

## IMPORTANT NOTICE ABOUT SPENDDOWN

Beginning October 1, 2002, changes are being made to the spenddown program. The changes are:

- **Medicaid will not pay for any portion of your spenddown amount.** Medicaid will only pay for medical services that exceed a person's spenddown amount. Medicaid coverage begins on the day your medical expenses equal or exceed your spenddown amount. Starting October 1, 2002, the amount of your medical expenses used to meet spenddown on the day your Medicaid coverage starts (the day you meet spenddown) will not be paid by Medicaid.

Example: a person with a spenddown of \$200 sends the following medical bills to their caseworker:

10/1	\$50 Doctor's visit
10/2	\$120 Physical therapy
10/3	<u>\$100</u> Pharmacy
	\$270

The person's spenddown amount is met on 10/3. Medicaid coverage will start on 10/3. Since \$30 of the 10/3 pharmacy bill was used to meet spenddown, \$30 of the bill will not be paid by Medicaid.

- **Spenddown Period Reduced from 3 months to 1 month.** This will reduce the amount of medical expenses you need to incur before your Medicaid coverage begins. For example, if your current three-month spenddown amount is \$300, beginning in October your monthly spenddown will be \$100. Once you meet your monthly spenddown, your coverage will last until the last day of that month.
- **Reapplication no longer required.** To re-start your Medicaid coverage, you will only need to send in bills equaling your spenddown amount. You will not need to fill out a form to have your coverage re-started. Each month you will receive a letter telling you the amount of your spenddown for the next month.
- **New pay-in option available: Each** month your spenddown letter will give you the choice of paying your spenddown amount to the Division of Medical Services. The bottom portion of the letter may be sent with a check for the amount of your spenddown, or you may have that amount deducted from your bank account. If you choose this option, Medicaid will pay for all covered medical services you receive that month. If you pay-in before the first day of the month, you will not have any interruption in your Medicaid coverage. If you choose the pay-in option you will not need to send bills to your caseworker.
- **Medicaid will not pay for 90-day supplies of prescriptions.** Medicaid will only pay for a maximum 31-day supply of prescription medications for persons on spenddown. This is the same maximum supply that other Medicaid persons receive.

## **Important Questions and Answers about Spenddown**

- Q. Do I have to pay my medical bill before it is counted toward spenddown?
- A. No, the Division of Family Services will accept unpaid bills to meet spenddown. However, medical providers do not have to let you charge the cost of a service.
- Q. If a bill is more than my spenddown amount, will medical providers accept the spenddown amount from me and bill the rest to Medicaid?
- A. That is up to each provider. You must make arrangements with the medical provider before receiving the service regarding what you will pay and whether they will bill Medicaid.
- Q. If I pay more for my medical bill than my spenddown amount, will Medicaid reimburse me?
- A. No, the Medicaid program will not reimburse you.
- Q. If I applied for spenddown in August, or need to apply in September, will I be changed to a monthly spenddown in October 1?
- A. No, you will complete the three-month spenddown quarter that you applied for in August or September. Persons applying in August will continue under the current process until October 31, 2002. Persons who apply in September will be under the current process until November 30, 2002. In the last month of your coverage under the current process you will receive a letter informing you of your monthly spenddown amount for the next month.

Please contact me if you have any questions about how the changes in spenddown will effect you.