DEPARTMENT OF SOCIAL AND HEALTH SERVICES
HEALTH AND RECOVERY SERVICES ADMINISTRATION
Olympia, Washington

To:	All Providers Managed Care Organizations	**Memo #: 10-10** **Issued:** February 26, 2010
From:	Douglas Porter, Assistant Secretary Health and Recovery Services Administration (HRSA)	**For information, contact:** 1-800-562-3022, option 2, or go to: http://hrsa.dshs.wa.gov/contact/default.aspx
Subject:	**ProviderOne: New Reporting Requirements for Spenddown Liability and ProviderOne Readiness Activities**	

Effective upon implementation of ProviderOne, providers must report spenddown liability for all clients eligible for the Limited Casualty Program - Medically Needy Program (LCP-MNP).

This memo also reminds providers of the requirement to complete ProviderOne registration.

Spenddown Liability Reporting

Spenddown is a client liability. The Department of Social and Health Services (the Department) determines the spenddown liability that a client is responsible for. The Department does not pay for services or an expense used to meet a client's spenddown liability and reduces a provider's payment by any amount that is determined to be a client liability.

Spenddown liability must be reported on claims for clients who:

- Become eligible for LCP-MNP coverage by incurring medical expenses equal to or greater than the spenddown liability, and some or all of those expenses are included in the claim; and
- Receive medical services on the Medicaid eligibility start date.

Note: Not all LCP-MNP clients are subject to spenddown reporting. Automated Client Eligibility System (ACES) coverage groups that end in "99" (e.g. S99, P99, F99) could potentially be subject to a spenddown liability. ACES coverage groups that end in "95" (e.g. S95, L95, C95) are not required to meet a spenddown prior to becoming eligible.

How Do I Find Out If a Client Has Spendown Liability?

Providers can determine if a client has spenddown liability by doing one of the following:

- Ask the client for a copy of the Department Medicaid approval letter that identifies the client's medical bills and the dollar amounts the Department used to determine spenddown liability.

- Call the Department's customer service call center line at 1-800-394-4571 to find out the following:

  - ✓ The client's Medicaid eligibility beginning and ending date, if questionable.

  - ✓ If the claim was assigned to a client's spenddown liability.

  - ✓ The exact amount of the spenddown liability that was assigned to the claim.

- Review client eligibility screens in ProviderOne.

> **Note:** When a client has a pending spenddown liability, the response that ProviderOne returns on the benefit inquiry will indicate "Pending Spenddown, No Medical" and will include Spenddown balance information.

Where On the Claim Form Do I Report the Client's Spenddown Liability?

If the Department has determined that the client is responsible for all or a portion of the bill for services provided, the spenddown liability must be reported as follows:

- **Hospital claims:**

  - ✓ UB-04 Paper Claim

    - ➢ Enter value code 66 "Medicaid Spenddown Amount" and amount into Form Locator 39-41.

  - ✓ 837 Institutional Claim

    - ➢ Enter value code 66 and the spenddown amount in Loop 2300, HI – Value Information segment. For example, enter value code 66 in Loop 2300, data element HI01-2 and enter the spenddown amount in Loop 2300, data element HI01-5.

- **Professional claims:**
  - ✓ CMS-1500 Paper Claim Form
    - ➢ Enter the spenddown amount in Field 19, Reserved for Local Use.
    - ➢ Enter the qualifier and value as: SCI = Y ($XXX).
  - ✓ 837 Professional Claim
    - ➢ Enter the spenddown amount in Loop 2300, data element AMT02. In AMT01 use the "F5" qualifier.
- **Dental claims:**
  - ✓ ADA (version 2006) Paper Claim Form
    - ➢ Enter the spenddown amount in Field 35, Remarks.
    - ➢ Enter the qualifier and value as: SCI = Y ($XXX).
  - ✓ 837 Dental Claim
    - ➢ Enter the spenddown amount in Loop 2300, data element AMT02. In AMT01 use the "F5" qualifier.

ProviderOne Readiness Activities

To continue to get paid, providers must complete readiness activities in preparation for ProviderOne implementation early in 2010. Specific instructions and resources are available at http://hrsa.dshs.wa.gov/providerone/providers.htm.

How Do I Conduct Business Electronically With the Department?

You may conduct business electronically with DSHS by accessing the WAMedWeb at http://wamedweb.acs-inc.com.

How Can I Get the Department/HRSA Provider Documents?

To download and print the Department/HRSA provider numbered memos and billing instructions, go to the department/HRSA website at http://hrsa.dshs.wa.gov (click the ***Billing Instructions and Numbered Memorandum*** link).