

Bulletin: MSA 05-39

Distribution: Nursing Facilities
Hospices

Issued: August 15, 2005

Subject: Clarification of Application of Patient Pay Amount

Effective: Upon Receipt

Programs Affected: Medicaid

The purpose of this bulletin is to clarify the application of the Patient Pay Amount (PPA) when a Medicaid beneficiary residing in a nursing facility (NF) participates in hospice.

When the beneficiary in the NF has a PPA, this amount must be collected at the first of each month and applied toward Medicaid covered services and non-covered Medicaid allowed services (dental). The hospice provider is responsible for collecting the PPA; however, the hospice provider may coordinate this responsibility with the NF provider.

- Example 1:** The beneficiary resides in a NF but is not receiving Medicaid hospice benefits. The beneficiary has a PPA of \$500. Room and board for the NF is \$125. The nursing facility collects the \$500 from the beneficiary and provides the beneficiary with a receipt.
- Example 2:** The beneficiary resides in a NF and elects the hospice benefit at the beginning of the month. The beneficiary has a PPA of \$500. The hospice or the NF collects the \$500 PPA from the beneficiary and applies it to the hospice room and board rate which includes the daily QAS amount [\$150 which is \$125 (NF rate) + \$25 (QAS)]. The hospice or the NF provides the beneficiary with a receipt.
- Example 3:** The beneficiary resides in a nursing facility for the first two (2) days of the month before electing the Hospice benefit. The beneficiary's PPA is \$500. The nursing facility collects the \$500 from the beneficiary, applies \$250 from the PPA (the NF rate of \$125) toward the room and board owed the nursing facility, and passes \$250 on to the hospice. The hospice then bills, showing on its claim the PPA balance (\$250) available to be applied to the hospice room and board rate. The NF provides the beneficiary with a receipt.

Manual Maintenance

The provider should retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual. If using the electronic version of the Michigan Medicaid Provider Manual (maintained on the MDCH website), retain this bulletin until the information has been incorporated into the October 2005 update.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved

A handwritten signature in black ink that reads "Paul Reinhart". The signature is written in a cursive style with a large initial "P" and a long, sweeping underline.

Paul Reinhart, Director
Medical Services Administration