



Date: June 11, 2020

DMS Operations Memo 20-17

To: Income Maintenance Supervisors  
Income Maintenance Lead Workers  
Income Maintenance Staff

**Affected Programs:**

- |  |  |
|--|--|
| <input type="checkbox"/> BadgerCare Plus     | <input type="checkbox"/> Caretaker Supplement              |
| <input type="checkbox"/> FoodShare           | <input type="checkbox"/> FoodShare Employment and Training |
| <input checked="" type="checkbox"/> Medicaid |  |
| <input type="checkbox"/> SeniorCare          |  |

From: Rebecca McAtee, Bureau Director  
Bureau of Enrollment Policy and Systems  
Division of Medicaid Services

**Changes to Overpayments for Long-Term Care and  
Enhancements to the Total Benefits Paid by Medicaid Report**

**CROSS REFERENCE**

- Medicaid Eligibility Handbook, [Section 22.2.2 Overpayment Calculation](#), [Section 22.2.2.1.2 Family Care](#), and [Section 39.4.4 Maximum Cost Share Amount for Family Care, Family Care Partnership, or PACE](#),
- [Cost Share Cap for Eligibility Group B Plus Family Care, Family Care Partnership, and PACE](#) (effective January 1 each year)
- Process Help, [Section 31.3.6 Calculating A Claim](#) and [Section 31.3.6.1 ForwardHealth interChange \(iC\) Screens for Overpayments](#)
- Wis. Stat. §§ 49.497 and 49.847
- Wis. Admin. Code §§ DHS 108.03 and DHS 10.61

**EFFECTIVE DATE**

June 27, 2020

**PURPOSE**

This operations memo announces changes to the policy for establishing overpayments made in the Family Care; Family Care Partnership; Program of All-Inclusive Care for the Elderly (PACE); and IRIS (Include, Respect, I Self-Direct) programs and describes an enhanced report that indicates amounts paid on behalf of the member. The responsibility for establishing cost share overpayments or patient liability overpayments will move from managed care organizations (MCO) and fiscal employer agents (FEA) to income maintenance (IM) agencies. The responsibility for recovery will move from MCOs and FEAs to the Public Assistance Collection Section (PACS).

## **BACKGROUND**

Members in managed long-term care receive Medicaid services on a fee-for-service basis as well as services paid on behalf of the MCO through capitation rates. Members in IRIS receive Medicaid services on a fee-for-service basis only. The fee-for-service amount the state has expended on a member who is ineligible for managed long-term care is recoverable. The capitation rates that have been paid to the MCO by the state are not recoverable.

Currently, IM agencies send notices to members informing them of amounts owed to MCOs and FEAs, based on overpayments established by those entities. It is the responsibility of the MCO and FEA to collect any money that should have been paid as a cost share or patient liability. To streamline overpayment collection, these cost share-related overpayments will now be established by IM agencies instead of MCOs or FEAs.

To support the calculation of overpayments, the Total Benefits Paid by Medicaid report has been enhanced to display the member's actual enrollment and the amount recoverable for overpayments in Family Care, Family Care Partnership, PACE, and IRIS.

## **POLICY**

IM agencies will establish cost share or patient liability overpayments for Family Care, Family Care Partnership, PACE, and IRIS for any overpayments effective June 27, 2020. Regardless of the cost share amount calculated in CARES, the monthly cost share may not exceed the cost share cap for eligibility Group B Plus members in Family Care, Family Care Partnership, and PACE.

The policy for establishing overpayments due to a member being found ineligible for the programs has not changed and includes legacy home and community-based waivers, Family Care, Family Care Partnership, PACE, and card services for IRIS.

## **CONTACTS**

BEPS CARES Information and Problem Resolution Center

DHS/DMS/BEPS/MF