Policy:	MA.1004
Title:	**Low Income Subsidy Cost-Sharing Data Corrections Based on Best Available Evidence**
Department:	Customer Service
Section:	Not Applicable
CEO Approval:	*/s/ Michael Hunn 12/16/2024*
Effective Date:	08/01/2008
Revised Date:	12/01/2024
Applicable to:	☐ Medi-Cal ☒ OneCare ☐ PACE ☐ Administrative

I. PURPOSE

This policy defines the process to verify and initiate corrections to a Member's Low-Income Subsidy (LIS) Cost-Sharing status with the Centers for Medicare & Medicaid Services (CMS).

II. POLICY

A. The LIS is additional assistance for a Medicare beneficiary who has limited income and resources for Medicare prescription drug plan costs.

B. CMS deems a Medicare beneficiary who is eligible for full Medi-Cal benefits, or who is institutionalized under a Medi-Cal covered stay, as automatically eligible for LIS.

C. CalOptima Health shall use Best Available Evidence (BAE) and collect supporting documentation to substantiate a Member's LIS Cost-Sharing status for enrollment in the CalOptima Health OneCare program.

D. CalOptima Health shall not automatically accept a Member's LIS Cost-Sharing status according to CMS reporting without applying the BAE, in accordance with this Policy.

E. CalOptima Health shall provide assistance to a Member, a Member's Authorized Representative, or a Provider to substantiate a Member's correct LIS Cost-Sharing status.

F. If the CMS LIS Cost-Sharing status report is incorrect and CalOptima Health can secure documented evidence to support a Member's correct LIS Cost-Sharing status, CalOptima Health shall initiate a LIS Cost-Sharing status correction with CMS, in accordance with Section III.D of this Policy.

G. If the CMS LIS Cost-Sharing status report is incorrect and CalOptima Health is unable to secure documented evidence to support a Member's correct LIS Cost-Sharing status, CalOptima Health shall initiate a LIS Cost-Sharing status verification with CMS in accordance with Section III.E this Policy.

III. PROCEDURE

A. Assistance to Substantiate a Member's Correct LIS Cost-Sharing Status

1. A Member, a Member's Authorized Representative, or a Provider shall contact the CalOptima Health Customer Service Department for assistance to initiate a correction of the Member's LIS Cost-Sharing status, in accordance with the requirements of this Policy.

2. A Member, a Member's Authorized Representative, or a Provider shall have access to CMS' guidelines regarding substantiating a Member's correct LIS Cost-Sharing status based on BAE through a weblink on CalOptima Health's OneCare Website.

B. Verification of CMS LIS Cost-Sharing Report

1. CalOptima Health shall receive the CMS LIS Cost-Sharing status report as provided by CMS.

2. CalOptima Health shall compare the CMS LIS Cost-Sharing status report with:

   a. A current report of eligible Members generated through CalOptima Health's Medi-Cal Membership system as reported by California Department of Health Care Services (DHCS); and

   b. A current report of CalOptima Health's institutionalized OneCare Members.

3. If there is a discrepancy in a Member's LIS Cost-Sharing status between the CMS LIS Cost-Sharing status report and the CalOptima Health eligibility report or OneCare institutionalized report, CalOptima Health shall investigate to identify the correct status.

4. CalOptima Health shall, twice a year, validate a Member's Part D LIS Cost-Sharing status for the following year with CalOptima Health's Medi-Cal Membership by utilizing the CMS Loss of Subsidy reports provided in September and December. CalOptima Health will conduct notification and outreach to Members who no longer automatically qualify for Low Income Subsidy (LIS) extra help to assist them with completing the LIS application.

C. Required BAE Documentation

1. CalOptima Health shall use BAE documentation to substantiate a Member's correct LIS Cost-Sharing status and obtain the documentation to initiate a CMS LIS Cost-Sharing status correction, no later than sixty (60) calendar days after CalOptima Health identifies the discrepancy.

2. CalOptima Health shall verify a Member's correct LIS Cost-Sharing status by obtaining acceptable BAE documentation to support a change to a Member's LIS Cost-Sharing status with CMS.

   a. To establish a Member's Medi-Cal eligibility, CalOptima Health shall obtain one (1) or more of the following documentation:

      i. A copy of the beneficiary's Medi-Cal card that includes the beneficiary's name and an eligibility date during a month after June of the previous calendar year;

ii. A copy of a state document that confirms active Medi-Cal status during a month after June of the previous calendar year;

iii. A printout from the State electronic enrollment file showing Medi-Cal status during a month after June of the previous calendar year;

iv. A screen print from the State's Medi-Cal systems showing Medicaid status during a month after June of the previous calendar year;

v. Other documentation provided by the State showing Medi-Cal status during a month after June of the previous calendar year;

vi. A letter from SSA showing that the individual receives SSI; or

vii. An Application Filed by Deemed Eligible confirming that the beneficiary is "…automatically eligible for extra help…"

b. To identify a Member residing in a facility or receiving home and community based services (HCBS) and qualifies for zero cost-sharing, CalOptima Health shall obtain one (1) or more of the following documentation:

i. Remittance from the facility showing Medi-Cal payment for a full calendar month for that individual during a month after June of the previous calendar year;

ii. Copy of a state document that confirms Medi-Cal payment on behalf of the individual to the facility for a full calendar month after June of the previous calendar year;

iii. Screen print from the State's Medi-Cal systems showing that individual's institutional status based on at least a full calendar month stay for Medicaid payment purposes during a month after June of the previous calendar year.

iv. State-issued Notice of Action, Notice of Determination, or Notice of Enrollment that includes the beneficiary's name and HCBS eligibility date during a month after June of the previous calendar year;

v. State-approved HCBS Service Plan that includes the beneficiary's name and effective date beginning during a month after June of the previous calendar year;

vi. State-issued prior authorization approval letter for HCBS that includes the beneficiary's name and effective date beginning during a month after June of the previous calendar year;

vii. Other documentation provided by the State showing HCBS eligibility status during a month after June of the previous calendar year; or,

viii. State-issued document, such as a remittance advice, confirming payment for HCBS, including the beneficiary's name and the dates of HCBS.

3. If CalOptima Health obtains one (1) or more of the BAE documentation listed in Section III.C.2 of this Policy that confirms a Member's acceptable LIS Cost-Sharing status, CalOptima Health shall continue with the Member's eligibility in the OneCare program.

D. Initiating CMS LIS Cost-Sharing Status Correction with BAE Documentation

1. Prior to initiating a CMS LIS Cost-Sharing status correction, CalOptima Health shall allow a minimum of thirty (30) calendar days, and a maximum of sixty (60) calendar days, after it identifies the discrepancy for CMS to automatically correct the LIS Cost-Sharing status in the CMS system.

2. If the correct LIS Cost-Sharing status has not been automatically updated in the CMS system within the timeframe specified in Section III.D.1 of this Policy, CalOptima Health shall initiate a CMS LIS Cost-Sharing status correction submission with acceptable BAE documentation to CMS' contractor Reed and Associates (RPC).

3. Submission of a CMS LIS Cost-Sharing correction shall consist of the following:

   a. LIS submission cover letter;

   b. RPC LIS status change documentation worksheet and spreadsheet; and

   c. A copy of all BAE supporting documentation, as described in Section III.C.2 of this Policy.

E. Process for assisting individuals when BAE is not available.

1. If CalOptima Health cannot obtain any BAE documentation to substantiate a Member's correct LIS Cost-Sharing status and the Member claims to be eligible for LIS Cost-Sharing status, CalOptima Health shall submit BAE assistance requests to CMS through the Health Plan Management System Complaints Tracking Module (CTM):

   a. CalOptima Health shall include the following information:

      i. Health Insurance Claim Number (HICN) or Medicare Beneficiary Identifier (MBI)

      ii. Members's First and Last Name

      iii. Members's Address

      iv. Members's Date of Birth

      v. Issue Level. If the beneficiary has less than 3 days of medication remaining, select "Immediate Need." If the beneficiary has 3-14 days of medication remaining, select "Urgent." For all other situations, select "No Issue Level"

      vi. Any additional information related to the Members's matter.

2. Upon receipt of CMS' determination of a Member's verified LIS Cost-Sharing status, CalOptima Health shall either continue with the Member's eligibility in OneCare and update its internal systems within forty-eight to seventy-two 48-72 hours to reflect the corrected LIS status and submit a request for correction to RPC in accordance with section III.D.3 of this Policy.

F. Member's Notification of CMS' LIS Cost-Sharing Status Verification

1. If CMS determines that the beneficiary is LIS eligible, CalOptima Health shall send the Determination of LIS Rider notice.

2. If CMS determines that the Member is not LIS eligible, CalOptima Health shall notify a Member within one (1) business day of receiving such results.

    a. If CalOptima Health is unable to notify the Member upon initial contact, CalOptima Health shall make no less than three (3) attempts to notify the Member.

    b. If CalOptima Health is unable to notify the Member upon the fourth (4^{th}) attempt, CalOptima Health shall send the Member, in writing, the results of CMS verification with a Notice for Loss of Special Needs Status letter.

G. CalOptima Health shall maintain the original documentation used to substantiate the request for updating the CMS system for ten (10) years, in accordance with CalOptima Health Policy HH.2022: Record Retention and Access, and to accommodate subsequent periodic CMS audits.

III. ATTACHMENT(S)

A. OneCare Complete Loss of SNP Status
B. OneCare Flex Plus Loss of SNP Status

IV. REFERENCE(S)

A. CalOptima Health Policy HH.2022: Record Retention and Access
B. CalOptima Health Policy MA.4004: Member Disenrollment
C. Centers for Medicare & Medicaid (CMS) HPMS Memo - Best Available Evidence Process Update – Issued 08-15-23
D. Medicare Managed Care Manual, Chapter 2, Medicare Advantage Enrollment and Disenrollment, Section 40.1.Revised: August 15, 2023
E. Medicare Prescription Drug Benefit Manual: Chapter 13 - Premium and Cost-Sharing subsidies for Low-Income Individuals.

V. REGULATORY AGENCY APPROVAL(S)

None to Date

VI. BOARD ACTION(S)

None to Date

VII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	08/01/2008	MA.1004	Low Income Cost-Sharing Subsidy Based on Best Available Evidence	OneCare
Revised	10/01/2008	MA.1004	Low Income Cost-Sharing Subsidy Based on Best Available Evidence	OneCare
Revised	06/01/2009	MA.1004	Low Income Cost-Sharing Subsidy Based on Best Available Evidence	OneCare
Revised	05/01/2013	MA.1004	Low Income Cost-Sharing Subsidy Based on Best Available Evidence	OneCare
Revised	12/01/2017	MA.1004	Low Income Cost-Sharing Subsidy Based on Best Available Evidence	OneCare

Action	Date	Policy	Policy Title	Program(s)
Revised	12/01/2018	MA.1004	Low Income Cost-Sharing Subsidy Based on Best Available Evidence	OneCare
Revised	10/01/2019	MA.1004	Low Income Cost-Sharing Subsidy Based on Best Available Evidence	OneCare
Revised	08/01/2020	MA.1004	Low Income Cost-Sharing Subsidy Based on Best Available Evidence	OneCare
Revised	01/01/2022	MA.1004	Low Income Cost-Sharing Subsidy Based on Best Available Evidence	OneCare
Revised	12/01/2023	MA.1004	Low Income Subsidy Cost-Sharing Data Corrections Based on Best Available Evidence	OneCare
Revised	12/01/2024	MA.1004	Low Income Subsidy Cost-Sharing Data Corrections Based on Best Available Evidence	OneCare

IX. GLOSSARY

Term	Definition
Authorized Representative	Has the meaning given to the term Personal Representative in section 164.502(g) of Title 45 of, Code of Federal Regulations. A person who has the authority under applicable law to make health care decisions on behalf of adults or emancipated minors, as well as parents, guardians or other persons acting *in loco parentis* who have the authority under applicable law to make health care decisions on behalf of unemancipated minors and as further described in CalOptima Health Policy HH.3009: Access by a Member's Authorized Representative.
Best Available Evidence (BAE)	For the purposes of this policy, means evidence recognized by CMS as documentation or other information that is directly tied to State or Social Security Administration systems that confirm an individual's low-income subsidy eligibility status, and that must be accepted and used by CalOptima Health to change low-income subsidy status.
Centers for Medicare & Medicaid Services (CMS)	The federal agency under the United States Department of Health and Human Services responsible for administering the Medicare and Medicaid programs.
Department of Health Care Services (DHCS)	The single State Department responsible for administration of the Medi-Cal program, California Children's Services (CCS), Genetically Handicapped Persons Program (GHPP), Child Health and Disabilities Prevention (CHDP), and other health related programs.
Home and Community Based Services (HCBS)	Provide opportunities for Medi-Cal beneficiaries with intellectual or developmental disabilities, physical disabilities, and/or mental illnesses to receive services in their own home or community rather than institutions or other isolated settings.
Low-Income Subsidy (LIS)	Provides extra help for people with Medicare Part D who have limited income and resources by helping to pay their Medicare Prescription Drug Benefit costs (plan monthly premiums, co-payments, and the annual deductible).
Low-Income Cost-Sharing Subsidy (LICS)	Extra help for eligible Medicare beneficiaries who have limited income and resources to pay for their Medicare benefits. LICS is subject to eligibility requirements as set forth by CMS guidance and CalOptima Health policy.
Member	A beneficiary enrolled in the CalOptima Health OneCare program.
Provider	Any Medicare provider (e.g., hospital, skilled nursing facility, home health agency, outpatient physical therapy, comprehensive outpatient rehabilitation facility, end-stage renal disease facility, hospice, physician, non-physician provider, laboratory, supplier, etc.) providing Covered Services under Medicare Part B. Any organization, institution, or individual that provides Covered Services to Medicare members. Physicians, ambulatory surgical centers, and outpatient clinics are some of the providers of Covered Services under Medicare Part B.