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

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To: Aging and Disability Resource Centers (ADRCs)
Area Administrators/Human Services Area Coordinators
Area Agencies on Aging
Board on Aging and Long Term Care
Children's Long-Term Support Lead Contacts
Community Integration Specialists
County Aging Unit Directors
County COP Coordinators
County Departments of Community Program Directors
County Departments of Developmental Disabilities Services Directors
County Departments of Human Services Directors
County Departments of Social Services Directors
County Developmental Disabilities and Long Term Support Coordinators
County Waiver Coordinators
IRIS (Include, Respect, I Self-Direct) Consultant Agencies
Managed Care Organizations (MCOs)
Tribal Chairpersons/Human Services Facilitators

From: Brian Shoup, Administrator

Changes to Group C Medicaid Waiver Eligibility

Purpose

This Memo is to inform local agencies of the new policy to convert "medically needy" financial eligibility (Group C) into a subset of the "categorically needy" (Group B) special waiver financial eligibility. The new subset is called "medically needy with spend down" (Group B Plus).

Background

Currently, to be eligible for Medicaid and Home and Community Based Services (HCBS) Waivers, Group C waiver participants must incur monthly medical/remedial expenses and/or Medicaid card services to lower their countable income to the Medically Needy Income Limit of $591.67. Once they have incurred enough medical/remedial expenses to become eligible, most Group C participants additionally have a monthly spend down to remain eligible. Group C participants are allowed the following deductions: the $20 disregard, the $65 and 1/2 Earned Income Disregard, costs for Health Insurance, Excess Self Employment Expenses deduction and Special Exempt Income. Group C participants are not allowed to set aside income for basic living needs and must pay for these costs out of the $591.67. As a result, many Group C members can only maintain eligibility for a short period of time.

Converting Group C spend down financial eligibility into a subset of Group B eligibility allows all HCBS participants a deduction for basic needs so they can remain in the community.

Group C participants will now be referred to as Group B Plus. Group B Plus participants will no longer need monthly medical and remedial expenses and/or Medicaid card services to lower their countable income to the Medically Needy Income Limit for HCBS eligibility. Group B Plus participants, who are not married, will no longer be required to pay the monthly spend down amount as they will now have a cost share.

New Group B Plus Eligibility

Group B Plus participants must meet a nursing home level of care. If, after deducting the monthly cost of institutional care from their income, their remaining monthly income is less than or equal to the Medically Needy Income Limit, they are eligible.

The monthly cost of institutional care amount is assigned based on the participant's eligible target group:

- For persons who are frail elders or have a physical disability, the cost of institutional care will be the average monthly cost that is charged to private pay individuals residing in Wisconsin nursing homes. This is the same average monthly cost used to determine divestment penalties when applying for or receiving Medicaid. This monthly amount is currently $7693.90 which is calculated by taking the daily rate of $252.95 (DHCAA Operations Memo 15-23 https://www.dhs.wisconsin.gov/dhcaa/memos/15-23.pdf) multiplying by 365 days/year and dividing by 12 months. The daily rate is updated annually in the Medicaid Eligibility Handbook, Section 17.5.2, http://www.emhandbooks.wisconsin.gov/meh-ebd/policy_files/17/meh_17.5_penalty_period.htm and the monthly amount will adjust accordingly.
- For persons with intellectual disabilities, the relevant institutional cost is the average of the daily rates for the three State Centers for Persons with Developmental Disabilities, paid by Family Care MCOs for State Center placements, converted to a monthly amount. This calculated monthly amount is currently $20,721 (Calendar Year 2015) and is updated annually. (https://www.dhs.wisconsin.gov/familycare/mcos/communication/cy2015ddcenterrates.pdf).

All persons eligible as a Group B Plus will have a cost share based on their total income. Most persons will pay the entire amount of their monthly income over the special income limit (SIL) of $2,199 as cost share. Exceptions may occur for married persons allowed to allocate income to a community spouse under spousal impoverishment protection. This follows from the maintenance needs allowance being capped at the SIL and the fact that participants incur few out-of-pocket medical and remedial expenses because of the breadth of their medical and long-term care coverage and lack of copayments. The cost sharing calculation on income over and below the SIL is a single determination identical to that for current Group B members. The difference is that the Group B Plus calculation starts with a higher monthly income.

Implementation

- This policy change was effective on July 1, 2015.
- Current Group C participants received a letter describing the upcoming change in late May.
- Current Group C participants received an "About Your Benefits" letter in mid-June that will show their new cost share amount.
- The CARES system had slight changes made to accommodate the conversion to Group B Plus.

Implementation Roles and Responsibilities of Care Managers and IRIS Consultants

To allow for cost share determinations for the July benefit month, and to begin the manual conversion of Group C eligibility to Group B Plus eligibility, care managers and IRIS consultants were required to provide their local IM agency with their current Group C participants' out-of-pocket medical and remedial expenses by June 8, 2015.

Out-of-pocket medical and remedial expenses allowable under Groups B and B Plus are items and services purchased by participants that are not covered by Medicaid, Medicare, other health insurance for that individual, or by some other program. These expenses may also include health insurance deductibles, coinsurance or copayments paid by the individual. This figure excludes the waiver service costs, and COP service expenses, as well as any Medicaid card service costs.

Implementation Training

- Training was provided to Care Managers, IRIS Consultants and ADRC Staff at the following dates and times:
    - Thursday, June 4, 2015 10:00 am – 11:30 am
    - Thursday, June 4, 2015 1:00 pm – 2:30 pm
    - Friday, June 5, 2015 10:00 am – 11:30 am
    - Friday, June 5, 2015 1:00 pm – 2:30 pm

- The recorded training is available at:

http://dhsmedia.wi.gov/main/Play/ec24ce93c63a4fa38827571cc79d623e1d

Contact Information:

ADRCs:
Assigned Regional Quality Specialist

County Waiver Agencies:

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IRIS Consultant Agencies:
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