

	GEORGIA DIVISION OF FAMILY AND CHILDREN SERVICES MEDICAID POLICY MANUAL			
	Chapter:	2550	Effective Date:	December 2022
	Policy Title:	Incurred Medical Expenses		
Policy Number:	2555	Previous Policy Update:	MT 64	

REQUIREMENTS

Medical expenses incurred by the recipient that are not subject to payment by Medicaid or other third parties can be deducted in the patient liability/cost share budget.

BASIC CONSIDERATIONS

Incurred medical expenses (IME) include the following:

- Health and/or dental insurance premiums (100%)
- Co-insurance and deductible payments not covered by Medicaid
- A prescription drug that is NOT covered on an A/R's Medicare Part D plan may only be allowed as an IME if the A/R provides verification that s/he has gone through the appeals process with their plan's carrier and has received an unfavorable decision.
- Medicare Part D premiums, co-pays and deductibles incurred until such time they are paid by Medicaid. Unless you have evidence to the contrary, assume these bills will be incurred through the month following the month that the case is finalized. The A/R will not be reimbursed for any of these expenses they have paid.
- Deductions for expenses not covered by Medicaid as listed on the DMA pricing document, such as the following:
 - dental services
 - medical supplies
 - orthopedic services
 - physician services
 - prescribed over the counter drugs
 - prescription drugs on the DMA pricing document
 - psychiatric or psychological services.
- Long Term Care Medical Expenses (effective 04-09)

NOTE: This list is not all inclusive.

IMEs must be incurred by the recipient, but not necessarily paid by the recipient. However, if the recipient's medical expense is paid by a state or federal entity, the IME is not an allowable expense for an IME. **Exception:** Institutional Long-Term Care Medical Expenses incurred within three months prior to the month(s) of application that were ineligible due to income or resources may be deducted as an allowable expense.

BASIC CONSIDERATIONS (cont.)

Long term care medical bills (such as the NH or Hospice provider bill) incurred in months in which a transfer penalty has been imposed may not be deducted from the patient liability/cost share as an IME.

DMA Pricing Document

The DMA pricing document is a list of the medical services and supplies, which are allowable deductions.

The DMA pricing document will also identify certain items or services that are allowable deductions for CCSP recipients but not for nursing home recipients. These are primarily items and services which are included in the nursing home per diem reimbursement rate.

PROCEDURES

Follow the steps below to determine an Incurred Medical Expense:

Health and/or Dental Insurance Premiums

Verify the following information on a health insurance premium from the source:

- that the policy is in force
- the amount of the premium
- the frequency of the premium

Health and/or Dental Insurance IME Deduction for Couples

In situations where both spouses of a Medicaid couple reside in LA-D with a patient liability/cost share, allow the premium as an IME for the spouse who is financially responsible for payment of the premium. If both spouses are equally responsible or neither is designated as having primary financial responsibility for the premium payment, allow 50% of the premium as an IME for each spouse. If A/R in a NH, IH, CCSP has a community spouse and has health insurance premiums for both deducted from A/R's income, allow the full amount of the insurance premium as a deduction from the PL/CS.

Institutional Long-Term Care

Institutional long-term care medical expenses incurred within three months prior to the month of application may be allowed as a deduction at an amount equal to or less than the Medicaid reimbursement rate for that facility. The A/R's monthly income and any other insurance payments made to the Long-Term care facility must be taken into consideration when determining the IME. These expenses are not subject to the three-month IME averaging period and may be combined and rolled over to subsequent months until the full expense(s) is absorbed.

Form 942 is used to verify the amount owed to the facility. When determining the maximum LTC IME allowed for each month, compare the Medicaid reimbursement rate x number of days in the month client was institutionalized to the amount client actually owed/paid for that month after insurance. The maximum LTC IME for a month is the actual owed after insurance versus the Medicaid reimbursement rate x number of days—WHICHEVER IS LESS.

PROCEDURES (cont.)

Use [Form 942](#) to determine the items or services requested as IMEs. See [Appendix F, Forms](#), for Form 942 and instructions.

Date form received – Should be date stamped by DFCS office and must be received by the end of the averaging period in which the IME was incurred (the 10th of the reconciliation month) OR the 10th of the month following the month the IME was incurred if eligibility is determined under AMN (however, AMN is not in effect at this time).

DMA Pricing Document

Compare Form 942 with the DMA Pricing Document to see if the item or service is listed. Deduct the amount found in the pricing document or the amount charged by the provider, whichever is less.

IME Query

Send an IME Query form found in Appendix F, Forms to DCH to determine if a medical expense can be deducted as an IME if it does not appear on the pricing document.

Mail to:	OR	Fax to:
DCH		Donna Johnson
P.O. Box 1984		470-386-6181
Atlanta, Georgia 30301-1984		

Deny the IME deduction if the item or service is not approved by DCH.

NOTE: For certain expenses, such as drugs, the provider will have to specify quantity, size, strength of dosage, etc., in order for the expense to be correctly identified in the pricing document.

Denial of Medical Expense Hearing Request

When a request for a deduction is denied, send [Form 943](#) to the recipient prior to the last day of the month for which the deduction is requested.

Process a hearing for denial of IMEs using the same regular hearing procedures. Refer to Appendix B, [Hearings](#).

Averaging

Use averaging procedures for the IME deduction. Refer to [Section 2557](#), Averaging Income and Incurred Medical Expenses

Averaging Period

Use a monthly average for the 3 months averaging period, when a one-time IME is submitted. This could cause the liability to be reduced to zero for the entire averaging period. Refer to [Section 2557](#), Averaging Income and Incurred Medical Expenses.

PROCEDURES (cont.)

Averaging Period (cont.)

NOTE: There is no carryover of an excess IME to successive averaging periods.

Allowing the LTC IME Deduction in the System

Calculate the IME deduction (using instructions on 2555-2) to be allowed in the patient liability/cost share budget and enter this amount in the incurred medical field on the NH screen. The system will allow the LTC IME as a deduction as the last step in the budgeting process.

Allowing Incurred Medical Expenses in the System

Enter each Incurred Medical Expense individually in the system. For each Incurred Medical Expense, list the Type, Frequency, Amount, and Date of Service. The system will allow the total of the Incurred Medical Expense(s) as a deduction in the budgeting process.

Client Notification

The system will send notification to the A/R and RP of the patient liability/cost share change for the month(s) for which the deduction is allowed. Customize this notification if more explanation is needed. Refer to [Section 2701](#) for specifics of notification requirements.