



Bulletin

NUMBER

#15-25-05

DATE

March 10, 2015

OF INTEREST TO

County Directors

Social Services Supervisors
and Staff

Alternative Care Program
Administrators

Tribal Agency Directors

County Fiscal
Administrative Staff

Community Health Services

County Financial Workers

ACTION/DUE DATE

Please read information
and note new MMIS
instructions in section IV

EXPIRATION DATE

March 10, 2017

Alternative Care (AC) Program Fee Procedures, Billing, Long-Term Care Insurance Policy, and Estate Recoveries

TOPIC

Provide updated information on the responsibility of the lead agency to collect overdue fees, estate recovery of AC expenses, and long-term care insurance policies.

PURPOSE

This bulletin replaces bulletin 12-25-05. New MMIS changes to identify the AC Fee Effective Date are included.

CONTACT

Submit policy questions through [PolicyQuest](#).

For MMIS data entry questions contact the DSD Resource Center at dhs.resourcecenter@state.mn.us.

SIGNED

LOREN COLMAN
Continuing Care for Older Adults Administration

TERMINOLOGY NOTICE

The terminology used to describe people we serve has changed over time. The Minnesota Department of Human Services (DHS) supports the use of "People First" language.

I. BACKGROUND

Minnesota Statutes, section 256B.0913, subdivision 12(a) states that a fee is required for all Alternative Care (AC) eligible clients to help pay for the cost of participating in the program. The 2001 legislative session approved changes to the Alternative Care (AC) fee billing and receipting process (see Minnesota Statutes, section 256B.0913, subdivision 12 and 14). After December 31, 2001, the department assumed partial responsibility for the technical portion of the process, namely generating monthly bills (invoices) and receiving payments from clients. The department began billing and collecting fees for service months beginning with January 2002 through the department's premium/fee billing unit.

The Medicaid Management Information System (MMIS) and the premium billing system interface monthly to transfer and record AC fee information so that billing can occur. The accuracy and timing of the billing process is dependent on the MMIS data entered. The service agreement entered into MMIS identifies the fee amount and effective date and actual billing and collection is completed through premium billing unit.

The 2003 legislature changed Minnesota Statutes, section 256B.15, subdivision 1 to include AC payments under Minnesota Statutes, section 256B.0913. Lead agencies file estate claims to recover AC Program payments.

II. ROLE OF THE LEAD AGENCY-AC FEES

The lead agency's role is to:

- Calculate the amount of the fee using the Alternative Care Program Eligibility Worksheet (DHS 2630 and 2630A),
- update the LTCC screening document and service agreement, and
- assist with collection of fees. This includes making arrangements with clients for past due fees and future payments (see Section IX – Overdue Fees). All AC services are included in the estimated costs for the purpose of determining the fee.

Fees are due and payable each month AC services are received unless the actual costs of the services are less than the fee, in which case the fee is the lesser amount. Fees are calculated and payable the first full month of the delivery of AC services. Fees must remain the same unless the actual cost of the services falls below the calculated fee amount.

Case managers should check the cost of services related to the client fee on a regular basis within the 12 months of the client's AC span and at reassessment for the program. Fees must be decreased if the client did not use the predicted amount of services. Adjustments of the fee amount can be made retroactively. Case managers can request a claims history using form DHS 2133 to help identify claims received for AC services. AC fee payment histories can be requested by lead agencies through e-mail DHS.MADE@state.mn.us

Fees can be waived when:

- The person is residing in a nursing facility;
- A married couple is requesting an asset assessment under the spousal impoverishment provisions;
- A person is determined to be eligible for AC, but is not yet receiving AC services including case management;
- A person has chosen to participate in a consumer directed service plan for which the cost is no greater than the total cost of the person's AC service plan less the monthly fee amount that would otherwise be assessed;
- A person's income and assets determine no fee is required or
- A person is receiving Temporary AC

III. ROLE OF THE SCREENING DOCUMENT (DHS 3427) IN IDENTIFYING THE ADDRESS FOR INVOICING

The LTCC screening document identifies the address where the fee invoice will be mailed. This address is recorded in Section H of the screening form and is entered on the ALT6 screen in MMIS. **NOTE:** while it is imperative that future address changes are recorded on the MMIS screen (for service agreement letter delivery), changes to the address on the MMIS screen will not change the billing address. Whenever the billing address changes, the local lead agency must use e-mail to note the change to the department. Internet e-mail DHS.MADE@state.mn.us is used to submit the following information:

Subject: AC Fee Address Change
Message: Client's initials, PMI number, and corrected or new guardian address

IV. ROLE OF THE SERVICE AGREEMENT (DHS 3070) IN IDENTIFYING THE FEE

The dollar amount and billing date of the fee are recorded by the lead agency on the ASA2 screen of the service agreement in MMIS. These fields are mandatory for all AC clients and must be entered or updated whenever an AC client enters the program, a fee is initiated, and/or the dollar amount changes even when the value is zero ("0"). Note: when exiting the person from the AC program the AC Required Fee Amount field must be changed to zero to avoid edits 190 and 961.

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NEXT: ASA3 08/13/10 14:15:02 MMIS SERVICE AGMT - ASA2 PWLMG30 08/13/10 PVMW92
      AUTHORIZATION NBR: 0225 900 1 018

AGMT TYPE/STAT: N S SUSPENDED   PROV NBR/TYP:
RECIP NAME/ID:                               01235349 SEX:   AGE/LA:

      STAT ASN:                               SEND RECIP LTR(Y/N):
      ATTACH(Y/N):                             SEND PROV LTR(Y/N): Y
      SACTAD NBR:                             AC FEE PAYMENT METHOD:
                                           AC PARTIAL PAYMENT:
      OVR LOC:                                AC REQUIRED FEE AMOUNT:
                                           AC FEE EFFECTIVE DATE (MM/YY):
CLAIMS UPDT DT:                             PROV COMMENTS: N
      INPUT MEDIA: 0 EXAM ENTRY                RECIP COMMENTS: N
RESP PARTY(Y/N):                             DHS COMMENTS: N
FISCAL INT(Y/N):                             LIVES WITH RESP PARTY(Y/N):
      EXCLUDED TIME:       RESP PARTY NAME:
LI EXC ST USER ID  LI EXC ST USER ID  LI EXC ST USER ID  LI EXC ST USER ID

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The AC Fee Payment Method field records how the fee is paid. It is a mandatory field that will cause the message *Correct Highlighted Fields* to appear at the bottom of the screen if left blank. All new and changed service agreements will require this field to be completed. You will not be able to leave this screen without populating the AC fee Payment Method field. The values for this field are:

- 00 – the client is paying the monthly fee
- 01 – a representative payee is appointed
- 02 – fee is automatically withdrawn from a financial account (an online payment; not automatic withdrawal plan – AWP)
- 03 – the family is involved in the financial management of payments
- 04 – another method acceptable to the lead agency to ensure prompt fee payment is used
- 05 – client is making a partial payment

- 06 – no fee

The AC Partial Payment field records the partial fee that the client has agreed to pay. This dollar amount must be less than the AC Required Fee Amount field.

The AC Partial Payment field will be mandatory when the value in the AC Fee Payment Method field is 05 and the money amount must be at least one cent (0 .01) for new service agreements or the field will turn red with the message *Correct Highlighted Fields*. When the recipient exits the program this field must be changed to zero (deleting the dollar amount will automatically plug in zeros).

When value 01 through and including - 04 or 06 is in the AC Fee Payment Method field and a dollar amount greater than zero is in the AC Partial Payment field, the AC Partial Payment field will turn red. Delete the dollar amount in the AC Partial Payment field.

When changing the value from 05 to another value in the AC Fee Payment Method field, the dollar amount in the AC Partial Payment field must be deleted otherwise the field will turn red. The system will plug in zeros if you delete the dollar amount.

Edit 699 (AC Partial Payment is Invalid) will post if the dollar amount is equal to or greater than the AC Required Fee Amount field. Reduce the dollar amount to less than the AC Required Fee Amount field. When changing an existing service agreement because the recipient is exiting the program, both fields must be zero.

The AC Required Fee Amount field records the dollar amount that the client is obligated to pay. If no fee is to be collected, enter the value as zero ("0") or leave the field blank and use the PF9 key to plug in zeros. If the fee is to be collected, both dollars and cents must be recorded. Note that it is the dollar amount in the AC Required Fee Amount field that represents the correct fee the client is obligated to pay and it is this dollar amount that will be invoiced. Change the dollar amount to zero when exiting the client from the program.

The AC Fee Effective Date (MM/YY) field records the effective date of the fee. Edit 734 (AC Fee Date is Missing) will post if the field is left blank.

Instructions for Adding Service Agreements

As of August 2014, when **adding** a service agreement that begins in the past the AC Fee Effective Date is automatically plugged in as the current month plus one. If the field is changed to any other date, it reverts back to the correct date after leaving the screen or service agreement. For example a new service agreement added in August 2015 will have an effective date of September 2015 even though the header begin date is in the past. In order for those months prior to the AC Fee Effective Date to be billed you must submit a request to the department through internet e-mail DHS.MADE@state.mn.us. Include the following information in the request:

- client's initials

- PMI number
- month(s) of service
- fee amount

When **adding** a service agreement that begins in the future the AC Fee Effective Date is automatically plugged in to match the header begin date. If the AC Fee Effective Date field is changed to any other date, it reverts back to the correct date after leaving the screen or service agreement.

When **adding** a service agreement and changing the header begin date from a future to a past date the AC Fee Effective Date is automatically changed and you must submit a request to the department through internet e-mail DHS.MADE@state.mn.us for any months prior to the new header begin date. Include the following information in the request:

- client's initials
- PMI number
- month(s) of service
- fee amount

Instructions for Changing Existing Service Agreements

When **changing** an existing service agreement e.g. such as closing the service agreement when the person leaves the program or changing the amount of the fee, the field turns red when the AC Required Fee is changed and the AC Fee Effective Date is:

- left alone
- changed to a previous month
- changed to the current month
- changed to the future month

The AC Fee Effective Date field accepts the current month plus one. For example, if in the month of August 2015 you change the fee amount, the effective date field must also be changed to September 2015. If the fee change is effective in the current or a previous month, you must submit a request to the department through internet e-mail DHS.MADE@state.mn.us Include the following information in the request:

- client's initials
- PMI number
- month(s) of service
- fee amount

Note - changing the AC Partial Payment field does not require a new AC Fee Effective Date. Only the AC Required Fee Amount field is used for billing in SWIFT.

The fee and client data can be collected on the DHS-3428 and 3428A (Minnesota Long-Term Care Consultation Services Assessment Form) in section L of the DHS-3428 or section I of the DHS-3428A.

V. CURRENT AND RETROACTIVE FEE CHANGES

Fee changes and corrections effective retroactively or for the current month cannot be recorded on the service agreement. When an invoice has already been mailed, fee changes, corrections, or cancelled fees must be submitted to the department by the lead agency through internet e-mail DHS.MADE@state.mn.us. Include the following information to report fee changes, corrections, or cancelled fees:

- client's initials
- PMI number
- month(s) of service
- fee amount

Requests to cancel the fee must be received by the third day of the month to prevent an invoice from being mailed for the current month's bill. The effective date of fee cancellations can be no earlier than the previous month of service.

Questions may be submitted to Special Recovery Unit (SRU) AC fee billing and collections (651) 431-3205 or 1-800-657-3762.

VI. REFUNDS

When changes result in a reduced fee amount or payments to the department exceed the total amount owed by the client, the credited amount is remitted to future months of service, unless a refund request is made by the lead agency.

Refunds are generated monthly and must be requested by the lead agency through internet e-mail DHS.MADE@state.mn.us. Include the following information:

- the month(s) of service to be refunded, and
- name and address for the refund to be sent

Questions may be submitted to Special Recovery Unit (SRU) AC fee billing and collections (651) 431-3205 or 1-800-657-3762.

VII. SUBMITTING PAYMENTS

The client will be instructed to make AC fee payments (via preprinted invoices and addressed envelopes they receive in the mail) to:

DHS – Alternative Care
P.O. Box 64835
St. Paul, MN 55164-0835

Other methods of submitting payments are explained on form DHS- 4639, which includes the option of paying Online through the following website: [DHS Web Payments](#) Clients who choose the online payment method must understand that they can either pay online each month after receiving their bill or they may set up recurring payments.

Instructions for setting up recurring payments are displayed at the website. Remind clients that once they create a recurring payment account, the amount will be withdrawn from their account each month until the client either cancels the recurring function or makes a change to their account. The client is responsible for making changes to their payment accounts. The Receipt Center can assist clients in setting up and maintaining recurring payments. Calls from the clients regarding recurring AC fee payments can be forwarded to the Receipt Center at 651-431-3355 or the toll free automated line 1-888-560-8000.

Other payment information:

- The person may send an additional payment that will be applied to the oldest outstanding month balance if an invoice is not included with the payment.
- If more than one AC fee payment is received (or the amount received with the invoice exceeds the amount of the invoice) payment will be applied to the invoice month and the excess will be applied to the oldest outstanding month ('s) balance.
- The invoices will continue to show the regular payment (identified on the service agreement AC Required Fee Amount field) even though partial payments may be approved.

Questions may be submitted to Special Recovery Unit (SRU) AC fee billing and collections (651) 431-3205 or 1-800-657-3762.

VIII. ARRANGEMENTS FOR REPRESENTATIVE PAYEE

If the lead agency is receiving the billing invoice and is satisfying the payment on behalf of the client, the agency must:

Change the address on the ALT6 screen of the LTC screening document in MMIS. Note that this will result in the representative payee receiving the recipient's Service Agreement letter and the Explanation of Benefits (EOB) letter.

Change the billing address by notifying the department using internet e-mail DHS.MADE@state.mn.us. Include the client's initials, PMI number, local agency address, t client's 15-digit invoice number (00000 00000 XXXXX MM)

Make checks payable to the department and mailed to:

DHS – Alternative Care
P.O. Box 64835
St. Paul, MN 55164-0835

Questions may be directed to Special Recovery Unit (SRU) AC fee billing and collections number (651) 431-3205 or 1-800-657-3762.

IX. OVERDUE FEES

Persons are ineligible for the AC program when their fee is over 60 days past due unless the person agrees to one of the following:

- the appointment of a representative payee,
- online payment from a financial account,
- the establishment of greater family involvement in the financial management of payments, or
- another method acceptable to the lead agency to ensure prompt fee payments, (e.g. partial payments,) are arranged.

The lead agency may extend the client's eligibility as necessary while making arrangements to facilitate payment of past-due amounts and future AC fee payments.

Questions regarding AC overdue fees and AC program closing instructions must be addressed to the Disability and Aging [Policy Quest](#)

X. EXITING THE PERSON FROM PROGRAM DUE TO NON PAYMENT OF FEE

When the fee is more than 60 days overdue and the AC client did not agree to one of the actions described in Section IX, or they do not follow the plan of action selected, the lead agency shall close the AC program and :

- Provide the recipient the *Notice of Action Long-Term Services and Supports* (DHS-2828) form.
- Place an ending date for the services on the service agreement to a date that is ten days after the notice is mailed. Add a message to the Provider and Recipient Comment Screens explaining the reason for ending the services.*
- Enter an exit screening document using activity type 07 and assessment result 31 – Exit, non-payment of AC fees.
- The client must appeal within 30 days from the date they receive the notice of action. Services may continue if the client submits a written request to DHS appeals no later than 10 days from the date on the agency's notice of action requesting both to appeal the decision and to continue benefits. Otherwise, following disenrollment due to nonpayment of the monthly fee or a denial of the appeal, eligibility shall not be reinstated for a period of 30 days.

Questions regarding AC overdue fees and AC program closing instructions must be addressed to the Disability and Aging [Policy Quest](#)

XI. AC OVERDUE PREMIUMS REPORT

Infopac report PWMWN821-RN190 titled *AC Overdue Premiums* is a monthly report for each county of service and tribal agency and is sectioned by case manager. It lists the current and closed recipients with fee amounts overdue and the due date of each overdue fee. **Case managers should use this report to identify current recipients with fees more than 60 days overdue.** Current recipients are identified in the Status column with value O (open). Follow the instructions in sections VIII and IX for these recipients. When a recipient moves from one county to another, the debt moves with them and the **new** lead agency must take the action to recover these overdue fees even if the person is no longer open to the AC program.

Expenses for services paid for recipients indicated with value D (death) must be collected through the estate recovery process by the current lead agency. Paid fees are credited against the service expenses in the estate recovery process.

Statements for overdue fees for recipients indicated with value C (closed) or D (death) will continue to be mailed until the past due balance is satisfied. In some cases statements may be stopped due to an insufficient mailing address on file. These recipients will continue to remain on the report. At time of death, the paid AC claims must be collected through the estate recovery process by the current lead agency. If fees are still outstanding at the time of death, those overdue fees are not to be collected through the estate recovery process by the current lead agency.

Note: the recipient is listed with the county of service as indicated on the last approved screening document. If the person moves to a new county, they will not show up on the new county's page until the County of Service field on the screening document and service agreement is updated. This field can be updated by entering a screening document using activity type 05 and assessment result 98 for AC recipients. When the person is eligible for Medical Assistance (MA), the county of service is changed by the financial worker.

XII. ESTATE RECOVERY OF AC EXPENSES

The 2003 legislature made changes to Minnesota Statutes, section 256B.15, Subdivision 1 to include Alternative Care payments under Minnesota Statutes, section 256B.0913. As a result, lead agencies file estate claims to recover Alternative Care payments. The claim is limited to payments for services provide on or after August 1, 2003. The lead agency will recover on the total amount expended by the state for AC services. Any fees paid by the client must be subtracted from the claim amount.

The lead agencies' role is to inform clients that there will be an estate recovery and provide the form, Alternative Care Program Estate Recovery Information ([DHS-5186-ENG](#)) to them.

Follow estate recovery instructions in the Health Care Program Manual (HCPM) in Sections 19.5 – Liens and Estate Recovery and 19.50.05 – Methods of Estate Recovery. The HCPM is available online at [Health Care Programs Manual](#).

Follow instructions for entry of county recoveries (related to MMIS payments) provided in MMIS Financial Control – County Entry of Recoveries ([DHS-5045](#)). See also bulletin #14-32-03 *Information to Assist Counties with Preparation and Submission of Fiscal Reports*, and MMIS Financial Control ([bulletin #14-32-03](#)).

Note: Review AC fees paid to determine amounts that should be subtracted from the AC claim amount. These amounts are not reported on the Claims History Profile reports. Contact the Premium Billing Unit Help Desk (651) 431-3205 to confirm fees paid amounts.

If claimed expenses have been paid under more than one major program (e.g. AC and MA), enter a separate estate collection obligation for each major program span of eligibility. The Begin/End dates must correspond to the major program time periods (e.g. AC vs. MA). Apply collections first to the AC expenses (net paid fees) and any balance remaining to the MA expenses.

EXAMPLE SCREEN PRINTS

FC OBLIGATION #1

AC Expenses	\$500.00
AC fees Paid	(100.00)

	\$400.00
Co. Incentive @ 10%	

FC OBLIGATION #2

MA Expenses	\$20,000.00
Co. Incentive @ 50% of non-federal share	

Questions regarding Estate Recovery of AC Payments may be addressed to BRS Special Recovery Unit at (651) 431-3204.

XIII INDEMNITY OR LONG-TERM CARE INSURANCE POLICY

Indemnity or long term care insurance is an insurance policy that may pay benefits to a person for each day they are hospitalized, in a nursing home, or receiving home care services. Indemnity payments may cover costs not covered by other insurance but do not always limit benefits to payment for medical expenses. **Consider indemnity payments as third party liability (TPL)** and (not income to the client) unless the insurance policy clearly designates the benefits as disability or income replacement.

The provider may request that indemnity insurance payments be made to them rather than to the covered person. If a Minnesota Health Care Program (MHCP) recipient is insured by a plan approved in Minnesota, providers may request direct payment from the insurance plan under Minnesota Statutes, section §62A.045 (d). The provider must indicate on the insurance claim form that the person is receiving benefits through MHCP.

Enter Insurance Information into MMIS

Enter insurance information for all major programs (including Alternative Care) and whether or not the client is receiving Long Term Care (LTC) services. If the client does not have a financial worker assigned to their case, the lead agency may elect to have DHS/ Benefit Recovery Section (BRS) staff enter the (TPL) resource record in MMIS.

Fax the following information with the request to ATTN: BRS Health Unit at (651) 431-7431.

- Minnesota Health Care Programs (MHCP) Health Insurance Information Form (DHS-1922B), Section 1 (side one only) ;
- photocopy of both sides of the Insurance Identification Card; *or*
- photocopy of the Summary of Benefits for the policy

Include a statement that you are requesting the (BRS) Health Unit to enter the policy into MMIS. If you have questions about this activity, contact BRS at (651) 431-3100.

County financial workers should enter the LTC insurance information into MMIS TPL Resource File Application subsystem. On the TPOL screen use one of the following Coverage Type codes:

13 - Nursing home benefit only

27 - Nursing home benefit plus home care benefits

28 - Nursing home benefit only (LTC Partnership Qualified)

29 - Nursing home benefit plus home care benefits (LTC Partnership Qualified)

If you do not know the status of Partnership Qualified, enter coverage type 13 or 27. If the policy is later determined to be Long Term Care Partnership Qualified (LTCP), send a secured e-mail request to HCOBRS-health@co.dhs.state.mn.us asking that the coverage type code be changed to 28 or 29.

If the case manager is aware of a Long Term Care Insurance policy, AC services cannot be approved until it is known by the case manager that the Long Term Care Insurance policy information has been entered into MMIS. Communication needs to be established between the person delegated to enter the policy into MMIS and the case manager. After it is known that the information is entered, AC services may be approved.

LTC insurance must first be applied to services rather than charges for room and board.

Questions regarding Indemnity or Long-term Care Insurance Policy may be addressed to Benefit Recovery Section (BRS) Health Unit at (651) 431-3100.

XIV. REFERENCES

Minnesota Statutes, section 256B.0913, subdivisions 4 and 12.

[DHS-4639-ENG](#) – Alternative Care Program Monthly Fee and Payment Information

[DHS-5186-ENG](#)– Alternative Care Program Estate Recovery Information sheet

These forms may be retrieved from the DHS website using the above web links.

XV. Americans with Disabilities Act (ADA) Advisory

This information is available in accessible formats for people with disabilities by calling (651) 431-2590 (voice) or toll free at (800) 882-6262 or by using your preferred relay service. For other information on disability rights and protections, contact the agency's ADA coordinator.