



# Waiver Wise

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

Wisconsin Department of Health & Family Services • Division of Long Term Care  
Bureau of Long Term Support

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### GUIDELINES FOR REPORTING CHANGES

These guidelines were developed to assist care managers/support and service coordinators (CM/SSC) when changes occur that might affect financial eligibility of Medicaid waiver participants. These are simply *guidelines*. You may have already developed procedures to streamline these processes in your particular county, and if that is working well, continue to use them.

However, in **all** instances where the CM/SSC is aware of changes that affect eligibility, cost-share, spenddown amounts, “rent” in substitute care, etc., Medicaid Waiver policy requires that the change be reported to the Income Maintenance Worker (IMW) as soon as possible, in order for these changes to be processed in CARES. It is not sufficient to just report changes once a year at recertification time.

#### **Best practices tips for CM/SSC:**

- Partner with IMW so that whenever possible, Medicaid waiver annual reviews coincide with Medicaid annual reviews.
- Predictable changes, such as health insurance premium increases should be communicated to IMW for verification and processing in CARES in a timely fashion (i.e., within ten days of reporting).
- Partner with IMW when Cost of Living Adjustments (COLA) occur, to offset increases in income with other possible deductions, such as additional medical/remedial expenses. This is why it is important to provide all possible medical/remedial expenses to IMW, even when “enough” medical/remedial expenses have been listed to offset cost-shares down to zero (Group Bs), or when “enough” medical/remedial expenses have been used to make someone eligible (Group Cs). “More than enough” medical /remedial expenses will allow IMW to process an income increase efficiently. CM/SSC must ensure that these medical/remedial expenses are still accurate.
- Notify IMW as soon as possible about any/all changes that might impact financial eligibility.
- Remember that adverse action changes (e.g., an increase in cost-share), require timely and proper notice to waiver participants.

Below, you will find Medicaid Waiver requirements listed next to some of the most common changes that might impact eligibility, cost-shares, spenddown amounts, or spousal impoverishment allocations. Also listed are actions that CM/SSC should take when these changes occur. The most important thing to remember is that, as soon as CM/SSC learn of these changes, they should notify IMW right away, in order for these changes to be processed in CARES. CM/SSC should retain relevant updated documentation in the case file.

Examples of Financial and Non-financial Changes	Medicaid Community Waiver Requirements	Care Managers/Support and Service Coordinators' Actions
<p><b>INCOME:</b></p> <ul style="list-style-type: none"> <li>- Social Security and/or</li> <li>- SSI Cost of Living Adjustments</li> <li>- Pension Increases</li> <li>- Other Income Increases or Decreases (e.g., wages).</li> </ul> <p><b>EXPENSES:</b></p> <ul style="list-style-type: none"> <li>- Housing/Room costs</li> <li>- Health Insurance Premiums</li> <li>- Court Ordered Expenses</li> <li>- "Rent" in Substitute Care</li> <li>- Medical/Remedial expenses</li> <li>- Other allowable expenses and/or deductions OR disregards from income.</li> </ul>	<p>Financial records must reflect all applicable current information (e.g., current DDE-919, current CARES Screens, current ISP listing accurate cost-share and/or room and board rate).</p> <p>Any time the CM/SSC is aware of financial (or non-financial) changes which may impact eligibility, cost-shares, spenddown amounts, or spousal impoverishment allocations, this information needs to be relayed to the IMW as soon as possible, within reporting time frame requirements</p> <p>and</p> <p>Clients must receive timely notification of any changes which lists their appeal rights. CM/SSC see Medicaid Waiver Manual, Chapter VIII.</p>	<ul style="list-style-type: none"> <li>● With regard to documentation needed for each of the Waiver Groups at application and/or at review, follow detailed instructions outlined Financial Eligibility Section of the Waiver Basics Manual. This manual can be ordered via The Management Group – 608 255 6441.</li> <li>● Changes that impact eligibility, cost-shares and/or spenddowns fall into two general categories: predictable changes (COLAs, pension increases, health insurance premiums increases, etc.) and unpredictable changes (increases or decreases in medical/remedial expenses, changes in living arrangement, etc.). Whether predictable or not, all of these changes should be reported and processed in a timely* fashion.</li> <li>● COLA changes are generally loaded into CARES by the first Friday in December of each year. The resulting increase in income becomes effective January 1<sup>st</sup>. As a result, CM/SSC should discuss and find out from the participant if there are any increases in medical/remedial expenses or health insurance premiums to report to the IMW, or "rent" in substitute care. All of these changes should be communicated to the IMW as early as possible, so they can be processed for the month they become effective and can offset potential cost-share increases.</li> </ul> <p style="text-align: right;">Continued on next page</p>

Examples of Financial and Non-financial Changes	Medicaid Community Waiver Requirements	Care Managers/Support and Service Coordinators' Actions
<p><b>HOUSEHOLD COMPOSITION:</b></p> <ul style="list-style-type: none"> <li>- Marriage</li> <li>- Divorce, legal separation, death</li> <li>- Dependent(s)' status</li> </ul> <p><b>OTHER CHANGES:</b></p> <ul style="list-style-type: none"> <li>- Refusal to pay cost-share</li> <li>- Inability to incur spenddown</li> <li>- Nursing Home Admission</li> <li>- Hospital Admission</li> <li>- Move to another county</li> <li>- Move out of state</li> <li>- No Nursing Home Level of Care</li> </ul>	<p>For waiver participants, this means that two notices will be generated: one by the IMW relating to Medicaid eligibility, and the other by the CM/SSC, relating to Medicaid community waivers eligibility (See Action Memo 2005-18 dated 10/12/05 regarding aligning of termination. See link to memo below).</p>	<p>* For ongoing cases, timely means reported within 10 days of change and verified within ten days of the date of report. Changes that occur within the initial 30 day application processing time frame should be reported within that time frame.</p>

[http://dhfs.wisconsin.gov/dsl\\_info/NumberedMemos/DDES/CY\\_2005/NMemo2005-18.htm](http://dhfs.wisconsin.gov/dsl_info/NumberedMemos/DDES/CY_2005/NMemo2005-18.htm)

To understand the need to partner, CM/SSC need to be aware of IMW responsibilities when processing changes in CARES. To process Medicaid waiver cases, IMW follow instructions outlined in the Medicaid Handbook, relevant Operations Memos, CARES Data Exchange Broadcast Messages (DXBM), and the Interactive Long Term Care Module in DWD's Learning Space, or they may contact their supervisor and/or the CARES Call Center with questions.

The most common change in waiver cases probably relates to changes in cost-sharing. The following section details how changes in cost-sharing amounts are handled.

**Cost Sharing Amount Changes.**

Income is prospectively budgeted for all categories of Medicaid, including community waivers. The rules for determining the effective date of cost sharing amount changes are the same for Medicaid Waiver cases as they are for changes in liability amounts (cost of care) for nursing home cases.

## Increases in Cost Sharing.

In order to understand the following discussion, the concept of Medicaid “adverse action” needs to be discussed. The date of Medicaid adverse action is 13 days prior to the end of the month. The following exemplifies this:

28 day month = 15<sup>th</sup> day is date of adverse action  
30 day month = 17<sup>th</sup> day is date of adverse action  
31 day month = 18<sup>th</sup> day is date of adverse action

CARES actions that are entered **before** these adverse action dates will have an effective date of the first of the following month. CARES actions that are entered **after** these adverse action dates will have an effective date the first of the month after the following month.

Changes that result in an **increase** in the cost sharing amount that are **reported timely** have the following effective dates:

- 1. Before adverse action (between the 15<sup>th</sup> and 18<sup>th</sup> of each month), effective the first of the following month.**

**EXAMPLE:** Ruby Tuesday is an ongoing Medicaid waiver recipient.

Ruby's monthly income is:

\$ 350.00 from her teacher's pension  
+ \$ 650.00 from Social Security.  
=\$ 1,000.00 total income

Ruby's monthly cost share obligation is:

\$1,000.00 total monthly income  
- \$ 803.00 minimum personal maintenance allowance  
- \$ 90.00 medical/remedial expense  
=\$ 107.00 cost-share obligation

Ruby telephones the IMW on May 10th to report that her monthly income increased - her teacher's pension increased to \$400.00/mo. on May 3rd. This change results in a cost sharing amount increase to \$157.00.

Ruby's new monthly income is:

\$ 400.00 from her teacher's pension  
+ \$ 650.00 from Social Security  
=\$ 1,050.00 total income

Ruby's new monthly cost-share obligation is:

\$ 1,050.00  
- \$ 803.00 minimum personal maintenance allowance  
- \$ 90.00 medical/remedial expenses  
= \$ 157.00 cost-share

Because the information about the new income was reported to the IMW prior to the date of adverse action, the higher cost share amount will be effective June 1. The IMW would generate and send to Ruby a notice informing her that the monthly cost share obligation has increased and when the new amount is effective. In addition the IMW will generate a new ECSC screen print reflecting the increased cost share. The ECSC screen print should be given to the CM/SSC so he/she can monitor the new cost share amount payment beginning June 1.

**2. After adverse action, effective the first of the month after the following month.**

**EXAMPLE:** Rocky Raccoon receives Medicaid via the waiver program.

Rocky's monthly income is:

\$ 700.00 from Social Security  
+\$ 189.00 from Veterans Benefits  
=\$ 889.00 total income

Rocky's monthly cost-share obligation is:

\$ 889.00 total income  
- \$ 803.00 minimum personal maintenance allowance  
- \$ 110.00 medical remedial expenses  
= 0 cost-share

On May 23rd he reports to his IMW that he started receiving a pension from his old job at Fur Traders Unlimited. He states he received his first check on May 15th and it will be a \$103.00/monthly pension from now on.

Rocky's new monthly income is:

\$ 700.00 from Social Security  
+ \$ 189.00 from Veterans' Benefits  
+ \$ 103.00 from Fur Traders Unlimited  
= \$ 992.00 total income

Rocky's new monthly cost-share obligation is:

\$ 992.00 total income  
- \$ 803.00 minimum personal maintenance allowance  
- \$ 110.00 medical/remedial expenses  
=\$ 79.00 cost share

Because the information about the new income was reported to the IMW after the date of adverse action, this higher cost share amount will be effective July 1. The IMW would generate and send to Rocky a notice informing him that the monthly cost share obligation has increased and when the new amount is effective. In addition the IMW will generate a new ECSC screen print reflecting the increased cost share. The ECSC screen print should be given to the CM/SSC so he/she can monitor the new cost share amount payment beginning July 1.

**Note:** When changes that result in an **increase** in the cost sharing amount are **not reported timely**, they are subject to recovery. The IMW will follow this process, which is reported here just as a FYI for CM/SCC. The IMW will:

1. Determine the date of change.
2. Add the 10 days that the client has to report the change.
3. Determine when the change in liability should have been effective:
  - a. If the date of the change plus 10 days is before cutoff (or adverse action date), the effective date would be the 1<sup>st</sup> of the next month.
  - b. If the date of the change plus 10 days is after cutoff (or adverse action date), the effective date would be the 1<sup>st</sup> of the month following the next month.
4. Determine the correct amount of cost sharing obligation. The difference between the correct amount and the amount the client originally paid is the overpayment amount that is subject to recovery.

In these instances, there will be a need for CM/SCC to adjust cost-share dollar amounts in HSRS accordingly.

### **Decreases in Cost Sharing**

Changes which result in a **decrease** in the cost sharing amount are always effective the first of the month in which the change occurred or the change was reported, whichever is later. IMW follow this rule even when the change is not reported timely.

**EXAMPLE 1:** An ongoing Medicaid waiver case receives a reduction in pension benefits on April 3<sup>rd</sup>. The change is reported April 8<sup>th</sup>. The cost sharing amount change, if any, is effective April 1<sup>st</sup>.

**EXAMPLE 2:** An ongoing Medicaid waiver case receives a reduction in pension benefits on April 3<sup>rd</sup>. The change is reported on April 24<sup>th</sup>. The cost sharing amount change, if any, is effective April 1<sup>st</sup>.

**EXAMPLE 3:** An ongoing Medicaid waiver case receives a reduction in pension benefits on April 3<sup>rd</sup>. The change is reported June 22<sup>nd</sup> at the annual review. The cost sharing amount change, if any, is effective June 1<sup>st</sup>.

**EXAMPLE 4:** An ongoing Medicaid waiver case has an increase in medical/remedial expenses on May 10<sup>th</sup>. The waiver participant reports the change to the CM/SCC in August. The CM/SCC immediately reports the change to the IMW. The cost sharing amount change, if any, is effective August 1<sup>st</sup>.

**EXAMPLE 5:** On June 15<sup>th</sup> the care manager reviews medical/remedial expenses with the waiver participant. Upon that review, it is determined that the participant has an increase in medical/remedial expenses. The CM/SCC e-mails the IMW on June 19<sup>th</sup> about the change. However, the IMW is on vacation and does not read the e-mail until July 9<sup>th</sup>. Because of the increase in medical/remedial expenses, there will be a cost-share decrease. The decrease in cost-share will be effective June 1<sup>st</sup>, since the CM/SCC reported the change to the IMW in June.

Please note: In all these cases, the IMW would generate new ECED and ECSC screen print indicating the amended cost share amount. These screens should be given to the CM/SCC in order for him/her to begin monitoring the amended cost share dollar amount (if applicable).

## **December Medicaid Waiver Applications**

When a waiver application is processed in December, it is likely that the IMW will process the case for month one (December), and month two (January), with each month reflecting specific information.

When there is different information for each month, and because of Medicaid Waiver documentation requirements, the IMW should provide CARES screens for both December and January. It is possible for IMW to run SFED/X with dates specific to the effective month.

In conclusion, CM/SSC should ensure that any changes which are communicated to them by the waiver participant and which may affect waiver eligibility, cost-shares and spenddown are reported to IMW in a timely fashion. In general, the earlier in the month these changes are reported to IMW, the earlier they can be entered in CARES and the earlier the change will take effect.

For questions on this WaiverWise, contact Rita Cairns (COP and COP-W Financial Eligibility Specialist – 608 266 6891).