



IBM Cúram Social Program Management

# Cúram Medical Assistance with SpendDown Guide

Version 6.0.4

**Note**

Before using this information and the product it supports, read the information in Notices at the back of this guide.

This edition applies to version 6.0.4 of IBM Cúram Social Program Management and all subsequent releases and modifications unless otherwise indicated in new editions.

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# Chapter 1

## Introduction

### 1.1 Document Purpose

The purpose of the document is to provide a business level overview of the SpendDown Medical Assistance program and the implementation of this program within Cúram Medical Assistance with SpendDown™.

It is important to note that this guide does not describe in detail how to use the Cúram application; it does, however, provide some application specifics where it is deemed helpful to the reader in understanding the SpendDown program.

### 1.2 Audience

This document is intended for business users who are interested in understanding the Cúram implementation of the SpendDown Medical Assistance Program. After reading this document, it is intended that the business user would have obtained a business level understanding of the program, of the specific evidence recorded in the system for the program, and of the processes for checking program eligibility and the creation and management of the SpendDown product delivery.

### 1.3 Available Documentation

Supporting documentation relating to Medical Assistance and associated programs, including SpendDown can be found in the Business Analysts guide titled "Cúram Global Medical Assistance Program Guide".

Users may also find the business guides for other Medical Assistance programs useful. For Long Term Care, see the "Cúram Long Term Care Business Guide". For Children's Health Insurance Program, see

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Cúram Children's Health Insurance Program Business Guide".

# Chapter 2

## SpendDown Medical Assistance Program Overview

### 2.1 About Medical Assistance with SpendDown

Medical Assistance programs with SpendDown are optional Medical Assistance programs which states can choose to provide to individuals who are ineligible for certain Medical Assistance programs because of their higher income standard. The difference between the individual's gross income less deductions and the actual income limit for the particular Medical Assistance program is called the SpendDown amount. SpendDown is calculated on a period basis, and both eligibility and the SpendDown amount are re-determined each period.

A SpendDown period is the defined length of time for which the individual can obtain coverage for Medical Assistance with SpendDown, provided that the individual meets the SpendDown amount calculated for the budget period, the length of which can vary from 1 to 6 months. The budget period is the time frame over which the medically needy individual's income is calculated.

The individual will receive coverage for the Medical Assistance program with SpendDown from the date that the SpendDown amount was reduced to zero until the end of the SpendDown period. The SpendDown period begins on the first of the month in which the individual applies for coverage.

An individual can meet the SpendDown amount by submitting allowed medical expenses, and in some states, individuals can pay cash to reduce the SpendDown amount. This cash payment is called Pay-In. A combination of certain Expenses and Pay-In can be used within a period to meet the SpendDown amount. When the individual meets this SpendDown amount, he or she can receive Medical Assistance coverage from the date that SpendDown was met until the end of the specified SpendDown period. SpendDown does not apply to all Medical Assistance programs. Medical expenses which are allowed to be used to meet SpendDown vary across states and cases.

Many states allow people to SpendDown their income to a state-established

income level by paying or incurring medical and remedial expenses to offset income in excess of the state level. People covered through a SpendDown approach are known as the Medically Needy. A state can provide coverage for the following groups of individuals that are Medically Needy once these groups meet eligibility guidelines or SpendDown to the eligibility guidelines:

- All pregnant women
- All individuals under 18 years of age
- Women who were medically needy during pregnancy must remain eligible for Medicaid services related to the pregnancy for 60-days beginning on the date of her child's birth.

An individual may receive up to 3 months retroactive coverage for a Medical Assistance program with SpendDown once the individual is determined eligible for this program and have met the SpendDown amount for the budget period. The applicable retroactive period is the 3-month period directly prior to the month of application. Coverage in the third month prior to application is only given up to and including the date of application.

## 2.2 The Cúram SpendDown Program

All Cúram Medical Assistance programs involve the caseworker entering evidence which is evaluated against a set of rules to determine whether or not an individual is eligible for coverage. This functionality includes coverage for the following Medically Needy programs: Medically Needy Children and Medically Needy Pregnant Women. When the individual is ineligible for any Medically Needy program due to excess income, the caseworker may choose to determine eligibility using the Check Medical Assistance Eligibility with SpendDown function. This checks eligibility for the following SpendDown programs - Medically Needy Children with SpendDown and Medically Needy Pregnant Women with SpendDown. The decision produces a SpendDown amount, and if the caseworker chooses to proceed, creates a SpendDown product delivery to manage the case for the individual. An individual can meet the SpendDown amount by submitting allowed medical expenses to reduce/meet the SpendDown amount. Some states permit individuals to pay cash, called Pay-in, to reduce/meet the SpendDown amount. A combination of certain Expenses and Pay-Ins can be used to meet the SpendDown amount. When the individual meets this SpendDown amount, he or she can receive Medical Assistance coverage from the date that SpendDown was met until the end of the specified SpendDown period.

In the product, the SpendDown period consists of one budget period, which is set by an environment variable within the system, and is defaulted to one month. The length of the budget period can vary from 1 to 6 months. It is important to note that multiple budget periods within a single SpendDown period, where the caseworker would need to meet the SpendDown in each



budget period of the SpendDown period, are not supported.

### 2.2.1 Evidence

Medical Assistance evidence is the set of data items used to determine a household's eligibility for all Medical Assistance programs. The Evidence chapter provides a summary of the evidence entities that are necessary to capture the additional information required to enable the system to automatically determine the individual's eligibility for Cúram Medical Assistance with SpendDown programs. The evidence entities detailed in this chapter are Medical Expense, and SpendDown-specific entities which include SpendDown Medical Expense, Medical Expense Payment and Pay-In evidence. Existing standard Medical Assistance evidence is not specified in this chapter.

#### Medical Expense Evidence

The SpendDown program uses the existing Medical Expense functionality with some extensions to support the SpendDown program. These enable the caseworker to navigate to the new SpendDown Medical Expense and Medical Expense Payment evidence pages.

#### SpendDown Medical Expense Evidence

A new SpendDown Medical Expense entity has been created. This is used to capture the additional Medical Expense details required for the processing of the Medical Expense towards SpendDown.

#### Medical Expense Payment Evidence

A new Medical Expense Payment entity has been created. This is used to record payments made by a participant to a medical service provider in respect of a Medical Expense for which the participant has payment responsibility.

#### Pay-In Evidence

A new Pay-In entity has been created. This is used to record monthly premiums that participants pay to the state equaling the difference between the family's income and the medically needy income levels. Pay-In payments can be used on their own or in conjunction with certain types of expenses to meet the SpendDown amount.

### 2.2.2 Eligibility Determination

The Eligibility Determination chapter describes the process involved in the determination of eligibility for the SpendDown Medical Assistance program. Eligibility is determined for this program by evaluating evidence re-

corded in the system against a predefined set of rules which are specific to SpendDown. In order for an individual to be eligible for SpendDown, that individual must first be eligible on all categories except income for the Medically Needy Children and Medically Needy Pregnant Woman programs. Assuming the individual meets the initial eligibility criteria, the caseworker can check eligibility for Medical Assistance with SpendDown. Once determined eligible for the Medical Assistance with SpendDown program, the individual must then meet the SpendDown amount for the budget period.

### 2.2.3 Product Delivery Case Creation

This chapter describes the processing involved in the creation of a SpendDown medical assistance product delivery.

### 2.2.4 Additional SpendDown Case Processing

This chapter describes the processing involved in the management of a SpendDown product delivery case after it has been created and includes the following sections:

- **Viewing SpendDown Details** - describes the SpendDown information that can be viewed on the SpendDown details page.
- **Applying towards SpendDown Amount** - describes the functionality for applying and unapplying an existing expense or pay-in towards the SpendDown amount.
- **System Monitoring of SpendDown** - describes the SpendDown system monitoring process that assists the caseworker in monitoring all SpendDown product delivery cases.
- **Reassessment** - describes the reassessment processing that occurs when changes in circumstance are recorded for a SpendDown product delivery case; reassessment is automatically triggered when household or income evidence is changed for an Integrated Case which includes a SpendDown product delivery case; this may result in the recalculation of a new SpendDown amount.
- **Closing Product Delivery Case** - describes case closure processing for a SpendDown product delivery case.

# Chapter 3

## SpendDown Evidence

### 3.1 Introduction

During eligibility determination, the system evaluates a household's evidence against medical assistance rules to determine the household's potential eligibility for Medical Assistance. This chapter outlines the evidence used specifically for Cúram SpendDown eligibility determination and includes information on new evidence entities created for SpendDown as well as changes to existing entities. All of the evidence entities, with the exception of Pay-In, are common evidence stored at the Integrated Case level and accessible by all programs. Pay-In evidence is product specific evidence and thus maintained at the product delivery case level.

### 3.2 Medical Expense Evidence

Changes have been made to the existing Medical Expense evidence to support the SpendDown option.

Since most medical expenses used for SpendDown will be once-off expenses, the current Medical Expense frequency has been updated to support once-off payments. Note, however, expenses with re-occurring frequencies may also be used.

New functionality has also been added to the Medical Expense entity to relate SpendDown and Payment details to a medical expense record.

### 3.3 SpendDown Medical Expense Evidence

A new SpendDown Medical Expense evidence entity has been created which is used to capture the SpendDown Medical Expense details. This evidence entity is linked to the Medical Expense evidence entity and is required for the processing of Medical Assistance with SpendDown programs.

Medical expenses are recorded for household members and may be for a service received by either a household member or another individual, provided that the household member has the responsibility for payment of all or part of the expense for the individual.

To enable the caseworker to decide how much of an expense can be used towards a SpendDown period, it is necessary to record the portion of the total expense which the household member has the obligation to pay. The Spend-Down Medical Expense entity is used to record this evidence.

Not all expenses can be used towards meeting a SpendDown. Expenses must first be validated, classified, and then specific rules define the order in which expenses must be used towards SpendDown. The system will automatically validate, classify and define the sort order of the expenses available for use for a period.

To enable the system to perform these functions, the case worker must enter the following additional information on the SpendDown Medical Expense

- Who received the service to which the Medical Expense relates and indicate if the service recipient lives at home with the person responsible for payment of the expense
- Indicate if the service is medically necessary
- Indicate if the service is for a service covered under Medicaid
- Indicate if there is any third party liability related to the expense
- Indicate if service recipient has HMO
- Indicate if the service is of a type which is state covered

Classification of the expense can be entered by the caseworker at time of entry. If this field is populated, the system will not attempt to classify the expense. If the field is left blank, the system will automatically classify the expense. This can be subsequently overwritten by the caseworker.

### 3.4 Medical Expense Payment Evidence

A new Medical Expense Payment evidence entity has been created to support the SpendDown eligibility determination process. This evidence entity is linked to the Medical Expense evidence entity. Medical Expense Payment evidence is recorded for a participant who has made a payment to a medical service provider in respect of a Medical Expense for which they have payment responsibility. Multiple medical expense payments may be made in respect of a single medical expense. It is necessary to capture the payment method the household member used when paying the medical service provider for the Medical Expense. Valid payment methods are cash, check, EFT and credit card.

### 3.5 Pay-In Evidence

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A new Pay-In evidence entity has been created to support the SpendDown eligibility determination process. Pay-In is the term given to payments made by households to State Authorities when the household's income level is slightly higher than the income limit for a Medically Needy Medical Assistance program. Pay-In payments can be used on their own or in conjunction with certain types of expenses in order to meet the SpendDown amount. Valid payment methods are cash or check.

Pay-In evidence is directly associated with a SpendDown product delivery and is captured as product specific evidence. The Pay-In can be used towards any SpendDown period or multiple periods of that product delivery until the total Pay-In amount has been used. When the caseworker captures a Pay-In, a new Pay-In record is recorded for the household member. The recording of payments received is controlled by an environment variable which can be turned off if not using Cúram Financials. If the environment variable to generate Cúram Financials is turned on, the system automatically generates a Payment Received record within the Cúram Financial module. When the caseworker updates or deletes a Pay-In, these financial records are automatically updated.

# Chapter 4

## Eligibility Determination and Product Delivery Case Creation

### 4.1 Introduction

This chapter outlines the process for determining eligibility for the Spend-Down Medical Assistance program and for creating the SpendDown product delivery.

### 4.2 Check Eligibility for Medical Assistance Programs with SpendDown

The current Medical Assistance functionality in the product has been extended to include SpendDown eligibility determination as well as functionality to manage the SpendDown process. The following is a high level summary of the check eligibility functionality.

Caseworkers are provided with the ability to

- Check eligibility for a limited number of programs with SpendDown
- View the decisions (eligible & ineligible)
- View the automatically calculated SpendDown amount

#### 4.2.1 Check Eligibility for Medical Assistance

To check eligibility for Categorically Needy and Medically Needy programs, the caseworker selects to enact the Check Medical Assistance Eligibility process from the Integrated Case home page. Caseworkers can then view the Medical Assistance eligibility result.

When the household member is ineligible for any Medically Needy program

due to excess income, the caseworker can check eligibility for the following Medically Needy Children with SpendDown and Medically Needy Pregnant Women with SpendDown programs.

### 4.2.2 Check Eligibility for Medical Assistance with SpendDown

The caseworker checks eligibility for Medical Assistance with SpendDown program by accessing the Check Medical Assistance with SpendDown page. This page is accessed via the navigation bar on the Medical Assistance Eligibility Result page or the View Medical Assistance Eligibility Result page.

On the Check Medical Assistance Eligibility with SpendDown page, the caseworker must define the date on which eligibility is checked for the SpendDown program and select the Check Eligibility button. This triggers an automatic workflow process which checks for potential eligibility across all Medically Needy Programs with SpendDown on the date specified by the caseworker and calculates the estimated SpendDown amount.

SpendDown is calculated on a period basis. Eligibility and the appropriate SpendDown amount must be re-determined each period. When the individual meets this SpendDown amount, he or she can receive Medical Assistance coverage from the date that SpendDown was met until the end of the specified SpendDown period.

## 4.3 Rules

In the Cúram SpendDown eligibility process, business rules are applied to the evidence captured on an individual or household to determine potential eligibility for Medical Assistance with SpendDown. The Medically Needy rules applied to the evidence captured (Household, Income, Resources, Expenses) are based on the Categorically Needy rules; however, the Medically Needy Income Limits are used in determining eligibility for SpendDown.

## 4.4 View Eligibility Decisions for Medical Assistance Programs with SpendDown

Upon completion of the Check Medical Assistance with SpendDown Eligibility workflow, a task is created in the caseworker's inbox.

The caseworker views the results of the eligibility check from within the task and is presented with the Medical Assistance with SpendDown Eligibility Results page. The SpendDown program name and amount which the household member must SpendDown in order to obtain coverage is displayed in the eligibility result. The caseworker progresses the task by selecting the tick box in the apply column, and creates the Product delivery by clicking the Create Program(s). If the household member does not want to proceed with the SpendDown for this period the caseworker may choose to close the task. Functionality exists, as with other Medical Assistance pro-

grams, to allow the caseworker to view any ineligible decisions when an individual has failed the eligibility check.

### 4.5 Create Product Delivery Case

A SpendDown product delivery case can be created for household members who are found potentially eligible for SpendDown as part of the Check Eligibility for Medical Assistance with SpendDown process. As part of creating the SpendDown product delivery case, the caseworker must enter the date of application. This is the date on which the application for Medical Assistance with SpendDown is received by the organization.

In addition to the SpendDown product delivery case, a SpendDown details record is created for the household member(s). The household member must then furnish sufficient Medical Expense evidence or provide Pay-In, which the caseworker records as evidence in the system.

Caseworkers are then required to enter additional SpendDown Medical Expense information to enable the system to classify the expense, automatically determine if it can be used, and present the available expenses to the caseworker in the appropriate order for use toward the particular SpendDown period.

The caseworker manages the SpendDown for a period via the SpendDown Details page. The caseworker can access the SpendDown Details page from a link on the navigation bar of the product delivery home page. This brings the caseworker to a list page which provides a view of the SpendDown details for all SpendDown periods within the current product delivery. Viewing any of these records opens the SpendDown Details page for the selected SpendDown product delivery case and contains the SpendDown details for that period.

### 4.6 Check Retroactive Eligibility for Medical Assistance with SpendDown

An individual can apply for retroactive coverage once determined eligible for Medical Assistance with SpendDown and once he or she has met the SpendDown amount for the period. The individual can receive a maximum of 3 months retroactive coverage. This covers the three-month period directly prior to the date of application for the SpendDown program.

Individuals can also apply for retroactive coverage when there has been a break in program coverage of 30 days or more and they have not received coverage under any other program (except Cost Sharing) during that period. Retroactive coverage will only be given on a month by month basis during this period up to a maximum of 3 months. Each month within the retroactive period is treated as a separate SpendDown period. Individuals must meet both the program eligibility requirements and the SpendDown amounts in each individual month in order to receive retroactive coverage for that



month.

The caseworker can trigger the system to check for retroactive eligibility on a specified date by selecting the Check Retroactive SpendDown Eligibility button on the SpendDown product delivery home page. The caseworker is presented with eligibility results from which the caseworker can select to create or reuse a program depending on whether or not a previous Spend-Down product delivery exists for this program on the Integrated Case for the household member.

# Chapter 5

## Additional SpendDown Case Processing

### 5.1 Introduction

This chapter describes the additional case processing available to maintain and monitor a SpendDown product delivery case throughout its lifecycle. It begins with an overview of the information that can be viewed for a SpendDown product delivery case. The chapter then describes how a caseworker can apply a household member's expenses or pay-ins towards the SpendDown amount. The chapter also describes the system monitoring of SpendDown. System monitoring assists the caseworker in monitoring the outstanding SpendDown amounts over time. The last two sections of the chapter describe reassessment processing and case closure for SpendDown product delivery cases.

### 5.2 Viewing SpendDown Details

From the SpendDown product delivery the caseworker can view the details of all SpendDown periods and SpendDown details records. The SpendDown Details page displays the start and end dates of the SpendDown period, the SpendDown amount for the period, the outstanding amount, the SpendDown status, whether or not SpendDown has been met, the reason if not met, and the product delivery status at that instance.

The SpendDown Details page also displays the list, amounts and order in which Expenses/Pay-Ins have already been selected for use towards the SpendDown period. The Applied Expense and Applied Pay-In sections are not populated in the initial evidence details record of a new SpendDown period as nothing has been applied to the SpendDown.

#### 5.2.1 SpendDown Coverage Start Date

The date of SpendDown coverage is based on a number of factors including

the date of the last evidence item used to reduce the outstanding SpendDown amount to zero, the date of application for the period and the start and end dates of the SpendDown period. Using the normal process as an example, the date of application is earlier than the SpendDown period end date. When the date of the last evidence item used to meet SpendDown is before the date of application, then the coverage start date is set to the date of application. When the date of the last evidence item used to meet SpendDown is after the date of application, then the coverage start date is set to the date of the evidence item. For a Medical Expense, this is captured by the incurred date, and for a Pay-In the date paid is used.

## 5.3 Applying towards SpendDown Amount

The caseworker selects the evidence and the amounts to apply towards the SpendDown from either Expenses or Pay-Ins by selecting the required "Apply From" link on the page. Caseworkers can apply amounts directly from existing Expenses/Pay-Ins. Selecting an amount to apply from an Expense/Pay-In will automatically recalculate the outstanding amount. Caseworkers repeat this process of allocating amounts until the outstanding amount is reduced to zero.

### 5.3.1 Order in which Expenses/Pay-Ins are applied towards SpendDown

The system will initially define the order in which the expenses should be applied. This is presented to the caseworker in the list of expenses available for use. When the caseworker selects to use an Expense/Pay-In, the systems assigns an order number to the evidence item. The first evidence item selected for use is assigned an order number of 10, and each subsequent evidence item increases in increments of 10.

Caseworkers can modify the order of use and the amounts of evidence selected by selecting the edit option on the item they wish to modify in the list of Applied Expenses/Applied Pay-Ins. If the caseworker wishes to have one piece of evidence used before another piece of evidence they just set the order number on that evidence item to a number less than the order number of the previous evidence item, the lowest order number is 1.

### 5.3.2 Apply from Existing Expense

The caseworker can view the current outstanding SpendDown amount, select an available expense and specify the amount to apply from that expense towards SpendDown. The caseworker can only select one expense from the list per transaction. The expenses returned in the list have been automatically validated, classified and ordered for use based on the information recorded by the caseworker.

Expenses returned in the list will include valid expenses which were deemed

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to be for medically necessary services, which have an available amount for use towards SpendDown and which are not on hold. An indicator on the medical expense entity determines whether or not the expense is on hold. Valid expenses include:

- Expenses which have occurred within valid time limits retrospectively from the SpendDown period start date
- Unpaid expenses or part paid expenses
- Expenses paid in a retroactive month or application month are only available for use until the end of the application month.
- Expenses which have been incurred by a family member regardless of whether or not they reside with the household member; the family member must be one of the following:
  - Covered by Medical Assistance
  - Disqualified from Medical Assistance
  - Individual within the Medical Assistance unit from whom income is deemed
- State paid bills

System logic will automatically classify all previously unclassified Medical Expenses entered in the system as either Incurred or Deductible expenses using the following criteria:

- Incurred
  - Expense incurred is for a service which would be covered by Medical Assistance
  - Is incurred by a person who was covered under a Medical Assistance program at the time the person incurred the expense
- Deductible
  - Is a Medically Necessary expense incurred by a family member who was not eligible for Medical Assistance
  - Is an expense incurred for Medically Necessary services which is not payable by Medical Assistance
  - Is an expense incurred by a person for Medically Necessary services on a date when the person was not eligible for Medical Assistance coverage, and includes all dates in the retroactive period irrespective of actual date of application for Medical Assistance

This classification is then used by the system to define the order in which the available expenses should be used towards SpendDown. The system will

sort the expenses according to the following logic with the oldest first. It is in this order that expenses will be presented to the caseworker for selection in the list of available expenses displayed in the Apply from Existing Expense page.

- Sort Order
  - Paid Expenses(Paid in Full), oldest paid first; oldest paid relates to the date on which the expense was paid in full.
  - Expenses incurred and paid (Paid In Full) in the month of application or retroactive months, oldest first
  - Unpaid expenses classified as Deductible expenses, oldest first
  - Unpaid expenses classified as Incurred expenses, oldest first

Expenses which are not available for use are stored by the system but are not presented to the caseworker.

### 5.3.3 Apply from Existing Pay-In

The caseworker can view the current outstanding SpendDown amount, select an available Pay-In and specify the amount to apply from that Pay-In towards SpendDown. The caseworker can only select one Pay-In from the list per transaction. The list of available Pay-Ins returned are listed in the order of oldest first.

### 5.3.4 Modify Applied Expense/Pay-In

The caseworker can modify the amount of an Expense/Pay-In which has been previously specified by the caseworker to be applied to the SpendDown period, or modify the order number of the Expense/Pay-In.

Validations exist to prevent entering an amount that is greater than the outstanding amount or greater than the amount available on the Expense/Pay-In.

The current SpendDown Details record is either updated or superseded. If the Modify Applied Expense/Pay-In is performed in a SpendDown period where the SpendDown status is "Not Applied", the current SpendDown Details record is updated rather than superseded. The amount used and the amount available for use for each Expense/Pay-In is updated and listed on the SpendDown Details page. If the SpendDown status is "Applied" then the record is superseded and a new record is created with the updated details. If, as a result of the modification, the outstanding amount is greater than 0, then the SpendDown details must be modified accordingly.

### 5.3.5 Undo Applied Expense/Pay-In

The caseworker can undo the application of the amount of an Expense/Pay-In which has been previously specified by the caseworker to be applied towards the SpendDown period.

If the Undo Applied Expense/Pay-In is performed in a SpendDown Period where the SpendDown status is "Not Applied", the current SpendDown details record is not superseded and the Expense/Pay-In is updated with the amount used and the amount available for use. The current SpendDown details record is updated, and the Expense/Pay-In is removed from the list of Applied Expenses/Pay-Ins. If the SpendDown status is "Applied", then the record is superseded and a new record is created with the updated details. If, as a result of the undo, the outstanding amount is greater than 0, then the SpendDown details must be modified accordingly.

### 5.3.6 Undo Apply Towards SpendDown

Functionality exists to undo the application of all evidence (both Expenses and Pay-Ins), which had been previously specified by the caseworker to be applied towards the current SpendDown period (regardless of whether the evidence has been applied towards SpendDown or not) in a single request. To undo, the caseworker selects the Undo Apply Towards SpendDown link from the Options section in the SpendDown Details page. The outstanding SpendDown amount is automatically updated.

The system then automatically updates the evidence, and the evidence items will be available to the caseworker for selection in the appropriate SpendDown periods. The old SpendDown Details record for the period is either superseded or updated depending on the current SpendDown status.

The updated/superseded record shows the standard SpendDown details including the SpendDown amount and the new outstanding amount, but the Applied Expense and Applied Pay-In sections are not populated in the record. Caseworkers must then manually apply evidence again to each of the periods effected.

### 5.3.7 Apply Towards SpendDown

The caseworker can manually proceed with the application of the selected evidence towards the SpendDown period by selecting the Apply Towards SpendDown link in the Options section of the SpendDown Details page.

Validations check the combination of evidence entered, and providing there are no errors, the system will automatically check the outstanding SpendDown amount for the period. If the outstanding amount is zero for the period, the system automatically updates the following:

- The SpendDown status for the current period is set to "Applied" and the outstanding amount set to zero.
- The product delivery is set to Active when the SpendDown period is the current period.

- The SpendDown met indicator is set to "Yes" and the SpendDown coverage date is populated.
- The Expense/Pay-In is updated with amount used and amount available for use.
- A "SpendDown Program Coverage Active" communication is issued to the household member. This communication outlines the SpendDown details for the period, the coverage period, and the evidence used to meet the SpendDown.

### Reason SpendDown Not Met

When the outstanding amount is not zero, the caseworker must enter a reason to indicate why SpendDown cannot be met for the period. Once the reason is entered and the caseworker selects to save, the system will automatically set the status of the product delivery to "Closed" when the SpendDown period is the current period. The product delivery status will not be reset if the SpendDown period is a past period. The SpendDown status for the period is set to "Applied", and the SpendDown Met indicator is set to "No". SpendDown cannot be met for this period, so the system reverses the application of the amounts specified from the Expenses/Pay-Ins and updates the amounts available.

### 5.3.8 Apply To Period

This functionality allows the caseworker to request the system to automatically apply all evidence towards SpendDown across multiple periods in a single transaction. The system does this for all SpendDown periods where the SpendDown status for the period at that instance is "Not Applied" and the "Outstanding Amount" has been reduced to zero.

The system performs a check on the combinations of evidence used towards the SpendDown. If there are no validation errors for any of the periods, the system will proceed and apply the evidence towards SpendDown for all periods where the SpendDown status for the period at that instance is "Not Applied" and the "Outstanding Amount" was reduced to zero. If the system detects any validation errors on any period, the caseworker is presented with a validation message, and the evidence is not applied to any of the periods.

For each period, the system automatically updates the following:

- The SpendDown status for the each period is set to "Applied" and the outstanding amount set to zero.
- If the SpendDown period is the current period, the product delivery case is set to "Active".
- The SpendDown met indicator is set to "Yes" and the SpendDown coverage date is populated for each period.
- The Expenses/Pay-Ins are updated with amount used and amount avail-

able for use, and a "SpendDown Program Coverage Active" communication is issued to the household member for each period.

### 5.3.9 Undo Apply To Period

Changes in Circumstance reflected in changes to SpendDown evidence may impact the Expenses/Pay-Ins and/or amounts that were used in current or past periods for the current product delivery. To correct the SpendDown, the caseworker may have to go back and undo the application of Expenses/Pay-Ins that were used from that period and reapply the amounts.

The functionality allows the caseworker to request the system to automatically undo the application of all evidence (both Expenses and Pay-In) which had been previously applied to a specified SpendDown period. If the caseworker specifies a past period, the system will undo the application of evidence from that period onwards. If the period specified is the current period, the system will undo the application of evidence from the current period only and past periods will not be effected.

The system automatically updates the evidence and the evidence items will be available to the caseworker for selection in the appropriate SpendDown periods. All Expenses and Pay-In evidence which were previously used are updated with the amounts used and the amounts available for use.

The current SpendDown Details record is updated or superseded depending on the current SpendDown status. Caseworkers must then manually apply evidence again to each of the periods effected.

## 5.4 System Monitoring of SpendDown

Once a household member has been determined potentially eligible for SpendDown and has been notified of the SpendDown amount, that member must supply the Expense/Pay-In information to the caseworker before the end of the SpendDown period.

It is the household member's responsibility to provide the caseworker with sufficient Medical Expense evidence or Pay-In to meet the SpendDown within the required time frames. A SpendDown system monitoring process is provided to assist the caseworker in monitoring all SpendDown product delivery cases which have an outstanding SpendDown amount for any period where the "SpendDown not met Reason code" has not been set for the period.

The following are the predefined timers which are set by environment variables within the system. Note that these timers use the default system dates. Note also that these timers can be turned on/off at installation.

- Timer 1: End of SpendDown period approaching, set at 10 days before the end of the SpendDown period
- Timer 2: End of SpendDown period, set as last day of month in system



(as SpendDown period is defaulted to 1 month within the system)

- Timer 3: SpendDown Period Expired, set at 10 days post the End of SpendDown Period in system
- Timer 4: Case Clean up Timer, set at 10 days post Timer 3 in the system

The system checks the outstanding SpendDown amount at the various expiry times during the course of the SpendDown period. If the SpendDown for a period has not been met at the expiry of any of these timers, the system automatically generates a task to notify the caseworker of the outstanding amount. The caseworker can then check the available expense/pay-in information recorded in the system, and apply if possible, or contact the household member and advise them of the status of the SpendDown for that period.

Once the SpendDown has been reduced to zero for the period and applied towards SpendDown, the SpendDown Met indicator is set to "Yes".

In the event that the SpendDown cannot be met for the period, the caseworker sets the "Reason SpendDown Not Met" by selecting the appropriate reason code from a list of reason codes populated by a code table.

In the event the SpendDown has not been met, and the "SpendDown Not Met" code has not been set within the expiry of the SpendDown period, Timer 4 then runs, which automatically sets the SpendDown period to "Applied" and sets the SpendDown not met reason code to "Auto closure due to inactivity". The SpendDown product delivery is then closed if no new application has been received for a current/future SpendDown period for that product delivery.

Active SpendDown product deliveries are automatically closed at the end of the SpendDown period if no new applications have been received for a future period.

## 5.5 Reassessment

A SpendDown case can be reassessed at various stages over a given period of time when a change of circumstance has occurred. Reassessment detects whether an individual is potentially eligible for other Medical Assistance programs. If ineligible, the system recalculates the SpendDown amount for the period(s) effected by the change in evidence. The reassessed amount may be greater or less than the previously calculated amount and thus different processing is required to handle this. The household member may decide it is not beneficial to retain coverage after reassessment. This section details the possible change in circumstances and their impact.

### 5.5.1 Change in Circumstance Processing

Changes made to income, expense or household evidence for Integrated

Cases which have a SpendDown product delivery case will have their SpendDown product delivery cases reassessed. A household member may have been eligible for different Medical Assistance programs in different SpendDown periods, and it is therefore possible that he or she may have a few different SpendDown product delivery cases on the same Integrated Case. The household member can only have one current (open, approved, active, rejected, suspended) SpendDown product delivery case in any SpendDown period.

Changes to Income and/or Expenses evidence, for example Child Support, Dependant Care, Employment evidence, may reduce or increase the income and may also trigger reassessment.

The addition or removal of a household member may also increase or decrease the income of the household, thus requiring reassessment.

An income change tolerance amount is defined as an environment variable which when set, will prevent any system action on existing SpendDown periods provided the income evidence changes are within the agreed tolerance amount of the original total net income of the income unit. The tolerance is defined as a percentage of the total net income and is defaulted to 1% within the system. The income change tolerance only applies to changes in income; it does not apply to changes in income limits.

If the evidence change occurs in the current period, only the current period is effected. If the evidence change effects a past period, all periods from that point onwards will be reassessed.

It is understood that household members must provide details of change in circumstances/evidence within a timely manner, normally within 10 days of the occurrence of the change and thus most evidence changes only effect the current period. However it is necessary to support reassessment across past periods to cater for acceptable late arriving evidence or inaccurate evidence details entered in error by the caseworker.

### Check potential eligibility for other Medical Assistance Programs

When an existing SpendDown product delivery case is reassessed and the system determines that there has been an evidence change which causes the SpendDown amount to be reduced to zero for the period, the system automatically generates a task in the caseworker's inbox to notify the caseworker to check eligibility for all Medical Assistance programs. This is necessary when changes could reduce the household income to below the income limit for another program or increase the income limit for a program for which the unit was previously ineligible, which may then enable the household to become eligible for a program without SpendDown.

If after the eligibility check the household is eligible for any other program without SpendDown, the system generates a task in the caseworker's inbox, prompting the caseworker to view the results. The household member must then submit an application to request coverage under the new program. Before the caseworker can create the new product delivery case for the house-

hold member, the caseworker must close the current SpendDown product delivery case and then create the new product delivery case. For Spend-Down product delivery cases in an active state upon closure, coverage is provided to the end of the month in which the product delivery case was closed.

### Recalculate the SpendDown Amount

When the household is not eligible for another program as a result of the change of evidence, reassessment triggers the recalculation of the Spend-Down amount for the period(s) effected by the change in evidence. The new recalculated amount may be greater or less than the previously calculated amount and thus different processing is required to handle this.

### New SpendDown Amount greater than old SpendDown Amount

If the newly recalculated SpendDown amount is greater than the previous amount for that SpendDown period, and the previous SpendDown amount was met for the period, the system automatically updates several records. The current SpendDown Details record for that period is superseded, the outstanding amount and SpendDown details are updated with the indicator reset to not met. If the change occurs in the latest SpendDown period, or if in past period when product delivery case status is closed, then the product delivery case status is reset to "Approved". If it is a past period and the product delivery case status is other than closed, the status of the product delivery case is not reset.

The system generates a task in the caseworker's inbox to notify him or her of the change to SpendDown period and the new outstanding amount, and requests the caseworker to issue the "Recalculation of SpendDown Amount - Outstanding SpendDown Amount" communication to the household member which details the old SpendDown amount, the new SpendDown amount and the outstanding SpendDown amount. The caseworker may then either choose to retain coverage for the effected period or not, and there are different processes required to cater for either possibility which are detailed below.

This process is repeated for each period effected and tasks and notifications are generated in respect of each individual period effected.

### Retain Coverage after recalculation of SpendDown amount

If the caseworker chooses to retain coverage for the effected period, he or she must meet the new SpendDown amount by using existing or submitting new Expense/Pay-In evidence to reduce the new Outstanding SpendDown amount to zero. If it is a past period that is effected, the caseworker must undo the application of all Expense/Pay-In evidence from the beginning of the following SpendDown period onwards, so as Expense/Pay-In evidence is applied correctly from the effected period onwards. The caseworker can view the information in the current SpendDown Details record for the peri-

od and apply the evidence for use towards the SpendDown.

Once the outstanding SpendDown amount has been reduced to zero and the evidence has been applied towards SpendDown, the system automatically sets the current SpendDown status for each period to "Applied", sets the SpendDown met indicator to "Yes" and adjusts the coverage start date, if necessary. The expenses are updated with the amount used and amount available for use, and when the SpendDown period is the current period, the product delivery case status is set to "Active"; if SpendDown period is a past period, the product delivery case status is not reset.

A communication is issued to the household member, "SpendDown Program Coverage Active", which outlines the SpendDown details for the period, and shows the date SpendDown was met, the coverage period, and the evidence used to meet the SpendDown.

### Not Retain Coverage after recalculation of SpendDown amount

The caseworker may choose not to retain coverage for the effected period, as he or she decides it is not beneficial to do so, or there are insufficient expenses to meet the new higher, re-calculated SpendDown amount. The caseworker sets the "SpendDown Not Met Reason Code" to "Client Declined".

The system automatically undoes the application of the Expenses/Pay-Ins used in the period so they are available for use in a future period. If it is a past period, the system generates a task for caseworker to inform him or her that expenses have been unallocated from past period, so he or she should undo the application of all expenses from that point on and reallocate correctly from that point onwards. As coverage is not retained, the SpendDown met indicator is set to "No", the used amount and available for use amounts on the expenses are updated.

A task informs the caseworker to create an overpayment case, and a second task requests the caseworker to generate a "Recalculation of SpendDown - Coverage Not Retained" communication to the household member which details the old SpendDown amount, the new SpendDown amount, the outstanding SpendDown amount and the reason SpendDown has not been met.

If the period effected is a current period and no applications have been received for a future period, the caseworker must trigger the standard close case function from the product delivery home page.

### New SpendDown Amount less than old SpendDown Amount

If the newly recalculated SpendDown amount is less than the previous amount for that SpendDown period, it can bring about two possibilities:

- Where the SpendDown was met for that period as a result of the recalculation, the household member has overpaid for the period and the overpayment must be addressed.
- Where the SpendDown was not met for that period, but with the new re-

calculated lower SpendDown amount, the household member could have been able to meet it with the expenses available at that point in time and the potential eligibility must be addressed.

### Over Payment due to Recalculation of SpendDown

When the system detects that there has been an overpayment by the household member towards a SpendDown period due to recalculation of SpendDown, the system automatically supersedes the current SpendDown Details record for that period. The new negative outstanding amount is updated on the current SpendDown Details record, which indicates the amount by which the household member has overpaid.

A task is generated in the caseworker's inbox to notify him or her of the change to the product delivery case which requests him or her to undo the application of amounts in the appropriate order from the SpendDown. Tasks are created for each SpendDown period effected.

### Potential Eligibility for Medical Assistance program with SpendDown due to Recalculation of SpendDown

The system automatically recalculates the SpendDown amount as a result of reassessment. In the instance where the SpendDown amount is reduced and the household member did not meet the previously higher SpendDown amount, the member may have possibly been able to meet the lower SpendDown with the expenses available at the time. The system cannot determine if the household member could have met it, and it is therefore necessary for the household member to be given the option to reapply for the past period. The system automatically supersedes the current SpendDown Details record for that period and updates with the new lower SpendDown amount.

A task is generated in the caseworker's inbox to notify him or her of the change to the product delivery case and requests the caseworker to generate an "Eligible for Medical Assistance Program with SpendDown" communication to the household member, which notifies the household member of his or her potential eligibility and the SpendDown amount and indicates that the household member must submit an application should he or she wish to try to obtain coverage for the specified period.

### Ineligible after Reassessment

When reassessment returns an ineligible result for a previously eligible SpendDown period, the system must close the product delivery case and update the end date of the SpendDown period depending on the length of the SpendDown period.

As an addition to this, a task is created to inform the caseworker that a previously eligible case is now ineligible as a result of reassessment and requests the caseworker to manually create an overpayment case.

### 5.5.2 Eligibility Renewal

The current implementation of the SpendDown program does not cater for eligibility renewal. If a household member wants coverage for an ensuing period, the caseworker follows a manual process whereby the claimant must reapply for SpendDown.

## 5.6 Closing Product Delivery Case

A SpendDown product delivery case may be closed at any point in the life-cycle of the product delivery. The caseworker can close a product delivery by choosing the close link on the product delivery home page. When the caseworker submits the close request, the system automatically:

- Sets the status of the product delivery case to closed
- Issues the appropriate communication to the household member (defined by templates)
- Closes all tasks associated with the case

In the event that the manual closure is requested before the end of a SpendDown period, the system automatically sets the end date for the SpendDown period to the last day of the month in which the product delivery was manually closed.

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