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Authorized Signature

Number: SPD-IM-06-017
Issue Date: 02/17/2006

Topic: Medicaid & Medicare

Subject: OIM/MDC Code Clarification

Applies to (check all that apply):

All DHS employees	County Mental Health Directors
Area Agencies on Aging	Health Services
Children, Adults and Families	<input checked="" type="checkbox"/> Seniors and People with Disabilities
County DD Program Managers	Other (please specify):

Message:

Overview:

This transmittal is in regards to the new Medicare Drug Costs (MDC) need code discussed in SPD-PT-06-009. The MDC code was specifically created to log and track client incurred costs related to the Medicare Part D program. When the MDC code is used on the ACCESS and CMS record, the system will allow the cost as a deduction from the liability on waived service cases. The MDC code will be available for 6 month anticipated costs on February 21, 2006.

Costs that may be used to reduce the client liability:

There are two categories of client incurred Medicare Part D related costs that may be used to reduce the client liability: client premium costs and client prescription copayments. The amount of the plan premium the client pays that is over the "low average premium" (e.g. "above the benchmark") in Oregon is a deductible cost. Though clients should be encouraged to enroll in plans below the benchmark, these costs should be coded as OHI and can be projected as ongoing monthly costs.

The second category of costs includes Part D copayments on prescriptions and costs for drugs that could be covered by the Part D plan (e.g. Part D covered drugs), but not offered in the client's plan's formulary. This second category of costs is to be coded on the ACCESS and CMS record as MDC. Costs associated with off-formulary drugs may only be used as a cost if the client has filed an exception and the exception has been denied.

How to code MDC costs:

Some of the costs coded as MDC can be anticipated for as long as 6 months and others must be adjusted more regularly. Costs that can be allowed for 6 months will usually be prescriptions that the client regularly receives month after month. The MDC code can also be used for a cost that may run only one, or perhaps a few months. When a client incurs costs for multiple months (e.g., 60-day supply) the costs should be coded as MDC on the month that the copayments are made. They cannot be averaged over the months impacted by the extended prescription supply.

Staff should use one MDC code on the ACCESS/CMS case for the ongoing or regular costs and another for the one time or short-term costs. Each would have its own end date. The end date functions with MDC the same way it does with any other need/resource code. The date associated with the code is the last month and year that the figure will be used in any eligibility or liability calculation.

For example, A client has 2 generic prescriptions and 2 name brand prescriptions and income over 100% FPL (FS2). Her ongoing costs are: 2 generic @ \$2 each + 2 name brand @ \$5 each, which equals \$14 per month. Code Oregon ACCESS with the MDC need code, with an end date 6 months out and then integrate to CMS. The client then gets an infection and the doctor prescribes a one-month prescription of a generic antibiotic. The worker would add another MDC code, the \$2 co-pay amount and a one month end date to the computer system.

Client notice requirements:

As stated above, staff may add the MDC code to the ACCESS/CMS case with an end date ranging from one month to six months, depending upon the circumstances. The code may not be added with a 'C' (continuous) end date. Because the code will no longer be used in the eligibility and liability calculation once the end date has passed, the liability will increase. Staff must give notice to clients explaining that the liability will increase.

For costs that are only allowed for the current month, the MDC code should be accompanied by the current month and year as the end date. Since the client must bring in verification of the new expense, the worker should use 540M form to notify the client that the cost has been allowed for one month, but that the liability will increase at the end of the month when the cost is no longer allowed. This form should be given to the client at the time the cost is verified and allowed. It will serve as sufficient notice.

For anticipated costs, staff should use whatever system they have developed to remind themselves that the MDC cost is due to end, and send the appropriate notice as the time approaches.

Community Based Care System (CBC/512):

The Community Based Care System (CBC/512) receives information on the client liability from the CMS system. It uses the CMS calculated liability amount. As the OHI

and MDC codes are added or removed from the CMS record and as they reach the end date coded on the system, CMS will recalculate the client liability. If the liability on the CMS system does not match the liability on the CBC/512 system, the CBC/512 record will suspend.

As OHI and MDC codes are added or removed and as the MDC code reaches its end date, staff will have to update the CBC/512 record to draw in the newly calculated liability amount and remove the suspension.

Client Pay-in System:

The client pay-in system does not read the CMS record to obtain updated liability information. As a result, staff will have to reduce the liability on the Client Pay-in system as follows:

- Add the OHI or MDC code to the ACCESS/CMS record. This information is being used for tracking purposes, so it is important that it be coded on ACCESS/CMS
- Staff should adjust the liability on the Client Pay-in system. The adjustment should be made using the OM (other medical) adjustment reason code.
- If the client has already paid the liability, and an adjustment is processed, the adjusted amount will be added to the over-collected balance and refunded to the client under the current refund process.
- If the client has not yet paid the liability, and an adjustment is processed, a supplemental billing will be sent to the client informing them of the new payment amount.

Please direct all questions to Max Brown or Jeff Miller, not the Service Desk (formerly Help Desk).

If you have any questions about this information, contact:

Contact(s):	Max Brown or Jeff Miller		
Phone:	503-945-6993/503-945-6410	Fax:	503-373-7274
E-mail:	Max.Brown@state.or.us or jeffery.r.miller@state.or.us		

Coding "Anticipated" **Medicare Part D** related ongoing medical costs:

1. Code the Medicare Part D related anticipated medical costs as an OIM in the Medical Costs tab of the ACCESS case.
2. Label the cost as "Part D Anticipated Costs" in the Medical Expense Paid To.
3. Check the Allowable Med. Deductions box

The screenshot shows the Oregon Access software interface. The main window title is "Oregon Access [Office : Hermiston MSO (3013) Profile Type :- Branch]". The menu bar includes File, Edit, Select, Status, Transfer, View, Mainframe, Windows, and Help. The toolbar contains various icons for file operations and editing.

The active window is titled "Case for COCOA HEART / Case Nmbr: FT47660 (Case Branch : Hermiston MSO)". It has several tabs: Health Ins., Med. Services, **Medical Cost**, Physical, and Medical Trans.

The "Medical Expense List" section contains a table with the following data:

	Description	Monthly Amt	Verified
1	Other Incurred Medical	180.00	Yes
2	Other Incurred Medical	50.00	Yes

The "Medical Expense Detail" section shows the following information:

- Type: Other Incurred Medical (selected in dropdown)
- Monthly Amt: 180.00
- Medical Expense Paid To:
 - Name: Safeway Pharmacy
 - Address: 123 Some Street
 - Line 2: Part D Anticipated Costs
 - City State ZIP: Salem OR 97301
 - Tele Nmbr: (800) 555-1212 Ext: []
- Spend Down Deduction:
- Allowable Med. Deduction:
- Adjusted # in Household:
 - One:
 - Two or More:
- Verified:

The "Person(s) Responsible" section shows:

- Client Name: HEART, COCOA
- Involvement: Primary Payor
- Buttons: Add, Remove

The status bar at the bottom indicates: "The type of medical expense. | hstrng4 (2617) | 02/15/2006 08:26 am"

4. In the Needs/Resource box in integration, change the OIM code to MDC.
5. Uncheck the Continuous box
6. Enter a six month end date in the End Date box.
7. Complete integration.

Oregon Access [Office : Hermiston MSO (3013) Profile Type :- Branch]

ACCESS Need/Resource List

N/R Description	Amount	Prov/Ben	N/R Code
Other Incurred Medical	180.00		OIM
Other Incurred Medical	50.00		OIM
Payment from property sale	35.00		PTY
Social Security Disability Ins	200.00	123456789a	SSD
Veteran benefits	100.00		VET
Supplemental Security Income	403.00	123456789di	SSI

CMS Need/Resource List

Seq	N/R Type	Amount	Prov/Ben	End Date	Continuous
N	MDC	180.00		08-2006	<input type="checkbox"/> Continuou
N	MDC	50.00		02-2006	<input type="checkbox"/> Continuou
R	PTY	35.00		C	<input checked="" type="checkbox"/> Continuou
R	SSB	200.00	123456789a	C	<input checked="" type="checkbox"/> Continuou
R	VET	100.00		C	<input checked="" type="checkbox"/> Continuou
R	SSI	403.00	123456789di	C	<input checked="" type="checkbox"/> Continuou
	SIP	.00		C	<input checked="" type="checkbox"/> Continuou

Buttons: Insert, Delete, Cancel, OK

System Info: hstrng4 (2617) 02/15/2006 09:43 am

Coding "Unanticipated" Medicare Part D related Costs:

1. Code the Medicare Part D related unanticipated medical costs as an OIM in the Medical Costs tab of the ACCESS case.
2. Label the cost as "Part D Unanticipated Costs" in the Medical Expense Paid To.
3. Check the Allowable Med. Deductions box

The screenshot displays the Oregon Access software interface. The main window title is "Oregon Access [Office : Hermiston MSO (3013) Profile Type :- Branch]". The application menu includes File, Edit, Select, Status, Transfer, View, Mainframe, Windows, and Help. The toolbar contains various icons for file operations and navigation.

The active window is titled "Case for COCOA HEART / Case Nbr: FT47660 (Case Branch : Hermiston MSO)". It features several tabs: Health Ins., Med. Services, **Medical Cost**, Physical, and Medical Trans.

The "Medical Expense List" section contains the following table:

	Description	Monthly Amt	Verified
1	Other Incurred Medical	180.00	Yes
2	Other Incurred Medical	50.00	Yes

The "Medical Expense Detail" section for the selected expense (line 2) includes the following information:

- Type: Other Incurred Medical
- Monthly Amt: 50.00
- Medical Expense Paid To:
 - Name: Safeway Pharmacy
 - Address: 123 Some Street
 - Line 2: Part D Unanticipated Cost
 - City State ZIP: Salem OR 97303
 - Tele Nbr: (800) 555-1212
 - Ext:
- Spend Down Deduction:
- Allowable Med. Deduction:
- Adjusted # in Household:
 - One:
 - Two or More:
- Verified:

The "Person(s) Responsible" section shows:

- Client Name: HEART, COCOA
- Involvement: Primary Payor
- Buttons: Add, Remove

The status bar at the bottom indicates: "The type of medical expense. | hstrng4 (2617) | 02/15/2006 08:28 am"

4. In the Needs/Resource box in integration, change the OIM code to MDC.
5. Uncheck the Continuous box
6. Enter the current month and year in the End Date box.
7. Complete integration.

Oregon Access [Office : Hermiston MSO (3013) Profile Type :- Branch]

File

ACCESS Need/Resource List

N/R Description	Amount	Prov/Ben	N/R Code
Other Incurred Medical	180.00		OIM
Other Incurred Medical	50.00		OIM
Payment from property sale	35.00		PTY
Social Security Disability Ins	200.00	123456789a	SSD
Veteran benefits	100.00		VET
Supplemental Security Income	403.00	123456789di	SSI

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CMS Need/Resource List

Seq	N/R	Type	Amount	Prov/Ben	End Date	Continuou
	N	MDC	180.00		08-2006	<input type="checkbox"/> Continuou
	N	MDC	50.00		02-2006	<input type="checkbox"/> Continuou
	R	PTY	35.00		C	<input checked="" type="checkbox"/> Continuou
	R	SSB	200.00	123456789a	C	<input checked="" type="checkbox"/> Continuou
	R	VET	100.00		C	<input checked="" type="checkbox"/> Continuou
	R	SSI	403.00	123456789di	C	<input checked="" type="checkbox"/> Continuou
		SIP	.00		C	<input checked="" type="checkbox"/> Continuou

Insert

Delete

Cancel

OK

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