Pension and Fiduciary Service

PMC VSR Advanced Core Course Phase 6: Practical Application and Experience

Process Medicaid-Approved Nursing Facility Adjustments

Trainee Guide

June 2024

Process Medicaid-Approved Nursing Facility Adjustments

Lesson Overview

| Topic | Description |
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| Time Estimate: | 4 hours |
| Purpose of the Lesson: | This lesson is part of the entry-level course for PMC VSRs. The purpose of this lesson is to train PMC VSRs to process a Medicaid-approved nursing facility adjustment through demonstration, practice, and feedback. |
| Prerequisite Training Requirements: | Prior to taking the Process Medicaid-Approved Nursing Facility Adjustment lesson, trainees must complete the entry-level course Phases 1–5.6. |
| Target Audience: | This lesson is for entry-level PMC VSRs. |
| Lesson References: | * VA Form 21-0779, Request for Nursing Home Information in Connection with Claim for Aid and Attendance * VA Form 27-0820b, Report of Nursing Home or Assisted Living Information * VA Form 21P-8416, Medical Expenses Report * 38 U.S.C. 5503(d) (Hospitalized Veterans and estates of incompetency institutionalized Veterans) * 38 CFR 3.551 (Reduction because of hospitalization) * M21-1 IX.iii.2.A (Pension Reductions for Medicaid-Covered Nursing Facility Care)   + **M21-1 IX.iii.2.A.2.a. (Definition: Medicaid Plan)**   + **M21-1 IX.iii.2.A.3.a.** (Identifying Medicaid-Approved Nursing Facilities)   + **M21-1 IX.iii.2.A.3.b. (Beneficiaries in State Homes)**   + M21-1 IX.iii.2.A.5 (Effective Dates for Payments Related to Nursing Facility/Medicaid Status – No Running Award)   + **M21-1 IX.iii.2.A.6 (Effective Dates for Reductions – Running Award)**   + M21-1 IX.iii.2.A.6.a. (Action to take for Running Awards, for $90 Reductions Based on Nursing Facility/Medicaid Status) * **Pension Adjustments for Medicaid-Covered Nursing Facility Care job aid** * **Processing an Award Adjustment job aid** * **Processing Medicaid-Approved Nursing Facility Adjustment Checklist job aid**   *Appendix A* for references introduced in earlier lessons |
| Technical Competencies: | * Processing Claims (PMC VSR) * Income Counting and Net Worth * Special Monthly Pension (SMP) Processing * VBA Applications (PMC VSR) * Program Benefits and Eligibility (PMC VSR) |
| Knowledge Check: | Phase 6: Process Medicaid-Approved Nursing Facility Adjustments Knowledge Check |
| Lesson Objectives | By the end of this lesson, you will be able to:   * Process award adjustment for an admission to a Medicaid-approved nursing facility. * Define Medicaid-approved nursing facility care. * Recognize indicators of Medicaid-approved nursing facility adjustment. * Determine if there is an entitlement change due to Medicaid-approved nursing facility admission. * Determine if evidence is sufficient to process Medicaid-approved nursing facility adjustment. * Determine whether the admission qualifies for a reduction of benefits. * Determine whether to apply due process provisions. * Decide the award action for a Medicaid-approved nursing facility adjustment. * Determine contents of decision notice letter for a Medicaid-approved nursing facility adjustment. * Submit the Medicaid-approved nursing facility adjustment to the Authorizer. |
| What You Need: | * Trainee Guide * **Access to the following job aids from VSR Assistant:**   + **Pension Adjustments for Medicaid-Covered Nursing Facility Care job aid**   + **Processing an Award Adjustment job aid**   + **Processing Medicaid-Approved Nursing Facility Adjustment Checklist job aid** * Appendix A Process Medicaid Approved Nursing Facility Adjustments Guided Practice Worksheet * Appendix B Process Medicaid Approved Nursing Facility Adjustments Guided Practice Worksheet |

| PowerPoint Slides | Notes |
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| Process Medicaid-Approved Nursing Facility Adjustment |  |
| Lesson Objectives  By the end of this lesson, you will be able to:   * Process award adjustment for an admission to a Medicaid-approved nursing facility. * Define Medicaid-covered nursing facility care. * Recognize indicators of Medicaid-approved nursing facility adjustment. * Determine if there is an entitlement change due to Medicaid-approved nursing facility admission. * Determine if evidence is sufficient to process Medicaid-approved nursing facility adjustment. * Determine whether the admission qualifies for a reduction of benefits. |  |
| **Lesson Overview**   * **Medicaid Overview—Instructor introduces concepts relating to Medicaid-approved nursing facilities.** * **Demonstration—Instructor processes a claim from start to finish with opportunities for questions.** * **Guided Practice Exercise—Trainees process a claim with questions and feedback/remediation.** |  |
| Why This Matters!   * 38 CFR 3.551(i) limits to $90 per month the amount of pension that can be paid to a Veteran, surviving spouse with no dependents, or to a surviving child who is * in a Medicaid-approved nursing facility, and * covered by a Medicaid plan for services furnished by the nursing facility * No part of the $90 monthly pension may be used to reduce the amount of Medicaid paid to a nursing facility. |  |
| Medicaid Definitions (1 of 2)   * ***Medicaid Plan*** is a State plan for medical assistance per Title XIX, section 1902(a), of the Social Security Act ([42 U.S.C. 1396a(a)](http://www.law.cornell.edu/uscode/text/42/1396a)).   + Medicaid is available only to certain low-income individuals and families.   + Medicaid sends payments directly to health care providers. * ***Medicaid-approved nursing facility*** is a nursing facility other than a State home that is approved to accept Medicaid patients per Title XIX, section 1919, of the Social Security Act ([42 U.S.C. 1396r](http://www.law.cornell.edu/uscode/text/42/1396r)). |  |
| Medicaid Definitions (2 of 2)   * A beneficiary ***covered by a Medicaid plan*** for services furnished by the nursing facility, has been found eligible for Medicaid coverage for services that the nursing facility provides. The facility is reimbursed under Medicaid for services furnished to the extent that the expenses   + qualify for payment under the State’s Medicaid plan, and * are not payable by a third party |  |
| **End Product Control**   * EP 135 should be established for Medicaid Status adjustments (running award). * If due process is required, EP 135 should be cleared and EP 600 should be established with a date of claim matching the date due process notification is sent. |  |
| Medicaid-Approved Nursing Facility   * **Medicare.gov’s** [Nursing Home Compare](http://www.medicare.gov/NHCompare/home.asp) website ([www.medicare.gov/NHCompare/home.asp](http://www.medicare.gov/NHCompare/home.asp)) is used to confirm that the nursing facility is Medicaid-approved. |  |
| Scenario – Identify Medicaid Nursing Home   * Georgia currently receives survivor pension with aid and attendance, at the maximum amount. In April 2022, VA receives a fully completed VA Form 21-0779, Request for Nursing Home Information, showing that she moved to Sunrise Health and Rehabilitation Center in Sunrise, FL 33351, on March 12, 2022, and that Medicaid became effective on that same date. She submitted a VA Form 21-4138, Statement in Support of Claim, requesting that her benefits be reduced to the $90 Medicaid rate. VA Form 21P-8416, reflecting medical expenses was also submitted. |  |
| Scenario – Identify Medicaid Nursing Home Questions   1. What is the correct EP for the Medicaid Nursing home adjustment claim? 2. What is the website to check if the nursing home is Medicaid approved? 3. Is Sunrise Health and Rehabilitation Center a Medicaid approved nursing home? |  |
| Verify Facility and Medicaid Coverage  When a current-law pension beneficiary who has neither spouse nor child is residing in a nursing facility, but not at VA expense   * determine if the   + nursing facility is Medicaid approved, and   + beneficiary is covered by a Medicaid plan for services furnished by the nursing facility, and * confirm the date the beneficiary was admitted to the nursing facility |  |
| When Medicaid Status Must be Confirmed No Running Award  Delay the award action pending confirmation of a beneficiary’s Medicaid status when the beneficiary   * lives in a nursing facility, but does not have a running award, and is a   + Veteran who has neither spouse nor child,   + surviving spouse without children, or * surviving child |  |
| **When Medicaid Status Must be Confirmed: Running Award**   * When the case of a beneficiary with a running award is reviewed for any reason, and it appears that the $90 nursing home/Medicaid reduction under [38 CFR 3.551(i)](http://www.ecfr.gov/cgi-bin/text-idx?SID=fa5e4ddbda31c53763fe14fc3df1b49b&mc=true&node=se38.1.3_1551&rgn=div8) would apply * confirm Medicaid status, and * follow due process procedures before taking action to reduce benefits   *Important*:  A beneficiary may waive the 60-day due process period by requesting an immediate reduction in payments. |  |
| When Medicaid Status Must be Confirmed: Running Award   * Do not request re-certification of previously approved medical expenses when it appears reduction under [38 CFR 3.551(i)](https://www.ecfr.gov/cgi-bin/text-idx?SID=3839537a8d352ba971a48bd3e7fa07b6&mc=true&node=se38.1.3_1551&rgn=div8) would apply, unless there is reason to question the validity of the previously approved medical expenses. * Follow steps as outlined in **M21-1 IX.iii.2.A.4.h.** Confirming Medicaid Status |  |
| Activity 1: Practice Exercise – Question 1  Question 1  A Veteran with a running award submits VA Form 21-0779, Request for Nursing Home Information in Connection with Claim for Aid and Attendance, showing he is now in a Medicaid approved nursing home. The Veteran also submits a Medical Expense Report and VA Form 21-4138: Statement in Support of Claim, requesting pension be reduced to $90. The Veteran is currently receiving pension with 1 dependent (spouse).  Is the Veteran eligible for the Medicaid status rate ($90)? |  |
| Activity 1: Practice Exercise -Question 2  Question 2  Veteran’s original pension claim, received on October 14, 2021, has no dependents, resides in a Medicaid approved nursing home, and has applied for Medicaid. Nursing home is on Medicare.gov website. The Veteran’s Medicaid application is pending   * Would you pay Medicaid rate of $90? * If so when? |  |
| Activity 1: Practice Exercise- Question 3  A Veteran with no dependents is receiving maximum pension benefits with prospective medical expenses based on assisted living fees since 2018.  In May 2022, VA is notified by the administrator of a nursing facility that the Veteran entered a Medicaid approved nursing facility on January 15, 2022; and the Veteran has been approved for a Medicaid plan.  What action would you take? |  |
| **Activity 1: Practice Exercise – Question 4**  Question 4  A Veteran with no dependents is receiving maximum pension benefits with prospective medical expenses based on assisted living fees since 2018.   In May 2022, VA is notified by the administrator of a nursing facility that the Veteran entered a Medicaid approved nursing facility on January 15, 2022 and the Veteran has been approved for a Medicaid plan.  The administrator also indicates that the Veteran left the previous assisted living facility in June 2020.  What action would you take? |  |
| Guided Practice Exercise 1 – Medicaid Adjustment Claims   * Instructions:​   + Review the Sample Documents for the practice exercise​ to answer the questions.     - Sample VA Form 21-0779, Request for Nursing Home Information     - Sample VA Form 21P-8416, Medical Expense Report     - Sample VA form 21-4138: Statement in Support of Claim   Time allowed: 15 minutes. |  |
| Guided Practice Exercise 1 – Questions  Questions   1. What is the correct EP for the Medicaid adjustment claim? 2. Based on the claim submitted, is due process needed prior to processing the Medicaid reduction? 3. Is the Veteran’s nursing home Medicaid approved (confirm Medicaid status)? 4. What is the effective date the Veteran was approved for Medicaid? 5. What is the effective date to reduce the Veteran’s rate to Medicaid status rate, $90? |  |
| Guided Practice Exercise 2 – Medicaid Adjustment Decision Letter  Instructions:   * Prepare a Medicaid adjustment decision letter for Sample Medicaid adjustment claim * Use the job aids, references, and systems available. * Be prepared to discuss letter with the class.   Time allowed: 20 minutes |  |
| Less than $90 Rate   * When monthly benefits are $90 or less for nursing home/Medicaid beneficiaries who would otherwise be subject to the $90 limit per [38 CFR 3.551(i)](http://www.ecfr.gov/cgi-bin/text-idx?SID=fa5e4ddbda31c53763fe14fc3df1b49b&mc=true&node=se38.1.3_1551&rgn=div8), an adjustment for nursing home/Medicaid status does not apply.   + if monthly benefits become greater than $90 through retroactive increase, the $90 limit for nursing home/Medicaid status does apply |  |
| Retroactive Increase   * If beneficiary is entitled to a retroactive increase and the increase is during a period the beneficiary is covered by Medicaid, can pay the increase through the last day of the month which Medicaid coverage began. * A notice of proposed adverse action is not required as long as the action does not reduce a running award or create an overpayment. |  |
| Activity 2: Practice Exercise Question 1  Question 1  A Veteran has been in receipt of Veteran pension since August 2019. The Veteran’s monthly pension rate is $50 monthly as of April 2022. The Veteran reports she now resides in a Medicaid approved nursing home as of January 25, 2022. She is not paying any medical expenses and her monthly VA pension rate will remain at $50 monthly.   * Is the Veteran entitled to the Medicaid status rate of $90? |  |
| Restoration of Full Benefits Change in Medicaid Status (1 of 2)  A beneficiary’s full monthly pension should be restored, from the $90 nursing home/Medicaid rate   * upon discharge from Medicaid-covered nursing facility care * upon return to private pay status in a Medicaid-approved nursing facility, or * with the establishment of a spouse or dependent child * Note:  If the beneficiary transfers from one facility to another, the status of Medicaid coverage must be re-determined. |  |
| **Restoration of Full Benefits Change in Medicaid Status (2 of 2)**   * Omnibus will not apply if the beneficiary is restored to the full rate of pension payable (if more than $90 rate). * Restore the full rate from the date:   + of discharge or release from the institution providing Medicaid-covered nursing facility care   + on which an institutionalized beneficiary returns to private pay status, or   + on which the beneficiary gains a spouse or dependent child (Omnibus will apply if adding a dependent) |  |
| Admission Guided Practice Exercise Overview – Claim 1   * Instructions:   + Process Claim assigned by instructor from beginning to end.   + Use the job aids, references, and systems available.   + Select a partner before beginning the exercise to confer with after completing each step individually.   + Consult with instructors for assistance.   + Be prepared to discuss your results with the class. * **Time Allowed: 20 minutes** |  |
| ****Claim 2—Prepare a Decision Notice (1 of 2)****   * Instructions:   + Process Claim 2 from beginning to end.   + Perform the steps to prepare the decision notice for Claim 2.   + Use the job aids, references, and systems available.   + Confer with a partner to assess each other’s decision notice.   + Ask for guidance from the instructor if you identify discrepancies. * Time allowed: 30 minutes |  |
| Claim 2—Prepare a Decision Notice (2 of 2)   * **Remember to include the specific paragraphs, templates, and autotext when preparing the decision notice.** |  |
| Claim 4—Decide the Award Action (2 of 2)  This icon prompts you to ask trainees a discussion question or to ask trainees if they have any questions before proceeding with instruction. |  |
| Knowledge Check: Lesson Summary    ****Time Allowed: 15 minutes**** |  |
| What’s Next?   * Complete Process Medicaid-Approved Nursing Facility Adjustment evaluation course: TMS ID# 4408419 |  |

Scenario – Identify Medicaid Nursing Home

**Directions**: Based on the material covered, provide answers for the following.

1. What is the correct EP for the Medicaid Nursing home adjustment claim?
2. What is the website to check if the nursing home is Medicaid approved?
3. Is Sunrise Health and Rehabilitation Center a Medicaid approved nursing home?