Clarification of patient liability for nursing home residents

This Update explains how patient liability is applied in certain situations for Medicaid recipients residing in a nursing home.

Obtaining recipient liability information

Nursing homes receive a weekly Wisconsin CARES System Patient Liability report on all of their residents who have been eligible or authorized for Medicaid services. It indicates recipients who owe a liability for the effective dates shown or whose liability amount changed to a different amount, including zero.

Liability for a recipient residing in a nursing home is the amount of resident income available to apply on a monthly basis towards the monthly cost of care. Certifying agencies are responsible for assessing recipient liability amounts, not nursing homes. Refer to the “Current” liability amount and effective date on the CARES report for a recipient. Do not use the liability information indicated on the monthly Nursing Home Eligibility Authorization report from Wisconsin Medicaid.

Refer to Attachment 1 of this Wisconsin Medicaid and BadgerCare Update for a sample Wisconsin CARES System Patient Liability Report. Refer to Attachment 2 for a sample Nursing Home Eligibility Authorization Report.

Applying liability to nursing home claims

If a recipient is institutionalized and Medicaid eligible for an entire calendar month, liability is deducted from the nursing home claim for that month. Wisconsin Medicaid considers recipients to be institutionalized when they are in a hospital or a nursing home 30 consecutive days or more. A recipient is considered institutionalized for the entire calendar month and liability is deducted even if the recipient was on therapeutic leave or dies during the month.

Transfers between nursing homes

If a recipient transfers from one nursing home to another nursing home during a calendar month, the liability is prorated between the two nursing homes. County agencies that certify recipients for Medicaid are responsible for notifying nursing homes and Wisconsin Medicaid about the liability amounts for recipients who have transferred between nursing homes within the same calendar month. Refer to the Provider Resources section of the All-Provider Handbook for a list of certifying agencies and telephone numbers. Providers may also refer to the Medicaid Web site at www.dhfs.state.wi.us/medicaid/ for the most current list.
Transfers between nursing homes and hospitals

If a recipient transfers from a nursing home to a hospital or from a hospital to a nursing home in a calendar month, the full liability amount is applied to the nursing home claim only up to the amount of Medicaid reimbursement to that nursing home for that month. This applies even if the transfer takes place on the last day of the month. Currently, Wisconsin Medicaid does not apply recipient liability to hospital claims.

If a recipient transfers from a nursing home to a hospital and then back to the nursing home within the same month, the liability amount is applied to the nursing home claim only. If two nursing homes are involved, the number of days at the hospital is equally split between the two nursing homes and the liability amount is then prorated between the two nursing homes by the certifying agency.

Recipient death while in the nursing home

If a recipient dies while in a nursing home, the full liability amount is applied to the nursing home claim up to the amount of Medicaid reimbursement for that month. If there is a remaining liability amount, it is refunded to the recipient’s estate by the state.

When recipient liability does not apply

Recipient liability is not applied to nursing home claims for a month in which:

- The recipient is discharged to somewhere other than a hospital or another nursing home.
- The recipient has been an inpatient for an entire month, but his or her Medicaid-eligible effective date is not the first of the month.

Managed care providers

This Update contains Medicaid fee-for-service policy and applies to providers of services to recipients on fee-for-service Medicaid only. For Medicaid HMO or managed care policy, contact the appropriate managed care organization. Wisconsin Medicaid HMOs are required to provide at least the same benefits as those provided under fee-for-service arrangements.

The Wisconsin Medicaid and BadgerCare Update is the first source of program policy and billing information for providers.

Although the Update refers to Medicaid recipients, all information applies to BadgerCare recipients also.

Wisconsin Medicaid and BadgerCare are administered by the Division of Health Care Financing, Wisconsin Department of Health and Family Services, P.O. Box 309, Madison, WI 53701-0309.

For questions, call Provider Services at (800) 947-9627 or (608) 221-9883 or visit our Web site at www.dhfs.state.wi.us/medicaid.
## ATTACHMENT 1

Sample Wisconsin CARES System Patient Liability Report

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REPORT ID: CCN150RA
WISCONSIN CARES SYSTEM
PATIENT LIABILITY REPORT
FOR THE WEEK OF MARCH 16, 2001 - MARCH 22, 2001

CASE NUMBER | PRIMARY PERSON | LIABILITY STATUS | ACTION DATE | LIABILITY AMOUNT | EFFECTIVE BEGIN DT | EFFECTIVE END DT |
--------------|----------------|-----------------|-------------|------------------|-------------------|-----------------|
4100000001   | RECIPIENT IMA B| CLOSURE         | 03/17/01    | 347.90           | 04/01/01          | NA              |
9100000001   | RECIPIENT IMA C| CLOSURE         | 03/20/01    | 859.41           | 05/01/01          | NA              |
7110000003   | RECIPIENT IMA D| APPROVED        | 03/17/01    | 1,751.63         | 04/01/01          | NA              |
3100000005   | RECIPIENT IMA E| APPROVED        | 03/17/01    | 567.37           | 04/01/01          | NA              |
4100000005   | RECIPIENT IMA F| CLOSURE         | 03/17/01    | 963.00           | 04/01/01          | NA              |
5100000005   | RECIPIENT IMA G| INCREASED       | 03/16/01    | 71.79            | 04/01/01          | NA              |
6100000009   | RECIPIENT IMA B| APPROVED        | 03/17/01    | 592.00           | 04/01/01          | NA              |
0100000006   | RECIPIENT IMA H| CLOSURE         | 03/20/01    | 473.50           | 05/01/01          | NA              |
2100000006   | RECIPIENT IMA I| APPROVED        | 03/17/01    | 1,511.22         | 04/01/01          | NA              |
2100000001   | RECIPIENT IMA J| DECREASED       | 03/22/01    | 794.71           | 05/01/01          | NA              |
6100000007   | RECIPIENT IMA K| APPROVED        | 03/17/01    | 518.00           | 04/01/01          | NA              |
4100000008   | RECIPIENT IMA L| APPROVED        | 03/17/01    | 398.00           | 04/01/01          | NA              |

PROVIDER NAME, INC.
1234 NAMEOF ST
CITY WI XXXXX

Use the liability amount listed from the “Current” column and effective begin date.
```
## ATTACHMENT 2

### Sample Nursing Home Eligibility Authorization Report

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</tbody>
</table>

*Do not use the liability amount or dates listed from this report.*