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# **Additional Excess Income Guide**

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## **Definitions:**

**Additional Excess Income** - The dollar amount shown in the Medicaid budget that exceeds the Medicaid rate. This amount is in addition to the adjusted share of cost (SOC) amount listed in the budget.

**Long Term Care (LTC)** - A variety of services designated to meet a person's needs during a short or long period of time. These services help individuals live as independently and safely as possible when it's not possible for them to complete activities on their own. Patients in a hospital may be discharged to a LTC facility for rehabilitation services, prior to returning to the community.

**Medicaid Nursing Home Per Diem** - Medicaid typically pays less than private paying individuals do for any given level of care. Not all types of health providers are reimbursed for services at the same rate. Facilities may understand this as the Medicaid reimbursement rate for the daily cost of care.

**Mass Expert System Architecture (MESA)** - A process of NFOCUS recalculating eligibility budgets without the help of an SSW to update information, based on a table of program variables. MESA is currently scheduled to run monthly, quarterly, and annually for various reported information.

**Private Nursing Home Per Diem** - The private rate for the daily cost of care in a nursing home. In a nursing facility, the patient's level of care determines the cost of care; this cost may vary throughout the patients stay depending on the care needs.

## **Purpose:**

The purpose of this guide is to provide guidance for staff when navigating a LTC Medically Needy budget with *Additional Excess Income*, and to combine all information on the topic into a single, concise document. This guide is separated into four different Sections. Section 1 provides a general introduction to *Additional Excess Income*. Section 2 steps out the process of how to calculate the care rate that may cause the budget to have private pay days. Section 3 provides direction on what to look for in an *Additional Excess Income* budget, to determine if worker action is necessary. Section 4 discusses budget changes when *Additional Excess Income* or *Private Pay Days* are involved in budgeting.

## **Section 1: Additional Excess Income Introduction**

When a participant is budgeted with a living arrangement of nursing home, the worker must review the case to ensure the *Medicaid Rate for LTC* is in the budget. If there is no rate in the budget or the rate is lower than the calculated SOC, the budget will reflect an *Additional Excess Income* amount. See the budget examples in Section 3. The worker may need to take further action on nursing home cases that reflect *Additional Excess Income* in the budget summary.

Authorizing a budget without the current per diem rates entered into expert, and with an *Additional Excess Income* amount showing in the budget summary, is a benefit error. The *Medicaid Nursing Home Per Diem* rate must be entered at initial eligibility. If the Medicaid rate is unknown or the budget is reflecting *Additional Excess Income*, the *Private Nursing Home Per Diem* rate must be entered.

## **Section 2: Calculating Private Pay Days**

For instruction on identifying *Additional Excess Income*, review Section 3. If *Additional Excess Income* has been identified and budgeting updates are necessary, follow steps 1-7 in this section.

1. Contact the facility: while on the phone, gather both the *Private Nursing Home Per Diem* rate, as well as the *Medicaid Nursing Home Per Diem* rate for the dates Medicaid budgets require processing.
  - a. Each of the rates provided by the facility must be entered under the category of *Medical*, the type of expense is *Private Nursing Home Per Diem* and *Medicaid Nursing Home Per Diem*.

Expense		
Owner	Category	
SALMON COHO 06-01-1953	AABD SPECIAL REQUIREMENTS DEPENDENT CARE AND SUPPORT FWIL LIVING COSTS HOUSING MAGI EXPENSES <b>MEDICAL</b> UTILITIES	
Type: <span>Medicaid Nursing Home Per Diem</span>		
Description: <input type="text"/>		
Amount: <input type="text" value="200.00"/>	Miles: <input type="text"/>	Days: <input type="text"/>
Frequency: <span>Daily</span>	Begin Date: <input type="text" value="01-01-2024"/>	End Date: <input type="text"/>
Verified by: <span>Hospital or Clinic Records</span>		
<a href="#">Help</a>		

- b. There may be multiple Medicaid and/or private per diem rates for the same month, depending on the participant's level of care throughout the month. Staff will contact the facility and obtain the per diem rates.

- i. Enter the specific date ranges in expert for the multiple per diem rates. If the staff is updating the rate, there should only be one per diem rate showing for the same time frame.

**NOTE:** Ongoing expenses should not be end dated in expert. If there is a prior expense entry and it has been end dated, the system will not allow the same expense entry to be created a second time. The original expense entry, found under the *History* tab, will need to be updated with the new date.

- ii. Below is an example of multiple expenses entered for both per diem rates.

Expense:						Expense:					
Medicaid Nursing Home Per Diem						Private Nursing Home Per Diem					
Amount	Miles/Days	Frequency	Begin Date	End Date	Verified	Amount	Miles/Days	Frequency	Begin Date	End Date	Verified
230.00		Daily	01-11-2024		Y	270.00		Daily	01-11-2024		Y
200.00		Daily	01-01-2024	01-10-2024	Y	258.60		Daily	01-01-2024	01-10-2024	Y

Review the *Expense* module in Expert, making sure both per diem rates are correctly listed.

LAST NAME	FIRST NAME	DOB	AGE	NUMBER		
Type	Descrptn	Amount	Miles/Days	Frq	Begin Date	
<input checked="" type="checkbox"/> SALMON	COHO	06-1953	70	78351257		
<input type="checkbox"/> Medicaid Nursing ...		230.00		DA	01-11-2024	
<input type="checkbox"/> Medicare B Premium		174.70		MO	01-01-2024	
<input type="checkbox"/> Medicare D Premium		19.80		MO	01-01-2024	
<input type="checkbox"/> Private Nursing Ho...		270.00		DA	01-11-2024	

2. Proceed to budgeting: prior to authorizing, review the budget summary.
- a. Now that the rates are entered, the budget may reflect *Private Pay Days*, as shown in the example below.

Unit Size	1
Total Net Countable Inc	7100.00
Medical Disregards	0.00
Total Adjusted Income	7100.00
Medical Income Level	75.00
Share of Cost	7025.00
Adjusted Share of Cost	6830.50
Additional Excess Income	0.50
Private Pay Days	1

- b. Double click the *Additional Excess Income* line to review the detail.

- i. NFOCUS determines the *Medicaid Rate for LTC* by calculating the *Medicaid Nursing Home Per Diem* with the number of days in the budget month.

Share of Cost:	7025.00
Medicare Premium B:	- 174.70
Medicare Premium D:	- 19.80
	-----
Adjusted Share of Cost:	6830.50
Medicaid Rate for LTC:	- 6830.00
	-----
Additional Excess Income:	0.50

- ii. If the *Adjusted Share of Cost* remains higher than the *Medicaid Rate for LTC*, the budget summary will reflect *Additional Excess Income*.

- iii. NFOCUS will automatically calculate *Additional Excess Income* against the *Private Per Diem* rate to determine the number of *Private Pay Days*.

- If there are private pay days, the Additional Excess Income is obligated to the facility within the private pay days.
- This calculation is not viewable to the worker.
- Private Pay Days are only viewable on the Benefit Summary.

\*If the budget results in *Additional Excess Income* but there are no *Private Pay Days* displayed, confirm the *Private Nursing Home Per Diem* amount has been entered.

Expense Details:

Medicaid Nursing Home Per Diem SALMON COHO  
Frequency: Daily Calculation Method: Actual Only

Date	Amount	Verified
01-01-2024	200.00	Y
01-02-2024	200.00	Y
01-03-2024	200.00	Y
01-04-2024	200.00	Y
01-05-2024	200.00	Y
01-06-2024	200.00	Y
01-07-2024	200.00	Y
01-08-2024	200.00	Y
01-09-2024	200.00	Y
01-10-2024	200.00	Y
01-11-2024	230.00	Y
01-12-2024	230.00	Y
01-13-2024	230.00	Y
01-14-2024	230.00	Y
01-15-2024	230.00	Y
01-16-2024	230.00	Y
01-17-2024	230.00	Y
01-18-2024	230.00	Y
01-19-2024	230.00	Y
01-20-2024	230.00	Y
01-21-2024	230.00	Y
01-22-2024	230.00	Y
01-23-2024	230.00	Y
01-24-2024	230.00	Y
01-25-2024	230.00	Y
01-26-2024	230.00	Y
01-27-2024	230.00	Y
01-28-2024	230.00	Y
01-29-2024	230.00	Y
01-30-2024	230.00	Y
01-31-2024	230.00	Y

Monthly Expense Amount: 6830.00

Medicare B Premium SALMON COHO  
Frequency: Monthly Calculation Method: Converted

Date	Amount	Verified
01-01-2024	174.70	Y

Gross Expense Amount: 174.70  
Conversion Factor: \* 1.00  
-----

Monthly Expense Amount: 174.70

Medicare D Premium SALMON COHO  
Frequency: Monthly Calculation Method: Converted

Date	Amount	Verified
01-01-2024	19.80	Y

Gross Expense Amount: 19.80  
Conversion Factor: \* 1.00  
-----

Monthly Expense Amount: 19.80

- c. If budgeted income exceeds the *Medicaid Rate for LTC* in the month, the participant must pay their full cost of care of \$6,830.00 at the Medicaid rate; in addition, the participant must obligate the excess income. In this situation, the recipient would not have enough funds to pay the full cost of care at the monthly private rate since there is only 1 *Private Pay Day* indicated.
3. NFOCUS will limit the number of *Private Pay Days* displayed in the budget to the number of days in the month when the income is equal, or in excess of the monthly private pay rate. When the individual has income to pay privately for the cost of care, and there is not a demonstrated medical need, the case must be denied/closed for *Share of Cost Exceeds Need*.

Example of February budgeting:

Resource Total	1234.00	Unit Size	1
Resource Limit	4000.00	Total Net Countable Inc	8800.00
Unearned Income	8800.00	Medical Disregards	0.00
Unearned Inc Disregard	0.00	Total Adjusted Income	8800.00
Net Unearned Income	8800.00	Medical Income Level	75.00
Earned Income	0.00	Share of Cost	8725.00
Earned Income Disregard	0.00	Adjusted Share of Cost	8530.50
Child Care	0.00	Additional Excess Income	1860.50
Net Earned Income	0.00	Private Pay Days	29
Resource Test:	Pass	Creation Date	03-28-2024
Income Test:	Pass		
Income Verification Test:	Pass		

4. If the budget reflects any number of *Private Pay Days*, the MESA indicator will need to be changed to *Process by Worker*. Updating the MESA indicator will allow the case to be bypassed during the monthly MESA, yearly COLA, and FPL system budget runs.
- In the NFOCUS Detail Master Case window, From the Detail drop-down menu, select *Mass Change*.
    - The *Mass Change Detail* window displays.
    - From Actions drop-down menu, Select *Mass Change Indicator*
    - The *Mass Change Indicator* box displays.
    - Select *Process by Worker*
    - Select the *Ok* to close the window.
- NOTE:** The MESA indicator should be set back to *Process by System* when there are no private pay days.
- Cases with *Private Pay days* are assigned see the [Medicaid Position Numbers for Case Assignments](#) document for monitoring.
    - Manual budgeting will need to occur each time the number of days in the month changes and when a MESA not run alert appears in the case.

Mass Change Indicator

**Mass Change Indicator**

☐ Process By System

☒ Process by Worker

OK Cancel

- ii. Create an alert allowing for the next time the number of days in the month changes.
5. If there is a change in benefit (including, but not limited to the number of private pay days or the SOC amount) confirm that a notice is going out from the agency to notify the Medicaid recipient and all administrative roles of the change.
6. Narrate in the case:
  - a. Documentation needs to include any outside agency contact including name and phone number of the contact;
  - b. Medicaid and private per diem rate amounts;
    - i. Include date ranges for any per diem rate changes (if multiple levels of care);
  - c. Number of *Private Pay Days*; and
  - d. Final case results.

### **Section 3: Finding Additional Excess Income**

This Section explains how to identify *Additional Excess Income* in the budget, if the *Medicaid Rate for LTC* is being used, and how to determine if a worker needs to take additional action.

1. From The Detail Master Case window in NFOCUS, open the Budget Summary. Locate the *Additional Excess Income* line.
  - a. Double click the *Additional Excess Income* line to view the *Expense Details*. NFOCUS automatically converts and displays the *Medicaid Rate for LTC* when the per diem rates are listed in expert.

Unit Size	1
Total Net Countable Inc	7,100.00
Medical Disregards	0.00
Total Adjusted Income	7,100.00
Medical Income Level	75.00
Share of Cost	7,025.00
Adjusted Share of Cost	6,830.50
Additional Excess Income	0.00
Private Pay Days	0.00

Share of Cost:		7025.00
Medicare Premium B:	-	174.70
Medicare Premium D:	-	19.80
		-----
Adjusted Share of Cost:		6830.50
Medicaid Rate for LTC:	-	7130.00
		-----
Additional Excess Income:		0.00
		-----
Expense Details:		
Medicare B Premium	SALMON COHO	
Frequency: Monthly	Calculation Method:	Converted
Date	Amount	Verified
01-01-2024	174.70	Y
Gross Expense Amount:		174.70
Conversion Factor:	*	1.00
		-----
Monthly Expense Amount:		174.70
Medicare D Premium	SALMON COHO	
Frequency: Monthly	Calculation Method:	Converted
Date	Amount	Verified
01-01-2024	19.80	Y
Gross Expense Amount:		19.80
Conversion Factor:	*	1.00
		-----
Monthly Expense Amount:		19.80
Medicaid Nursing Home Per Diem	SALMON COHO	
Frequency: Daily	Calculation Method:	Converted
Date	Amount	Verified
01-11-2024	230.00	Y
Gross Expense Amount:		230.00
Conversion Factor:	*	31
		-----
Monthly Expense Amount:		7130.00



b. Below are three examples in identifying *Additional Excess Income*.

**Example 1:** The budget summary below shows *Additional Excess Income*. The *Expense Details* show no *Medicaid Rate for LTC*, therefore additional action is required. The worker will need to enter the per diem rates as outlined in Section 2 of this guide.

Resource Total	1,234.00	Unit Size	1
Resource Limit	4,000.00		
Unearned Income	5,432.00	Total Net Countable Inc	5,432.00
Unearned Inc Disregard	0.00	Medical Disregards	0.00
Net Unearned Income	5,432.00	Total Adjusted Income	5,432.00
Earned Income	0.00	Medical Income Level	75.00
Earned Income Disregard	0.00	Share of Cost	5,357.00
Child Care	0.00	Adjusted Share of Cost	5,161.30
Net Earned Income	0.00	<b>Additional Excess Income</b>	<b>5,161.30</b>
		Private Pay Days	0.00
Share of Cost:	5357.00		
Medicare Premium B:	174.70		
Medicare Premium D:	21.00		
Adjusted Share of Cost:	5161.30		
Medicaid Rate for LTC:	0.00		03-28-2024
Additional Excess Income:	5161.30		
Expense Details:			
Medicare B Premium SALMON COHO			
Frequency: Monthly	Calculation Method: Converted		
Date	Amount	Verified	
01-01-2024	174.70	Y	
Gross Expense Amount:	174.70		
Conversion Factor:	*	1.00	
Monthly Expense Amount:	174.70		
Medicare D Premium SALMON COHO			
Frequency: Monthly	Calculation Method: Converted		
Date	Amount	Verified	
01-01-2023	21.00	Y	
Gross Expense Amount:	21.00		
Conversion Factor:	*	1.00	
Monthly Expense Amount:	21.00		

**Example 2:** The budget summary below shows no *Additional Excess Income*. The *Medicaid Rate for LTC* is more than the *Share of Cost*. No further action is needed unless a change occurs.

Resource Total	3,965.00	Unit Size	1
Resource Limit	4,000.00		
Unearned Income	5,375.00	Total Net Countable Inc	8,592.50
Unearned Inc Disregard	0.00	Medical Disregards	0.00
Net Unearned Income	5,375.00	Total Adjusted Income	8,592.50
Earned Income	6,500.00	Medical Income Level	75.00
Earned Income Disregard	3,282.50	Share of Cost	8,517.50
Child Care	0.00	Adjusted Share of Cost	8,517.50
Net Earned Income	3,217.50	<b>Additional Excess Income</b>	<b>0.00</b>
		Private Pay Days	0.00
Share of Cost:	8517.50		
Adjusted Share of Cost:	8517.50		
Medicaid Rate for LTC:	8525.00		03-28-2024
Additional Excess Income:	0.00		
Expense Details:			
Medicaid Nursing Home Per Diem PCR ONE			
Frequency: Daily	Calculation Method: Converted		
Date	Amount	Verified	
05-10-2023	275.00	Y	
Gross Expense Amount:	275.00		
Conversion Factor:	*	31	
Monthly Expense Amount:	8525.00		

**Example 3:** The budget summary below shows *Additional Excess Income*. The *Medicaid Rate for LTC* is less than the *Share of Cost*, therefore this budget has *Additional Excess Income*. If the number of *Private Pay Days* have been calculated, no further action is needed unless a change occurs.

**NOTE:** A change in the number of days in a month would also be considered a change that requires budgeting.

Resource Total	1,234.00	Unit Size	1
Resource Limit	4,000.00		
Unearned Income	7,238.00	Total Net Countable Inc	7,238.00
Unearned Inc Disregard	0.00	Medical Disregards	0.00
Net Unearned Income	7,238.00	Total Adjusted Income	7,238.00
Earned Income	0.00	Medical Income Level	75.00
Earned Income Disregard	0.00	Share of Cost	7,163.00
Child Care	0.00	Adjusted Share of Cost	6,973.00
Net Earned Income	0.00	<b>Additional Excess Income</b>	<b>96.58</b>
		Private Pay Days	4.00
Share of Cost:	7163.00		
Medicare Premium B:	- 174.70		
Medicare Premium D:	- 15.30		
Adjusted Share of Cost:	6973.00		
<b>Medicaid Rate for LTC:</b>	<b>- 6876.42</b>		
Additional Excess Income:	96.58		
-----			
Expense Details:			
Medicare B Premium	FLINSTONE FREDERICK		
Frequency: Monthly	Calculation Method: Converted		
Date	Amount	Verified	
01-01-2024	174.70	Y	
Gross Expense Amount:	174.70		
Conversion Factor:	*	1.00	
Monthly Expense Amount:	174.70		
Medicaid Nursing Home Per Diem	FLINSTONE FREDERICK		
Frequency: Daily	Calculation Method: Converted		Bedrock Nursing Home
Date	Amount	Verified	
06-21-2023	221.82	Y	
Gross Expense Amount:	221.82		
Conversion Factor:	*	31	
Monthly Expense Amount:	6876.42		
Frequency: Monthly	Calculation Method: Converted		
Date	Amount	Verified	
01-01-2023	15.30	Y	
Gross Expense Amount:	15.30		
Conversion Factor:	*	1.00	
Monthly Expense Amount:	15.30		

## Section 4: Budget Changes

Budgets must be recalculated by the worker anytime there is updated information on a participant's income or expenses. Budgets must also be recalculated when the number of days in the month change. The worker must take into consideration timely and adequate notice.

There may be various alerts generated in a case by the *Long-Term Care Interface*. This interface creates, updates, and could possibly close expenses in NFOCUS based on a sweep of MMIS. These changes may affect the SOC, *Private Pay Days* and the *Additional Excess Income* in the current budget.

1. Upon reviewing the change, proceed to process the budget.

- a. Prior to authorizing the budget, review the budget summary for income and/or expense changes in the budget, comparing prior budget information for accuracy.
  - b. For information on identifying *Additional Excess Income* review the steps in Section 3 of this guide.
  - c. For calculating *Additional Excess Income* follow the steps in Section 2 of this guide.
2. If there is a change in benefit (including, but not limited to the number of private pay days or the SOC) confirm that a notice is going out from the agency to notify the Medicaid recipient and all administrative roles of the change.
3. Narrate in the case:
  - a. Information received, include any outside agency contact including name and phone number of the contact;
  - b. Change that occurred;
  - c. Actions taken in the case, and
  - d. Final case results.
4. Cases with *Private Pay Day(s)* are assigned see the [Medicaid Position Numbers for Case Assignments](#) document for monitoring.
5. for ongoing monitoring.
  - a. An alert must be created to process the budget in advance of each calendar month where the number of days in the month will change, to ensure the correct *Private Pay Day* calculation in the budget.
    - i. **Example:** Alert is set for 9/1/2023 to process the 10/2023 budget (31 days in the month is a change), for 10/1/2023 to process the 11/2023 budget (30 days in the month is a change), etc. Alerts would not be required for instances where the number of days in the month will not change (July to August, December to January).
  - b. Any month where the number of *Private Pay Days* in the budget exceed the number of days in the month must be reviewed to determine if a medical need exists. Refer to Section 2 of this guide.