



Eligibility Operations Memo 13-06  
September 1, 2013

TO: MassHealth Eligibility Operations Staff

FROM: Amy Andrade, Director, Member and Provider Services

RE: **Revisions to Income Deductions in Assessing the Patient Paid Amount**

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**Introduction**

MassHealth is revising its regulations about income deductions for necessary medical and remedial care expenses under 130 CMR 520.026(E).

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**Background**

Effective immediately, MassHealth will determine an applicant's or member's patient paid amount as described in this memo.

MassHealth may allow certain income deductions for the applicant's or member's incurred necessary medical and remedial care expenses. These expenses must not be payable by a third party, accounted for under any provision of 130 CMR 520.004, or allocated to meet a deductible in accordance with 130 CMR 520.027 through 130 CMR 520.034. These expenses must be for medical or remedial care recognized under state law and not covered by MassHealth as of the member's coverage start date. The total must be within reasonable limits.

MassHealth considers expenses to be within reasonable limits if they are:

- not incurred before the first day of the third month before the date of application, as described at 130 CMR 516.002;
- not incurred as a result of a transfer of resources for less than fair market value or during the imposition of a penalty period; and
- certified by a treating physician or other medical provider as being medically necessary.

Additionally MassHealth may limit the amount deducted to the MassHealth payment rate for such services.

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**Revised Procedure** In order to be considered by MassHealth, the necessary medical and remedial care must be incurred during the three-month retroactive period and should be submitted during the eligibility process. The notice assessing the patient paid amount will reflect the deductions found to be applicable in accordance with 130 CMR 520.026(E)(2)(c).

If the medical bills are received after MassHealth has issued its approval notice including a calculation of the patient paid amount, or the medical bills are not submitted within the eligibility process, the member may appeal the notice assessing the patient paid amount. Alternatively, the member or applicant may submit the bills and supporting documents to the MassHealth Enrollment Center and worker who processed the application within 30 days of the date of the notice. Deductions are not allowed for medical and remedial care bills that are not received within the specified time limits, or if the member does not establish that the medical services or remedial care expenses were medically necessary in accordance with 130 CMR 520.026(E). If MassHealth determines that the deductions are not allowed, MassHealth will notify the member.

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**Questions** If you have any questions about this memo, please have your MEC designee contact the Policy Hotline.

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