



Best Practices for Medicaid Spenddown Using the Medical Bills System

1. GENERAL PRACTICES

- a. Know your monthly 'spenddown' amount.
- b. You are responsible for the amount of your spenddown. The spenddown is like an insurance deductible that you pay before the insurance 'kicks in'. Medicaid will not cover any bills or any portion of a bill that was used to meet your spenddown amount.
- c. Both paid and unpaid medical bills can be used to meet your spenddown.
- d. Medical bills from both Medicaid providers and non-Medicaid providers can be used to meet your spenddown.
- e. Keep track of your medical bills to figure out if you meet your spenddown in a single calendar month. Make the following notes:
 - i. The amount of the bill
 - ii. Whether it is paid or unpaid
 - iii. Whether it is from a Medicaid provider or not
- f. When you have medical bills equal to or more than your spenddown amount in a calendar month you can submit your medical bills to the local Medicaid office.
- g. In NYC, you may also be able to fax your bills to 917-639-0645 with the *Surplus Fax Medicaid Bills* cover sheet available at <https://cssny.s3.amazonaws.com/system/files/uploads/Fax-Surplus.pdf>
- h. Medicaid will activate your coverage once you have met your spenddown.
- i. When Medicaid is activated go only to Medicaid providers so the provider can bill Medicaid (Medicaid will not pay non-Medicaid providers).

2. PAID MEDICAL BILLS

- a. You can only use paid medical bills for the calendar month in which services were given and paid for.
- b. You can get multiple months of Medicaid coverage, if the paid bill is more than the monthly spenddown, whether the bill is from a Medicaid provider or not.

CASE EXAMPLE 2

Mark has a \$115 monthly spenddown. He has the following medical bills:

1. A paid bill of \$75 from a non-Medicaid provider dated April 2nd, 2020.
2. A paid bill of \$45 from a Medicaid provider dated April 20th, 2020.
3. A paid bill of \$110 from a Medicaid provider date April 29th, 2020.

Mark met his spenddown in April and he submits his bills. The total of his medical bills is \$230, which is twice his spenddown amount. Thus, he will can get two months of Medicaid coverage, April and May. Now that his Medicaid is activated Mark can visit Medicaid providers, and the providers can bill Medicaid. When May is over, Mark will have to meet his spenddown once again before Medicaid can be activated.

3. UNPAID MEDICAL BILLS

- a. Depending on whether the unpaid bill is from a Medicaid provider or not will determine how Medicaid treats the unpaid bill.
- b. If the unpaid bill is from a non-Medicaid provider, it will be treated the same as a paid bill and you may be able to get multiple months of coverage; they must be consecutive months.



- c. If the unpaid bill is from a Medicaid provider, Medicaid will only activate your coverage for one month.

CASE EXAMPLE 3

Louis has a \$40 monthly spenddown. He has the following medical bills:

1. An unpaid bill of \$65 from a Medicaid provider date August 2nd, 2019.
2. An unpaid bill of \$80 from a non-Medicaid provider dated August 6th, 2019.
3. An unpaid bill of \$25 from a Medicaid provider dated September 20th, 2019.

Louis met his spenddown for August. He can submit his August bills to Medicaid. Since the unpaid August bill of \$80 from his non-Medicaid provider is twice his spenddown, Medicaid will activate his coverage for two months, August and September. Louis, however, is responsible for this unpaid bill. Once his Medicaid is activated Louis can go to his Medicaid providers with whom he has unpaid bills and tell them they can bill Medicaid for the unpaid August bill of \$65 and the unpaid September bill of \$25. Throughout September he can continue to visit Medicaid providers and Medicaid will cover the services.

4. COMBINED PAID AND UNPAID MEDICAL BILLS

- a. Individuals may have a combination of both paid and unpaid medical bills during a single calendar month.
- b. Medicaid will first apply credit for paid bills, whether from a Medicaid or non-Medicaid provider. If bills are equal to or are greater than the participant's spenddown amount Medicaid will activate coverage for the appropriate number of months.
- c. Medicaid will next apply credit for any unpaid bills from a non-Medicaid provider. If bills are equal to or are greater than the participants spenddown amount Medicaid will activate coverage for the appropriate number of months.
- d. If participant's Medicaid coverage is activated due to steps 1 and/or 2, Medicaid will cover any unpaid bills to a Medicaid provider, up to Medicaid's reimbursement rate, during the Medicaid activated months.

CASE EXAMPLE 1

Lucy has a \$55 monthly spenddown. She has the following medical bills:

1. A paid medical bill of \$45 from a Medicaid provider dated May 2nd.
2. A paid medical bill of \$45 from a Medicaid provider dated July 2nd, 2020.
3. An unpaid medical bill of \$35 from a Medicaid provider dated July 12th, 2020.
4. A paid prescription drug bill of \$30 dated July 16, 2020.

Lucy did not meet her spenddown in May; therefore Medicaid was not activated and will not cover any medical expenses for the month of May.

However, she met her spenddown in June. The total of her paid bills is \$55, which equals her spenddown. Medicaid will activate her coverage for July. Since she has an unpaid medical bill of \$35 from a Medicaid provider, she can go back to her Medicaid provider and tell the doctor to bill Medicaid for the \$35. Now that her Medicaid is activated for July, she should visit Medicaid providers to receive any additional medical services during July.

When July is over, Lucy must meet her spenddown once again for any future month before Medicaid can be activated.



5. TIPS ON HOW TO USE UNPAID MEDICAL BILLS

- a. When patients visit their doctor and do not pay at the time they visit, try to get the provider to give you an unpaid bill as you leave the office, so you could submit the bill to Medicaid.
- b. If the provider does not provide an unpaid bill at the time you leave the office, you may still submit the bill once you get it, even if the bill comes after the month is over.
- c. Medicaid will activate coverage (if the spenddown amount is met) for the month in which the service was provided.



CASE EXAMPLE 4

Christa has a \$90 monthly spenddown. It is now February, but she has the following medical bills:

- An unpaid bill of \$90 from a non-Medicaid provider for January.
- An unpaid bill of \$45 from a Medicaid provider for January.

However, she only gets both these bills in March. Christa has met her spenddown for January and she can bring in both these unpaid bills to Medicaid. The unpaid bill of \$90 from the non-Medicaid provider will be used to meet her spenddown and Medicaid will activate her coverage for January. Christa is still responsible for the spenddown amount of \$90 for the non-Medicaid provider, but she can go to her Medicaid provider and tell them to bill Medicaid for the unpaid January bill of \$45 now that her Medicaid has been activated.