



Medical Expense Deduction (MED) Phase Out Plan and Corresponding Enrollment Freeze

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Public Meeting
April 25, 2011



Summary of MED

- MED is a short term program with a block of eligibility lasting between three and six months, depending upon the circumstances of the household.
- Eligibility starts the day that all eligibility requirements have been met, including spend down.
- There is no retroactive coverage for MED. If eligibility is approved effective 4/15, the first month of eligibility is April (starting on 4/15) and the sixth month is September (ending on September 30).
- State law provides that the maximum period of MED eligibility is six months.



Summary of MED

- In general, MED applicants have had some catastrophic medical event, do not have health insurance and may end up having their monthly income interrupted by an accident or illness.
- MED households have income that exceeds 100% of the Federal Poverty Level (FPL) and medical expenses that reduce their countable income to less than 40% of the FPL.
- Persons are made eligible under the MED category only after it has been determined that they are not eligible under any other Medicaid category.
- Eligibility for the MED program is determined by DES.

Applications submitted prior to 5/1/11



- Applications that are received prior to May 1, 2011 will be processed, even if DES cannot complete the eligibility determination until after May 1, 2011.
- If the household meets all eligibility requirements, including the spend down requirement, before May 1, 2011, they will be approved for MED for the usual block of eligibility, even if the determination cannot be made until after May 1, 2011.
- If the household does not meet eligibility requirements until May 1, 2011 or later, the household will not be approved for MED.

Ex Parte Determinations:

10-1-11 Non Renewal of MED

- First, we will conduct a case review of all MED households to see if there is information indicating that any member of the household is eligible under another Medicaid category. Since the MED eligibility determination was made sometime in the past three to six months, the case record contains current information.

Ex Parte Determinations:

10-1-11 Non Renewal of MED

- After conducting a case review, we will send Notice #1. Notice #1 with the attached Short Change Form will provide all MED households the opportunity to submit changes in their income or other household circumstances that may indicate that they are eligible under another Medicaid category.
- They can submit this information by mail, by fax, by email or by phone to a special unit in DES, who will evaluate their information right away.

Ex Parte Determinations: 10-1-11 Non Renewal of MED

- If anyone in the household is eligible under another category, they will be moved from MED to the new category and notified.



MEDNotice



ShortChangeForm

Ex Parte Determinations:

10-1-11 Non Renewal of MED

- We currently provide all MED members with an opportunity to apply for Medicaid under another category in the last month of their block of eligibility.
- For this phase out of MED, DES will attach the short change form to Notice #3. The short change form will be attached to the notice to obtain information about the household's income and categorical elements.
- DES will accept the Short Change form as an application for Medicaid benefits.
- The Short Change Form will identify the most recent monthly gross income amount used to make the MED determination, so that the household will more easily be able to tell if their current income has decreased or file an appeal if they believe the State calculated their income erroneously.

Ex Parte Determinations:

10-1-11 Non Renewal of MED

- If MED households do not mail, fax, or email the short change form or call about the short change form to be determined for other Medicaid coverage and the MED household has children under age 18 in the household, the DES Change Unit will telephone the household and seek information for the children.
- If the household cannot be reached by telephone, DES will send another notice to the household asking them if they are interested in submitting a short change form or calling the DES Change Unit for their children.
- There are less than 1000 children currently in the MED program.

Ex Parte Determinations:

10-1-11 Non Renewal of MED

- Households will be advised that they can submit a short change form, call the DES Change Unit, submit a paper application or can use the Health-e-Arizona on line application at www.healthearizona.org. There is no charge to the public for using Health-e-Arizona.



Eligibility Appeals:

- The Department of Economic Security has an Office of Appeals, which hears eligibility appeals for eligibility determinations made by DES employees.
- The household has 30 calendar days from the date the decision notice is mailed to request an appeal of the decision.
- A request for appeal can be submitted either verbally or in writing.
- The household or the representative of the applicant may request to withdraw the hearing request at any time.



Eligibility Appeals:

- Benefits may be continued, if the request for appeal is received within 10 calendar days from the date the decision notice is mailed or before the effective date of the action.
- Members will be granted a hearing, and if a timely request is made, continue benefits throughout the appeal process until a final decision is rendered, as long as the appeal raises or suggests a factual dispute regarding eligibility (for instance, asserting that they in fact have categorical eligibility and income within established limits for some category other than MED).
- However, members will not be granted a hearing and benefits will **not** be continued if the action appealed is due solely to a change required by a change in federal or state law, or if the approval period has ended for a time-limited program such as MED (for instance, if the request for an appeal merely objects to the change in law ending the MED program).



Eligibility Appeals:

- Currently DES does not continue benefits beyond the block of MED eligibility. Under this transition plan DES will notify AHCCCS when a household has filed a timely appeal and requested continued benefits.
- AHCCCS will ensure that the household remains open throughout the appeal in the PMMIS system.
- When the final decision is rendered, DES will notify AHCCCS of the decision so that AHCCCS can end the household's MED eligibility.
- If the decision is that the household or some members of the household are eligible under another Medicaid category, AHCCCS will post that eligibility.



Other Communication: Web

- The AHCCCS website, www.azahcccs.gov will be updated continually to reflect program changes as decisions are made.
- The MED transition plan will be posted on the AHCCCS website, www.azahcccs.gov.
- The AHCCCS website will provide opportunity for the public to electronically submit comment. Those comments will be posted on the website.
- Information for members will be posted on the AHCCCS website member portal, www.azahcccs.gov/members, the Health-e-Arizona website, www.healthearizona.org and the DES website, <https://egov.azdes.gov/dbme/faa/myFamilyBenefits>.
- Members can access information about the status of their eligibility at www.azahcccs.gov/members/myahcccs.
- Providers can verify the status of member eligibility at <https://azweb.statemedicaid.us/Home.asp>.



Rule Making Process

- Notice was published statewide through the Secretary of State and statewide newspaper and a 30-day public comment period was provided for both the MED Phase Out Plan and the rule change.
- The Public comment period for the MED Phase Out has closed.



Providers/Health Plans

- AHCCCS will distribute information regarding program changes to all of its contracted health plans.
- Providers will receive information regarding program changes through the monthly AHCCCS electronic newsletter for providers, "Claims Clues."
- The health plans will disseminate information as a component of their normal member outreach tools. AHCCCS health plans have community and provider relations staff that will be able to assist AHCCCS in its efforts to inform members and the public.

Stakeholders/Community

Partners

- AHCCCS will send mass emails to stakeholders and community partners to notify them when the AHCCCS website has been updated with new information.
- AHCCCS will distribute information about program changes to its Health-e-Arizona subscribers. Health-e-Arizona subscribers have 220 locations across the state and are very dedicated to assisting applicants and recipients in applying for or renewing AHCCCS coverage. They will receive complete information about this phase out plan and how they can best assist people.

Stakeholders/Community

Partners

- Although AHCCCS has already held tribal consultation on this matter, AHCCCS will ensure specific communication to the tribes, I.H.S. and 638 facilities and host any consultation or information session as needed.
- AHCCCS is working with the Health-e-Arizona Steering Committee to develop an outreach plan for MED households. The plan includes notification to community partners of the change to the MED program and ideas for assisting MED households. This plan will be added as an appendix to the current MED Phase Out Plan, which will be updated on the AHCCCS website.
- AHCCCS also agreed to provide this training open to the public to walk through the steps of the MED Phase Out Plan.



Next steps

- AHCCCS is awaiting final approval from CMS on the MED Phase Out Plan.
- AHCCCS will not begin the phase out of the MED program until that final approval has been received.