

**Medicaid Eligibility Procedure Letter No. 113**

**Effective Date:** June 1, 2016

**OAC Rules:** 5160: 1-3-04.3(C)(2)(h)

**To:** All Medicaid Eligibility Manual Holders

**From:** John B. McCarthy, Director

**Subject:** Medicaid: Incurred expense for medical care

**Reason for Change:** The Ohio Department of Medicaid (ODM) is revising its policy regarding the request for deductions of incurred medical expenses that are not covered by Medicaid and not subject to third-party payment in order to determine patient liability for long-term care services.

**Prior Policy:** Currently, when an individual requests an incurred medical expense be applied toward patient liability, the medical service for which the expense was incurred must have been provided by a provider with a valid Medicaid provider agreement at the time of the service delivery even though the medical service is not covered by Medicaid and not subject to third-party payment. The amount of the deduction for this medical service cannot exceed the lesser of: the provider billed charges, the Medicaid rate, the lowest rate by Ohio Federally Facilitated Market Place plans, or the Medicare rate.

**New Policy:** When an individual requests that an incurred medical expense from a medical service not covered by Medicaid or subject to third-party payment be applied toward the patient liability, the medical service is not required to have been provided by a provider with a valid Medicaid provider agreement at the time of the service delivery. The amount of the deduction for the requested medical service, is the amount billed by the provider who conducted such medical service.

**Action Required:** Effective immediately, when using incurred medical expenses for medical services not covered by Medicaid and not subject to third-party payment to determine patient liability, county workers do not need to validate that a medical service was conducted by a provider with a valid Medicaid provider agreement at the time of the service. The county does not need to validate that the requested deduction amount to be applied to patient liability is the lesser of: the provider billed charges, the Medicaid rate, the lowest rate by Ohio Federally Facilitated Market Place plans, or the Medicare rate. Incurred medical expenses do not include expenses related to room and board payments.

Please contact ODM Eligibility Technical Assistance at [Medicaid\\_Eligibility\\_TA@Medicaid.Ohio.gov](mailto:Medicaid_Eligibility_TA@Medicaid.Ohio.gov) for further assistance or clarification regarding the processing of specific cases. If additional assistance is needed, please contact the CRISE Help Desk at [CRISE\\_HELPDESK@jfs.ohio.gov](mailto:CRISE_HELPDESK@jfs.ohio.gov).

This information is also available on the Internet. The information may be accessed on the ODM website under the header “Medicaid Policy” and found under Behavioral Health, Eligibility, & CHIP - Medicaid Eligibility Procedure Letter (MEPL): <http://www.medicaid.ohio.gov/RESOURCES/Publications/ODMGuidance.aspx#1535541-medicaid-policy>