



Medicaid Eligibility Procedure Letter No. 144

Effective Date: July 23, 2019

OAC Rules: 5160:1-6-07

To: All Medicaid Eligibility Manual Holders

From: Maureen M. Corcoran, Director

Subject: Insurance Premiums Deducted from Patient Liability

Reason for Clarification:

The Ohio Department of Medicaid has been informed that some county agencies are not allowing insurance premiums as a deduction in the patient liability calculation.

Some insurance companies sell insurance policies for ancillary benefits to long-term care individuals. Ancillary benefits are a type of supplemental health insurance coverage limited to specific services such as optometry, podiatry, dental, and audiology. Under Ohio Administrative Code 5160:1-6-07(F)(6)(a), health insurance premiums – including for supplemental or ancillary coverage – are an allowable deduction in the calculation of the patient liability.

Action Required:

County agencies must allow the deduction of any health insurance premiums when documentation has been provided by the Medicaid patient, or person or entity that has the legal ability to act on the individual's behalf, that clearly shows the premium expense, the amount the individual is responsible for paying, and the date the premium is due, as described in Ohio Administrative Code 5160:1-6-07(F)(6). Documentation should be in the form of an invoice, bill, or other reliable documentation showing the amount of the premium for a month.

A premium expense does not need to be paid to count as an "incurred" expense eligible for deduction. Ohio Administrative Code 5160:1-6-07(F)(6)(a).

Once the individual or authorized representative reports a change in expenses, the patient liability must be adjusted to allow for the deduction. If a retroactive patient liability is calculated due to the expense, the medical institution is required to refund any overpayments of patient liability paid by the individual per Ohio Administrative Code 5160:1-6-07(E).

A request for a deduction cannot be initiated by a medical services provider, supplier, or insurer, unless such person or entity is also the Medicaid patient's authorized representative. Ohio Administrative Code 5160:1-6-07(F)(6)(b)(3).

The Medicaid recipient and their authorized representative will receive notice of the calculated patient liability amount and will have the opportunity to request a hearing if they disagree with the calculation or premium deduction amount. Ohio Administrative Code 5160:1-6-07(G).

Medicaid remains the payer of last resort after all other third-party liability insurance and ancillary insurance.

This information is also available on the Ohio Department of Medicaid website and may be accessed at:

Resources > Publications > ODM Guidance > Medicaid Policy > Medicaid Eligibility Procedure Letter (MEPL)

<http://medicaid.ohio.gov/RESOURCES/Publications/ODMGuidance.aspx#161542-medicaid-policy>