

DETERMINE NET MEDICAL EXPENSES**0913.21.03**

MinnesotaCare:

No provisions.

MA/GAMC:

Use net medical expenses to meet a spenddown. See §0913.21 (Allowable Medical Bills to Meet Spenddown). To determine net medical expenses:

1. Determine if 3rd party coverage exists for each gross medical expense incurred. For spenddown purposes, 3rd party means any person or entity other than the client.
2. Verify the amount of 3rd party payments on expenses. Also verify any denials of payment. The client must provide the verifications necessary to determine liable 3rd party payments.
3. With the exceptions below, subtract 3rd party payments from a gross medical expense to determine the client's net responsibility.

Count payments by these 3rd party programs toward meeting a spenddown:

- ▶ MinnesotaCare, except bills paid on behalf of MinnesotaCare enrollees for whom DHS receives FFP. See §0913.21.05. (MinnesotaCare Expenses to Meet Spenddown), for instructions on which MinnesotaCare expenses to allow.
- ▶ Alternative Care Program (AC) for:
 - SIS-EW applicants while MA eligibility is determined
 - MA enrollees whose income is over the limits for SIS-EWSee §0913.13.07 (Relationship Between AC and SIS-EW).
- ▶ Minnesota Children's Special Health Needs (MCSHN)
- ▶ Insurance Extension Program.

Do not delay processing an application beyond the standards in §0904.07.03 (Date of Application) if verification of 3rd party payments or intent to pay is still not available. Do not delay redetermining eligibility beyond the due date for other verifications if 3rd party payment verifications or intent to pay is still not available. When verification is not available, estimate 3rd party payments using coverage information in the insurance policy or other sources. Document in the case file how 3rd party payments were determined.

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Sometimes liable 3rd parties will issue 1 payment for several different medical services and not break down the payment by date, type, and cost of each service covered. Try to get a breakdown by date and amount paid on each service from the 3rd party or by examining available coverage information. If this is not possible within the case processing standards (see §0904.07.03, Date of Application), apply the total payment against the services it covers starting with the oldest expense. Continue applying the payment until it is used up. Consider any remaining medical expenses to be the client's responsibility. Use them to meet the spenddown. Document in the case file attempts to get 3rd party information and how 3rd party payments were applied.

Sometimes non-liable 3rd parties, such as a non-responsible relative, pay a client's medical expenses, or vendors write off all or part of a bill. If this happens before the application is processed, deduct the write-off or payment from gross medical expenses. Do not try to anticipate payments from non-liable 3rd parties when determining net medical expenses. Payments made after the county agency approves eligibility have no effect.