

Bulletin

February 28, 2006

Minnesota Department of Human Services □ 444 Lafayette Rd. □ St. Paul, MN 55155

OF INTEREST TO

- County Directors
- County Financial Supervisors
- County Financial Workers
- County Fiscal Unit
- Mille Lacs Band Tribal TANF

ACTION

Read and implement all instruction.

DUE DATE

Immediately upon receipt of this bulletin.

Determination of Medical Assistance Overpayments from Income and Eligibility Verification System (IEVS) Matches

TOPIC

Implement policy requiring the review of IEVS matches for Medical Assistance, including IEVS matches that affect prior eligibility, to determine if an overpayment has occurred.

PURPOSE

Provide information and instructions to review IEVS Matches on Medical Assistance cases including cases with prior eligibility to determine if an overpayment has occurred. If an overpayment has occurred, a request for repayment must be made.

CONTACT

Counties and Tribal Agencies, submit policy questions to HealthQuest.

Direct all other questions to:

Health Care Eligibility and Access (HCEA)

PO Box 64989

540 Cedar Street

St. Paul, MN 55164-0989

SIGNED

BRIAN J. OSBERG

Assistant Commissioner

Health Care Administration

I. Background

Federal law requires that states perform data exchanges for enrollees of federal health care programs to cross-check income and assets. The State of Minnesota utilizes the Income and Eligibility Verification System (IEVS) to meet this requirement.

II. Introduction

The Minnesota Office of the Legislative Auditor (OLA) conducted an audit of Medical Assistance (MA) cases. The audit completed in SFY 2005 concluded that the Department of Human Services must revise its Medical Assistance policies and procedures to ensure all IEVS discrepancies are resolved, including those that pertain to prior eligibility periods. DHS must track and quantify payments made on behalf of ineligible recipients.

III. Action Required

Upon receipt of this bulletin begin to review IEVS Matches for **prior periods of eligibility** for Medical Assistance cases. Continue following current policy for all IEVS Matches. Refer to HCPM 0916.21 & TE02.12.10 for further instruction.

Upon resolution of an IEVS Match indicating unreported income or assets of an enrollee was received, determine and redetermine eligibility for the affected eligibility period.

A. Redetermine MA eligibility

Using the information received from the IEVS Match, redetermine MA eligibility for all affected household members for the same budget period for which the IEVS Match showed the receipt of the unreported income or asset.

► If the information from the IEVS Match does not affect past or future eligibility, enter a detailed case note and stop here.

► If the redetermination results in future ineligibility, terminate eligibility providing a 10-day notice.

► If the information from the IEVS Match results in excess assets for past months, determine the months of ineligibility based upon the excess assets. If the excess assets result in future ineligibility, allow the reduction of assets according to policy. If the enrollee reduces excess assets before the effective date of termination, eligibility may continue. See HCPM 0909.29.03. If the assets are not reduced, terminate eligibility providing a 10-day notice.

► If the information from the IEVS Match results in ineligibility or adverse changes in past months, determine the amount of the MA overpayment.

► If the redetermination results in a spenddown, determine if a monthly manual spenddown, a monthly auto spenddown or six-month spenddown could have been met based on income and medical bills.

- Document detailed information in case notes.

B. Determine the amount of the MA overpayment

1. Request a Claims History Profile

When there are results of ineligibility for past periods of eligibility, request a Claims History Profile for the period of ineligibility using DHS-2133 or obtain this information through the Program Integrity Network (PIN) user in your county.

Upon receipt of the Claims History information, determine the amount of the overpayment for the ineligibility period.

The claims history will list the amounts that the State has paid for medical services. It will show payments to medical providers or payments to managed health care plans depending upon whether the enrollee was fee-for-service or enrolled in a managed care health plan. (A managed care health plan is a method of payment for health services. DHS pays a monthly per-person rate in advance to a HEALTH PLAN in return for comprehensive medical and dental services.)

- If the enrollee is enrolled in a managed care health plan, the overpayment is the amount of the capitation payments regardless of whether any services have been received.

Example 1

Case information:

Jim is disabled and enrolled in MA-Fee-For-Service (FFS) for the periods of 1/1/05 – 6/30/05 and 7/1/05 – 12/31/05. He receives Social Security income and reports assets totaling \$2,500.

IEVS Match information:

In 9/05 an IEVS match is received indicating Jim has an asset valued at \$25,000 which the worker finds was never reported. The worker sends an IEVS Difference Notice. Jim contacts the worker and provides proof that he does have an available asset valued at \$25,000 that he has owned since 1995 and forgot to report. His total countable assets going back to the first date his MA was opened total \$27,500.

Required action:

The worker determines that Jim is not eligible for MA currently, in the future nor was he eligible for MA at anytime he was receiving it in the past because his assets are more than the \$3,000 limit. The worker sends a letter informing Jim he has to reduce his assets by 10/31 or his MA will close. Jim contacts the worker and states that he does not want to reduce

the assets. On 10/10/05 the worker terminates eligibility due to excess assets because the assets were not reduced. MAXIS issues a 10-day notice to terminate MA effective 10/31/05 due to excess assets.

MA overpayment calculation:

The worker requests a Claims History Profile. The profile shows that MA paid \$5,200 in medical bills from 1/1/05 – 9/30/05.

► The MA Overpayment is \$5,200

The worker fills out and mails DHS 4600 to Jim requesting repayment of \$5,200.00. The worker puts a copy of the completed DHS 4600 in the case file and sends a copy to DHS. The worker enters a detailed case note in MAXIS.

Follow up information:

Six days later Jim sends a check to his worker with payment of \$5,200 to repay his MA overpayment. The worker sends the check to the accounting unit with a copy of the overpayment letter that instructs them to code the repayment as a Type IV recovery. The worker enters a detailed case note in MAXIS.

Example

Case information:

John is disabled and has been enrolled in MA since 1/1/05. He has also been enrolled in a managed care health plan since he went on MA. He receives Social Security income and reports assets totaling \$2,000.

IEVS Match information:

In 9/05 an IEVS match is received indicating John had stocks that were valued at \$15,000 which the worker finds he never reported. The worker sends an IEVS Difference Notice. John contacts the worker and provides proof that he did have the stocks from 1/1/05 – 6/30/05 valued at \$15,000 that he forgot to report. He provides proof that he lost the stocks when the company went bankrupt on 6/25/05. His countable assets going back to the first date his MA was opened through 6/25/05 totaled \$17,000.

Required action:

The worker determines that John was not eligible for MA from 1/1/05 through 6/30/05 due to excess assets. He continues to remain eligible for MA since he no longer has this asset and his current assets total \$2,000.

MA overpayment calculation:

The worker requests a Claims History Profile. The profile shows that capitation payments were made for John from 1/1/05 through 6/30/05 totaling \$2,400.

- The MA Overpayment is \$2,400.

The worker fills out and mails DHS 4600 to John requesting repayment of \$2,400. The worker puts a copy of the completed DHS 4600 in the case file and sends a copy to DHS. The worker enters a detailed case note in MAXIS.

Follow up information:

Two years later John sends a check to the county with payment of \$500 to repay part of his MA overpayment. The worker sends the check to the accounting unit with a copy of the overpayment letter that instructs them to code the repayment as a Type IV recovery. The worker enters a detailed case note in MAXIS.

2. A redetermination results in a spenddown.

When the redetermination results in a spenddown, the amount of the overpayment is whichever is less:

- The spenddown amount minus any co-pays, out of pocket medical expenses or medical expenses not used in a prior spenddown, or
- The amount of the capitation payment.

Example

Case information:

Mae is over age 65 and has been enrolled in MA since 06/01/05. She is enrolled in a managed care health plan. Her counted assets total \$1,300. She receives Social Security of \$620.00 a month.

IEVS Match information:

In 7/05 an IEVS match was received indicating Mae received a lump sum payment of \$1,200. The worker sends an IEVS Difference Notice. Mae contacts the worker and provides proof that she did receive the income on 7/12/05 and forgot to report it. Mae told the worker that she used the \$1,200 to buy a car on 7/18/05 and gave the worker a copy of the title.

Required action:

The worker determines that Mae was not eligible for MA during the

month of July due to excess income. The lump sum payment did not result in excess assets in the month after receipt.

MA overpayment calculation:

The worker requests a Claims History Profile for the month of 07/05. The profile shows that a capitation payment of \$240.00 was made.

► The MA Overpayment is \$240.

The worker fills out and mails DHS 4600 to Mae requesting repayment of \$240. The worker puts a copy of the completed DHS 4600 in the case file and sends a copy to DHS. The worker enters a detailed case note in MAXIS.

Follow up information:

Two weeks later Mae sends a check to the county with payment of \$240 to repay the MA overpayment. The worker sends the check to the accounting unit with a copy of the overpayment letter that instructs them to code the repayment as a Type IV recovery. The worker enters a detailed case note in MAXIS.

3. The redetermination results in a higher spenddown.

Request a claims history to determine if claims were paid during the month(s) of overpayment. **If no claims were paid, there is no overpayment.**

When the redetermination results in a higher spenddown, the amount of the overpayment is the increased spenddown amount minus the original spenddown amount. Deduct any co-pays, out of pocket medical expenses or medical expenses not used in a prior spenddown.

Example

Case information:

Joel is 19 years old and is living on his own and employed. He was enrolled in MA with a \$100 six-month spenddown for the period 1/1/05 – 6/30/05. Joel was not enrolled in a managed care health plan.

IEVS Match information:

In 9/05 an IEVS match is received indicating Joel received income that he did not report in 3/05 and 4/05. The worker sends an IEVS Difference Notices to Joel. Joel provides proof to the worker that he did have another temporary job and forgot to report the income.

Required action:

The worker redetermines Joel's eligibility during 1/1/05 – 6/30/05 which results in a higher six-month spenddown of \$500. Joel did not have any out-of-pocket medical expenses or copays.

MA overpayment calculation:

The worker requests a Claims History Profile for the period of 02/01/05 to 6/30/05. The profile shows that MA services totaling \$1,700 were paid during this period.

**► The Amount of the Overpayment is \$400.
(\$500 minus \$100 = \$400)**

The worker fills out and sends DHS 4600 to request re payment for the \$400.00 overpayment puts a copy in the case file and sends a copy to DHS. The worker enters a detailed case note in MAXIS.

4. The redetermination results in a higher MA-EPD premium

For MA-EPD cases, redetermine the amount of the premium based upon the information received from the IEVS match.

The overpayment amount is the redetermined premium amount minus the original premium amount. This overpayment does not affect current or future MA-EPD eligibility.

Example

Case information:

Bob is disabled and employed. He is enrolled in MA-EPD beginning 8/1/05 with a monthly premium of \$50.

IEVS Match information:

In 09/05, an IEVS match is received. The report shows income that was received in 8/05 and 9/05 that was not reported

Action required:

The worker sends an IEVS Match Difference Notice. Bob provides proof of the income that he forgot to report.

The worker redetermines Bob's eligibility for 8/05 and 9/05 which results in a higher MA-EPD premium of \$75 for each month.

MA-EPD overpayment calculation:

A \$25.00 overpayment has resulted for August and a \$25.00 overpayment

has resulted for September. (75.00 {new premium amount} -50.00 {previous premium amount} = 25.00 overpayment.

The worker fills out and sends DHS 4600 to request repayment of the \$75.00 overpayment and puts a copy in the case record and sends a copy to DHS. The worker enters a detailed case note in MAXIS.

5. Document detailed information in case notes.

C. Request Repayment

Fill out and mail the Notice of Medical Assistance Overpayment, DHS 4600 (Attachment A) to the enrollee to request repayment of the overpayment.

► Keep a copy of the Notice of Medical Assistance Overpayment Letter for the case record and send or fax a copy to:

HCEA- IEVS
PO BOX 64989
St. Paul, MN 55164-0989
(651) 431-7446 – Fax number

► Follow your current county fraud procedures whenever fraud is suspected.

D. Collection of Repayment

Forward all voluntary repayments to your county fiscal department for receipt along with the IEVS Notice of Medical Assistance Overpayment Letter.

The fiscal department will process the repayments in the same manner your county processes other recoveries, such as estate recoveries. The fiscal department should code this recovery as a **Type IV – INELIGIBILITY - VOLUNTARY REPAYMENT**.

IV. Appeals

Follow current appeals process when a client appeals the calculation of a Medical Assistance overpayment.

V. Attachment

IEVS Repayment Letter – DHS 4600

VI. Legal References

Refer to 42 CFR 435.940 through 435.965 and Section 1137 of the Social Security Act.

VII. Special Needs

This information is available in other forms to people with disabilities by contacting us at (651) 431-2283 or toll free at (800) 938-3224 or through the Minnesota Relay Service at (800) 627-3529 (TDD), 7-1-1 or (877) 627-3848 (speech to speech relay service).



Minnesota Department of Human Services

Notice of Medical Assistance Overpayment

To: _____

Date: _____

Case Number: _____

Worker Name: _____

Worker Phone Number: _____

Fax Number: _____

Agency Name: _____

Agency Address: _____

Why are we writing to you?

Our records show that you and/or your family were getting Medical Assistance from

_____ to _____.
Date Date

We have information that you did not report income or assets you received during that period of time.

What is the unreported information?

The information we received is from _____.
Company or Source

They reported that you received \$ _____ on _____.
Amount Date

What did we do with the information?

We used this new information to see if there is still eligibility. We found that you and/or your family did not qualify for coverage from _____ to _____.
Date Date

We paid out medical benefits totaling \$ _____ during this time period.

What do you need to do?

We are requesting that you pay us back. You can make a payment by check or money order. Mail it to:

What if I have questions?

If you have questions, call your worker at the phone number shown above.

Over →

This information is available in other forms to people with disabilities by us at (651) 431-2670 (voice) or toll free at (800) 657-3739. TTY/TDD users can call the Minnesota Relay at 711 or (800) 627-3529. For the Speech-to-Speech Relay, call (877) 627-3848.

A Fair Hearing

Do you feel we did not act on your application? Do you disagree with a decision in your notice?

If you do, you can ask for a Fair Hearing. A Fair Hearing is a meeting where you ask the State to review a decision. A hearing can be in person or by phone. An attorney, friend, or anyone else can be there to help you.

You must follow these rules to ask for a Fair Hearing

- You have 30 days to ask for a Fair Hearing.
- You can ask for more time if you have a good reason.
- Your reason must meet our rules. We will tell you if it does.
- You will get a notice telling you if you can still ask for a hearing.
- You have 90 days from the time you get the notice to ask for a hearing.

How do I ask for a fair hearing?

You must write a letter to ask for a Fair Hearing. Write: I want to ask for a fair hearing because I think:

- A decision you made was wrong. OR
- You did not act when I asked for health care coverage.

You can ask to keep coverage until the State makes a decision by writing this in the letter:

- I want to keep my coverage during my fair hearing. OR
- I do not want to keep my coverage during my fair hearing.

You must continue to make any payments you owe. You may have to pay back the cost of any services you get if the decision does not change. Mail or take your letter to your county human services office or the State Fair Hearing Office at:

Department of Human Services
444 Lafayette Road
St. Paul, MN 55155-3813

You will get a letter telling you the date, time, and place of the hearing.

Before the hearing

Get together any papers that will help you at the hearing. You can also ask to see any papers that we will use there.

At the hearing

A hearing officer will talk about the decision that was made. You, or anyone with you, can say why you think we should change the decision. You can also:

- Look at the papers used in the hearing.
- Talk about any new information.
- Show any papers that may help you.
- Ask as many questions as you want.

After the hearing

The State will review all information and make a decision. You will get a notice in the mail telling you the decision.

Can I get help with the fair hearing?

Your local legal aid office can help you. Call the number listed below for your area.

- Hennepin County: (612) 334-5970
- Ramsey County: (651) 222-4731
- All other counties: (888) 354-5522 (This is a free call.)

Call your worker if you have questions or need more information.

Agency Use Only

- County Fiscal Departments must code collections as Type "IV".
- Keep a copy of this form for the case record.
- Send a copy to: HCEA-IEVS
P.O. Box 64989
St. Paul, MN 55164-0989