

Cathy A. Cooper, Deputy Assistant Director

Authorized Signature

Number: SPD-AR-05-050

Issue Date: 7/26/2005

Topic: System Issue

Due Date: 7/26/2005

Subject: eXPRS - DD Client Offsets

Applies to (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> All DHS employees | <input type="checkbox"/> County Mental Health Directors |
| <input type="checkbox"/> Area Agencies on Aging | <input type="checkbox"/> Health Services |
| <input type="checkbox"/> Children, Adults and Families | <input type="checkbox"/> Seniors and People with Disabilities |
| <input type="checkbox"/> County DD Program Managers | <input checked="" type="checkbox"/> Other (please specify): Counties, DD service providers and DHS staff that will use the eXPRS payment system August 2005. |

Action Required:

Counties and providers should revise their procedures related to client service contributions in calculating payments to providers, based on changes described below.

Reason for Action:

Depending on income level, people that receive DD residential services may be required to contribute towards their cost of care from any earned and unearned income they may receive. People who are eligible for SSI, for example, are not required to make a contribution.

Client contributions are paid directly to the service provider by the client, and the payment from DHS is reduced (offset) accordingly. The requirement for a service contribution is part of the Oregon Home and Community-Based Waiver program that provides Medicaid funds for DD community services.

Changes in procedures for client contributions are occurring for two reasons. First, eXPRS is a new system and the procedures are somewhat different. Second, there have been some recent policy decisions that will impact the procedures.

System Change

Local DSO staff will continue to be responsible for reviewing and confirming financial eligibility. If the client has a variable income (like earnings), the client, or the client's representative, will be sent a form to report income. The report will be sent at the end of the month preceding service, i.e., the income report for August will be sent at the end of July. The income report must be completed and returned to the DSO by the client or the client's representative. DSO staff will enter information from the income report into the Client Maintenance System, a data system that stores relevant financial information, and calculates any offset amount.

eXPRS has been designed to collect information from the Client Maintenance System concerning offsets. eXPRS will collect information each night. If the Client Maintenance System has calculated that a contribution is necessary for a client receiving services paid for through eXPRS, then eXPRS will enter that amount in a "Client Liability Account".

The Client Liability Account is the mechanism used by eXPRS to reduce (offset) amounts paid by the Department, when the client is required to make a contribution towards their cost of care. Many clients, such as those eligible for SSI, are not required to make a contribution. If the individual is not required to make a contribution, a zero will be displayed in the Client Liability Account to verify that no contribution is to be made. If the individual is required to make a contribution, and the income is stable, the offset amount will be calculated by the Client Maintenance System and copied into the Client Liability Account. If the income is variable, such as earnings, the client will be sent an income report that must be completed and returned to the DSO, as occurs under the current system. The Client Liability Account will be updated with the amount of the client contribution as soon as it is calculated in the Client Maintenance System, based on the income report.

As claims are processed for payment, eXPRS will check the Client Liability Account to see if there is any balance due. If there is, the amount due will be applied as an offset against payment from eXPRS. The Remittance Advice produced by eXPRS with each payment will note any client service contribution that has been applied. Providers are responsible for the collection of the client service contribution from the client.

Overall, the procedure has not been changed significantly due to the transition to a new system. Change is most apparent in the improved access to information offered by eXPRS. Provider and county staff will be able to view the status of the Client Liability Account at any time. The Remittance Advice will also more clearly link offsets to specific payments.

The more significant changes are resulting from recent policy changes.

Disabled Adult Children – Policy Change

As of July 1, 2005 individuals that are defined as “Disabled Adult Children” (DAC) no longer are required to make a contribution towards their cost of care. Disabled Adult Children are defined as individuals who have lost their SSI eligibility at age 18, or older, as a result in an increase in Children’s Social Security benefits. See DHS policy transmittal [SPD-PT-05-015](#) for more information. Local DSO offices have been instructed to implement the change using a “DAC” case descriptor for those who qualify. See [SPD-AR-05-036](#) Disabled Adult Children.

The Client Maintenance System has been programmed to disregard the income of any active case with a “DAC” case descriptor, so it will not calculate any offset amount. The Client Liability Account in eXPRS will show a zero. DAC clients do not need to file a monthly income report. However, they may need to file a report periodically if they receive food stamps.

The effect of this policy should be evident in the Provider Financial Statements for July. Residential providers should review the PFS and send any needed corrections to Bonnie Olson, SPD Provider Services Representative (503-945-9814), in the same manner that has been used for the current system. In the future, if errors are discovered in eXPRS, providers should print the Client Liability Account and make the correction in red on that page. The corrected page, along with documentation supporting the correction, should be sent to Bonnie Olson.

This policy will reduce the number of DD clients paying a service contribution by about 75-80%. Adding the people that qualify as Disabled Adult Children to those who are SSI eligible (and therefore not required to report income), means that only about 7-8% of all those receiving residential services will be required to report income.

Scheduling the Application of Offsets – Policy

It has been determined that to comply with Medicaid policy, offsets must be applied in the same month that income is reported. So income that is reported for August (i.e., earned income from July and unearned income for August) must be applied to the cost of care provided in August.

To comply with this requirement, eXPRS will establish a Client Liability Account for all clients prior to the beginning of each month. If the individual is not required to make a service contribution, such as those eligible for SSI or DAC, a zero balance will be shown in the Client Liability Account. If the individual has a stable income so the amount of the client contribution can be calculated at the beginning of the month, this amount will appear in the Client Liability Account. The residential provider is

responsible for collecting this amount from the client. If the individual has variable income, such as earnings, the Client Liability Account will be established with a “pending” status at the beginning of the month. An income report will be sent to those with a variable income.

The “pending” status for a Client Liability Account will cause claims submitted for services delivered during that month to suspend, until information from the income report has been entered into the Client Maintenance System. Once the income report information is entered into the Client Maintenance System, the Client Liability Account in eXPRS will be activated and all suspended claims will be processed automatically. Any client service contribution due will be applied against those claims.

For example, assume that a client in a DD residential facility receives pay for work performed in an employment program, and also receives a small monthly benefit check from his deceased father’s insurance, but does not meet DAC eligibility requirements. This individual would be sent an income report form at the end of July, to report income for August, because his income is variable.

Through its interface with the Client Maintenance System, eXPRS would be alerted that an income report is required in August, so eXPRS would establish a Client Liability Account with a pending status. All claims submitted by the residential provider after the first week in August (for services provided on August 1st to 7th) would be suspended, until information from the income report is entered into the Client Maintenance System. Claims for services provided after the 7th would also be suspended until the information is received and entered.

The client (or residential provider acting as the client’s representative) would complete the income report by recording the amount of earned income from paycheck(s) received in July from the employment provider, and the amount of unearned income from the benefit check received in August. The completed report and copies of the pay stub(s) would be mailed or delivered to the local DSO office.

DSO staff would update the Client Maintenance System based on the income report and the system would calculate any client service contribution. eXPRS would receive this amount during the daily interface with the Client Maintenance System and would immediately update the Client Liability Account, changing its status to “active”. All of the provider claims for August that had been suspended would be processed automatically, as soon as the Client Liability Account is updated. Any client service contribution due would be applied against the August claims. Any claims received later in the month would be processed without any delay due to this calculation.

What Happens if the Client Moves to a New Provider?

If the client moves early in the month, a balance due may remain in the Client Liability Account. For example, if the client moves from Provider A to Provider B on August 3rd, some of the service contribution calculated for August may remain after it has been applied against claims submitted by Provider A. The balance remaining in the Client Liability Account would be applied to claims submitted by Provider B for services provided after August 3rd.

A provider receiving a new client can determine if the client will need to pay any contribution in the first month by viewing the Client Liability Account in eXPRS. This will help the client and provider be clear about payment expectations from the beginning.

Summary Points

- Significantly fewer people will have to report income and pay a service contribution because of the change in policy on Disabled Adult Children.
- Payment of claims for people who must submit an income report will be delayed (suspended) until the income report has been submitted and the client service contribution is determined. People who are eligible for SSI, or qualify under the Disabled Adult Children policy, are not required to report income.
- Provider and county staff will have more information related to client service contributions and how they are applied to specific payments.

Recommendations

- Residential providers should settle July service contributions with clients using the same procedures they normally would use when a client leaves the program. Payments in August should be treated as if the client had entered the program on the first day of the month. This will assure compliance with current policy.
- Residential providers should work with clients to assure that income reports are completed and returned to the DSO as soon as possible, to avoid any unnecessary delay in payment.
- Residential providers are responsible for checking the Client Liability Account and collecting the service contribution from the client. Corrections should be sent to Bonnie Olson, SPD Provider Services Representative, as described above.

- Residential providers should check to see if there is a Client Liability Account established for any new client entering their program, and determine if there is any balance due that will be applied to current month payments.
- Provider and county staff should work with DSO staff, as needed, to assure that clients receive the benefit of the new policy on Disabled Adult Children. See DHS policy transmittal [SPD-PT-05-015](#) for more information. If you have questions about whether individuals you serve qualify under this policy, please contact Angel Bringelson, SPD Medicaid Waiver Specialist, at 503-945-9775.

Field/Stakeholder review: Yes No

If yes, reviewed by:

If you have any questions about this action request, contact:

Contact(s):	Jan Morgan, eXPRS Project Manager for Developmental Disability Services – for questions about eXPRS.		
	Angel Bringelson, Medicaid Waiver Specialist – for questions about offset policies.		
Phone:	Jan – 503-945-6409	Fax:	503-373-7274
	Angel – 503-945-9775		
E-mail:	Jan - janet.m.morgan@state.or.us		
	Angel – angel.x.bringelson@state.or.us		