

CDM Configuration for Programs with Medicaid Buy-In or Participant Liability Premiums

Introduction

This is a suggested configuration for the spending plans and expenditure reports for programs with participants that might pay Medicaid Buy-In or participant liability premiums. It could also be adapted to programs where the participants' budgets may include their own funds or funds from another program.

Method

- Budget – When entering into CDM, subtract liability amount from Medicaid budget.
- Spending plan – Create a spending plan category called “Participant Liability Payment” or something like that. Enter this amount as a negative number. That way, it will appear as a credit, and the participant will be able to plan services and purchases equal to the original Medicaid budget amount.
- Expenditure reports – Each time a participant pays the liability fee, record this in the expenditures as a negative number, so it shows as a credit. That way, it will balance the other expenditures that are reported so it does not look like a participant is overspending their budget.

Example

Bob has undergone the assessment and has been assigned a budget of \$1,000. He owes a monthly liability premium (or fee?) of \$100. His budget would be entered into the CDM as \$900. Then his spending plan might look like this:

Category	Amount
Services	\$750
Purchased goods	\$150
Participant-delegated goods and services	\$100
Participant Liability Fee	-\$100
Total	\$900

The spending plan appears to equal \$900, but with the \$100 credit, Bob is able to plan payments and purchases that equal the full \$1,000 budget he was assessed.

Then, whenever Bob pays his liability fee, it would be recorded as a credit. So, a monthly expenditure report might look like this (this report assumes a biweekly payroll for the participant's employee):

Details	Category	Amount
Payroll for Judy	Services	\$375
Payroll for Judy	Services	\$375
Vitamins and supplements	Purchased goods	\$150
Housekeeping	Participant-delegated services	\$50
Acupuncture	Participant-delegated services	\$50
Participant Liability Fee	Participant Liability Fee	-\$100
	Total	\$900

This way all expenditures, as well as the liability payment, are accounted for and tracked.

Advantages

- Handles participants with
- Records all expenditures and fees
- Doesn't complicate budget/spending plan development processes too much
- All notifications and alerts related to over/under spending by a participant remain fully functional.

Disadvantages

- It would be difficult to gather data on budget amounts, since participant budgets would reflect the Medicaid assessed amount minus the liability fee.

Proposed Solution: Maintain a spreadsheet of the assessed participant budget amount for every participant. Most programs have this data stored somewhere else anyway.

- The person responsible for approving the spending plans would have to be careful to make sure the liability premiums are accurately recorded in the spending plan as a negative number.
- There may be some confusion during the development of the spending plan, as the participant may wonder why their liability fee is being included in the plan, and having it in the plan

Proposed Solution: This could be explained clearly in the enrollment or spending plan development process by the FMS or the support broker/counselor.

- A late payment of the participant liability premium could result in an alert being sent to the administrator and/or FMS or support broker/counselor.

Proposed Solution: Anytime this alert is sent, the first thing to reconcile would be the planning and payment of the liability.