



# Waiver Wise

## Technical Assistance for the Community Options Program Waiver COP-W

Wisconsin Department of Health & Family Services • Division of Disability and Elder Services  
Bureau of Aging & Long Term Care Resources

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### Care and Supervision Costs in Substitute Care as Remedial Expenses

#### What is the impact of BHCE/BWP Ops Memo 03-19, relating to community substitute care costs, on waiver participants?

A recent Operations Memo from the Department of Health and Family Services, Division of Health Care Financing, Bureau of Health Care Eligibility and the Department of Workforce Development, Division of Work Force Solution, Bureau of Work Programs (BHCE/BWP Ops Memo 03-19, dated 3/13/03), instructs Economic Support Specialists (ESS) to use community substitute care costs, excluding room and board costs (i.e., **care and supervision costs in substitute care**), as REMEDIAL expenses to meet a deductible under the Medicaid Medically Needy Program.

The memo was issued in response to an Administrative Law Judge (ALJ) hearing decision that clarified the use of these substitute care setting costs as “remedial” expenses for Medicaid Medically Needy Program purposes. Prior to the issuance of this Administrative Law Judge decision, some counties’ ESS treated such costs as remedial expenses, and others did not.

**The main impact of this policy change, effective April 1, 2003, is that now ESS in all counties will use care and supervision costs in community substitute care settings as “remedial” expenses towards meeting a deductible under the Medicaid Medically Needy Program.**

#### ***How does the policy change impact waiver applicants/participants?***

Only certain new waiver applicants might be affected, as described under # 1 below. Otherwise, care managers will continue using these costs, generally referred to under waivers as “*care and supervision costs*,” like they have always done (see # 2 and # 3 below).

- 1) **Group A waiver applicants:** A new waiver **applicant** who has been Medicaid certified by ESS as having met his/her deductible is then a **Group A** participant until the end of the deductible period. This is the group impacted by the BHCE/BWP Operations Memo. Counties where ESS did not previously use *care and supervision costs in substitute care* as “remedial” expenses towards meeting a deductible must

now do so. *Care managers should be aware that these costs can be used towards meeting a Medicaid deductible if this would benefit a new waiver applicant.*<sup>1</sup>

- 2) **Group A waiver participants:** At the end of a deductible period, Group A participants, who were initially certified for Medicaid through the Medicaid Medically Needy Program, must meet a deductible again during the first month of the subsequent deductible period to continue as a Group A participant.

Once a Group A participant is eligible for the waivers, *care and supervision costs in substitute care* are paid by the waiver and can no longer be used to meet a future Medicaid deductible. When the Medicaid deductible certification period ends, it is likely that this will result in the Group A participant being screened under another appropriate Medicaid program (e.g., MAPP), or as a Group B (or a Group C). **When this happens, it is important for care managers and ESS to partner to ensure continuous Medicaid eligibility at the end of a deductible period, or the waiver participant will lose waiver eligibility!**

- 3) **Group B applicants and participants:** Care managers will continue to provide ESS with out of pocket medical/remedial expenses to reduce a Group B applicant or participant cost-share liability. *Care and supervision costs in substitute care* being paid for by the waiver cannot be counted. The Operations memo should have no impact on Group B (see note below).
- 4) **Group C applicants/participants:** To establish initial Group C eligibility and to maintain ongoing eligibility for Group C participants, care managers will continue to provide ESS with **ALL** medical/remedial expenses (out-of-pocket and non-out-of-pocket), including *care and supervision costs in substitute care*. The Operations memo should have no impact on Group C as care and supervision costs were always counted.

**NOTE:** Past due bills for substitute care services that are the liability of the waiver applicant/participant shall be treated as any other outstanding medical/remedial debt (see Waiver Wise Volume 02 Issue 7 "Credit Card and/or Loan Debt as a Medical/Remedial Expenses).

Care managers who have further questions about this WaiverWise T.A. document should contact a COP-Waiver Quality Assurance Consultant at The Management Group at (608) 255-6441, or Rita Cairns, at the Bureau of Aging and Long Term Care Resources (608) 266-6891, or e-mail [cairnri@dhfs.state.wi.us](mailto:cairnri@dhfs.state.wi.us).

Economic Support Specialist who have questions about Operations Memo 03-19 should contact the BHCE CARES Information & Problem Resolution Center at (608) 261-6317 (Option # 1), or e-mail [carpolcc@dwd.state.wi.us](mailto:carpolcc@dwd.state.wi.us).

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<sup>1</sup> Waiver applicants who have not been Medicaid certified as having met a deductible can and should be screened for any other appropriate Medicaid subprogram that would qualify them for waivers.