

Medicare Part D Co-pay Deductions Q & A

Q1: Who does this impact?

Medicaid recipients who have a Share of Cost budget. Recipients without a Share of Cost may also have the co-pays, but the deduction would not apply to their budget.

Q2: What to do?

Medicare co-pays are an allowable deduction to the Share of Cost. Verify the amount of co-pay that is due. After this is verified, you will need to run or re-run the budget for the applicable month. This is not an adverse action since the amount is being reduced. The expense is entered in Expert under Share of Cost Adjustment in the Expense tab. Be sure to use the Description box to note that this is a co-pay expense. When entering the expense, you will have to enter a frequency. The only Frequency option available is monthly, so you will need to control the frequency using the Begin Date and End Date boxes. You will need to make sure that an End Date is entered unless you have confirmed the expense will continue into future months. See the corresponding instructions for more detailed steps in this process.

Q3: How to verify?

You can do this either through requesting a copy of the Medicare EOB or by contact with the pharmacy.

Q4: Doesn't Medicaid cover the co-pays?

For Medicaid recipients eligible as QMBs, Medicare Part A and B co-pays are covered. Medicaid does not pay any costs which should be covered by Medicare Part D, whether the person is enrolled in Medicare Part D or not. However, any Medicare co-pay is an allowable deduction from their SOC amount.

Q5: How much is the co-pay?

This will depend on which Medicare D plan the person has and can vary by living arrangement.

Q6: Can we use an average amount?

No. The actual amount owed should be used in the budget. A best practice would be to discuss with the recipient or their representative that co-pays can be used as a deduction. You could also include a comment on the initial Notice of Action that co-pays may be due, but can be used as a deduction in the budget. The recipient will need to report any co-pay expenses in order to be included.

Steps to Adding the Medicare Copay Expense to a Prior Month's Budget

1. Make sure the expense has been verified prior to entering.
2. Access the Expenses module in the expert system and select "Add".
3. Select the individual the expense applies to.
4. Select "Medical" for the category.
5. Choose "Share of Cost Adjustment" from the Type dropdown list.
6. Add a brief description.
7. Enter the verified amount and begin date of the copay expense(s).
8. IMPORTANT!! Enter the end date, unless it has been verified the copay is an ongoing expense.
9. Select the appropriate verification source.
10. Select "OK" or "Next"

The screenshot shows the 'Add Expense' dialog box. The 'Owner' field is populated with 'ADAMS ANNE' and '01-01-1950'. The 'Category' list includes 'AABD SPECIAL REQUIREMENTS', 'DEPENDENT CARE AND SUPPORT', 'FW/IL LIVING COSTS', 'HOUSING', 'MAGI EXPENSES', 'MEDICAL' (highlighted), and 'UTILITIES'. The 'Type' dropdown is set to 'Share of Cost Adjustment'. The 'Description' field contains 'Part D copays'. The 'Amount' is '57.00'. The 'Frequency' is 'Monthly'. The 'Begin Date' is '01-01-2019' and the 'End Date' is '01-31-2019'. The 'Verified by' dropdown is set to 'Explanation of Benefits'. A red box highlights the 'End Date' field.

11. Once the expense has been added, go to the Eligibility/Budgeting module.
12. Select the benefit month to recalculate.

The screenshot shows the 'Eligibility/Budgeting' module. The left pane has a tree view with 'Budgeting' selected. The right pane shows a table with columns: CASE CATEGORY, PC Last Name, PC First, MED Cases, ADAMS, ANNE, MEDICAID, Non..., 64249916, Spndwn. The 'Benefit Month' is set to '04-2019'. A red box highlights the 'Benefit Month' field.

13. Process, view and check budget for accuracy prior to approval.

Example:

Anne Adams is an MN/SOC budget effective January 2019. In March she provides an Explanation of Benefits which verifies she had \$57 in Medicare part D copay costs in January. The SSW recalculates the January budget after adding this expense, which decreases the SOC from \$953.50 to \$896.50. The adjustment is viewed in the budget summary (next page) by double-clicking the “Additional Excess Income” line.

Original January budget, created 1-16-19

Benefit Summary Begin Date: 1-2019 [X]

ADAMS, ANNE	MEDICAID	MN	Regular
Resource Total	0.00	Unit Size	1
Resource Limit	4000.00	Total Net Countable Inc	1480.00
Unearned Income	1500.00	Medical Disregards	0.00
Unearned Inc Disregard	20.00	Total Adjusted Income	1480.00
Net Unearned Income	1480.00	Medical Income Level	392.00
Earned Income	0.00	Share of Cost	1088.00
Earned Income Disregard	0.00	Adjusted Share of Cost	953.50
Child Care	0.00	Additional Excess Income	953.50
Net Earned Income	0.00	Private Pay Days	0
Resource Test:	Pass	Creation Date	01-16-2019
Income Test:	Pass		
Income Verification Test:	Pass		

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MEDICAID MN Additional Excess Income Detail for 01/2019

Share of Cost:	1088.00
Medicare Premium B:	- 134.50
Adjusted Share of Cost:	953.50
Medicaid Rate for LTC:	- 0.00
Additional Excess Income:	953.50

Expense Details:

Medicare B Premium ADAMS ANNE

Frequency: Monthly Calculation Method: Converted

Date	Amount	Verified
01-01-2019	134.50	Y

Gross Expense Amount:	134.50
Conversion Factor: *	1.00
Monthly Expense Amount:	134.50

Recalculated January budget with Share of Cost Adjustment – created 3/10/19

Benefit Summary		Begin Date: 1-2019	
ADAMS, ANNE	MEDICAID	MN	Recalculated
Resource Total	0.00	Unit Size	1
Resource Limit	4000.00	Total Net Countable Inc	1480.00
Unearned Income	1500.00	Medical Disregards	0.00
Unearned Inc Disregard	20.00	Total Adjusted Income	1480.00
Net Unearned Income	1480.00	Medical Income Level	392.00
Earned Income	0.00	Share of Cost	1088.00
Earned Income Disregard	0.00	Adjusted Share of Cost	896.50
Child Care	0.00	Additional Excess Income	896.50
Net Earned Income	0.00	Private Pay Days	0
Resource Test:	Pass	Creation Date	03-10-2019
Income Test:	Pass		
Income Verification Test:	Pass		

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MEDICAID MN Additional Excess Income Detail for 01/2019			
Share of Cost:		1088.00	
Medicare Premium B:	-	134.50	
Share of Cost Adjustment:	-	57.00	
Adjusted Share of Cost:		896.50	
Medicaid Rate for LTC:	-	0.00	
Additional Excess Income:		896.50	

Expense Details:			
Medicare B Premium ADAMS ANNE			
Frequency: Monthly Calculation Method: Converted			
Date	Amount	Verified	
01-01-2019	134.50	Y	
Gross Expense Amount:	134.50		
Conversion Factor:	* 1.00		
Monthly Expense Amount:	134.50		

Share of Cost Adjustment	ADAMS ANNE	Part D copays	
Frequency: Monthly	Calculation Method: Converted		
Date	Amount	Verified	
01-01-2019	57.00	Y	
Gross Expense Amount:	57.00		

[OK]