT add an SS exclusion.

Medical Spenddowns

- People who acquire an automated medical spenddown (AMM) after MSHO or SNBC enrollment has started are allowed to remain enrolled in MSHO or SNBC only if they pay the full spenddown amount directly to DHS.
 - DHS bills the enrollee each month
 - Spenddown invoices are mailed out 2 months in advance. For example, the invoice for June 2019 was mailed April 4th.
 - Payment is due on the 15th of the month prior to the month of coverage
 - Example: Payment for the June 2019 spenddown is due May 15th
- Enrollees with AMM's should only remain enrolled if medical expenses are routinely more than the amount of the spenddown.

Medical Spenddowns Continued

- Payment is always prepaid. Payments go towards oldest outstanding balance. Enrollees cannot pick and choose which months to pay.
- Enrollees will be disenrolled from the MSHO or SNBC health plan if the automated monthly spenddown is not paid in full for 3 months.
- DHS will also send the health plans a list of the people closing for non-payment prior by first capitation of each month.
- DO NOT close an enrollee's Medical Assistance for failure to meet their medical spenddown, as their medical spenddown billing is handled by DHS

Disenrollment Due to Spenddowns

- Enrollees that do not want to pay spenddowns directly to DHS should be informed they can choose to disenroll from MSHO or SNBC.
- If they choose to disenroll or are closed for non-payment they should be told they will lose Medicare benefits through their MSHO or integrated SNBC plan.
- Instruct the enrollee to select a new Medicare Part D plan so they can transition Medicare plans without problems.

Disenrollment Due to Spenddowns Continued

- If an MSHO or SNBC enrollee is disenrolled due to failure to pay their medical spenddown for 3 months, they have 90 days from the date of disenrollment to pay their outstanding balance and be reinstated into MSHO.
- Enrollees can contact the DHS billing unit at 651-431-3205 to find out how much they owe.
- DHS SNP staff must be contacted once the outstanding balance has been paid, so that the enrollee can be reinstated into MSHO or SNBC.
- If it has been more than 90 days since and enrollee has been disenrolled due to failure to pay, they cannot re-enroll into MSHO or SNBC unless they:
 - Paid their outstanding balance
 - No longer have a medical spenddown

RSPD in MMIS

- When someone is enrolled in MSHO or SNBC, MMIS will automatically populate the FC/MSHO field at capitation.
- This field is not necessarily reflective of what DHS is actually billing, because medical spenddown billing is done through SWIFT. This amount is just being populated with what was in MMIS at the time of capitation.
- This field cannot be updated. It does not have an impact on enrollees' spenddowns other than telling MMIS whether this is a managed care spenddown or a fee-for-service potluck spenddown.

```
NEXT: RSLG 04/24/19 09:25:28      MMIS SPENDDOWN-RSPD      WMW1703 03/29/19 PWMW132
01234567      01/01/1950 *      CLIENT OPTION NUMBER:
DOE      JANE      M *      +/-
*****
----- S P E N D D O W N -----
TY: A MTHD: M CVRD POP: M PERIOD BEGIN: 04/01/19 PERIOD END: 04/30/19
SATISFY:      ORIG SPDWN AMT:$ 211 RECIPIENT AMT:$ 211
USED AMT:$      CLIENT OPT PD:$      FC/MSHO:$ 211.00
REMAINING AMOUNT:$

      NPI      AMOUNT      USED
      NPI      AMOUNT      USED
```

RSPD Continued

- If an enrollee will not be in managed care for the next month at the time capitation runs, the FC/MSHO field will not be populated.
- This tells MMIS to treat the medical spenddown as a fee-for-service potluck spenddown and deduct the spenddown from provider's ffs claims.

```
NEXT: RSLG 04/24/19 09:25:28      MMIS SPENDDOWN-RSPD      WMW1703 03/29/19 PWMW132
01234567      01/01/1950 *      CLIENT OPTION NUMBER:
DOE      JANE      M *      +/-
***** - - - - - S P E N D D O W N - - - - -
TY: A MTHD: M CVRD POP: M PERIOD BEGIN: 05/01/19 PERIOD END: 05/30/19
SATISFY:      ORIG SPDWN AMT:$ 211      RECIPIENT AMT:$ 211
USED AMT:$      CLIENT OPT PD:$      FC/MSHO:$
      REMAINING AMOUNT:$ 211.00

      NPI      AMOUNT      USED
      NPI      AMOUNT      USED
```

Managed Care Retro Enrollments and RSPD Continued

- This can create a billing discrepancy because the FC/MSHO field is only populated at capitation for the next month. It is not populated retroactively.
 - DHS already sent out a medical spenddown invoice to be paid to DHS because they bill two months in advance.
 - MMIS will have the FC/MSHO field reflecting that it should be a ffs potluck spenddown for retro months.
- Enrollees in MSHO and SNBC who will not have FFS claims will not be impacted.
- Enrollees in MSHO and SNBC receiving services carved out from managed care will be impacted because FFS claims are being submitted.
 - MSHO and SNBC enrollees receiving disability waiver services
 - SNBC enrollees receiving PCA and Home Care Nursing.

Resolving FC/MSHO Field Billing Discrepancies

- Handled on a case by case basis:
 - If the spenddown was already paid to DHS, the billing unit can credit the enrollees account and apply that spenddown payment to a future month that is due. The enrollee can then pay the provider for that month instead.
 - DHS can also contact the claims unit so that the provider is paid in full and the enrollee only pays the spenddown to DHS.

Associated Recipients

- If a medical spenddown has associated recipients both people must be enrolled into MSHO or SNBC.
- If one spouse is enrolled in MSHO/SNBC and the other is fee-for-service, DHS cannot split the medical spenddown bill in half as MSHO/SNBC medical spenddown billing is done through SWIFT and fee-for-service medical spenddown billing is done through MMIS.
- MSHO/SNBC members who have an associated recipient with only one spouse in managed care should be advised that their options are to:
 - Disenroll from MSHO or SNBC (people MSHO & integrated SNBC will need to pick a new Medicare Part D plan)
 - Pay both medical spenddown bills

Designated Providers for Spenddowns

- MSHO cannot have a designated provider for a medical spenddown unless receiving hospice in a NF.
 - Note: People enrolled who are in a NF and elect hospice should be coded as AMM (instead of AIM) with the hospice provider as the designated provider.
- SNBC can have a designated provider for a medical spenddown if it is for services that are not covered by the MCO (PCA, Home Care Nursing, and HCBS waiver services)

Institutional Spenddown

- Institutional spenddowns (AIM) are collected by the nursing facility (NF) provider, just like all other Medical Assistance enrollees.
- When the health plan has the NF liability, the plan pays the facility the full charges.
 - 180 days for MSHO and MSC+
 - 100 days for SNBC
- DHS will deduct the amount of the Institutional Spenddown from the provider on the remittance advice for the total warrant DHS pays to the provider for the month.
- Once the 180/100 day liability ends, the claims are submitted to DHS fee-for-service and the amount is reduced on the submitted claims
- NF provider will be listed as the designated provider in MMIS

Waiver Obligations for Managed Care

- Waiver obligations for people enrolled in MSHO and MSC+ are paid by the enrollee directly to the provider.
 - DHS informs the health plan of the waiver obligation amount monthly.
 - Providers bill the health plan for EW services.
 - MSHO and MSC+ health plans pay the provider after deducting the waiver obligation amount.
 - Providers then bill the enrollee for the waiver obligation amount.
- Designated providers should not be entered in MMIS.

Questions?



Thank you!

Gina Smith

gina.a.smith@state.mn.us

651-431-5804