

June 17, 2008

MEDICAID BULLETIN

ALL-GENERAL 08-02

TO: All Providers

SUBJECT: Health Opportunity Accounts (HOA)

Starting May 1, 2008, certain Medicaid eligible residents of Richland County have the option to participate in a demonstration project called Health Opportunity Accounts (HOA). South Carolina Department of Health and Human Services (SCDHHS) was approved by the Centers for Medicare and Medicaid Services to run this demonstration for five (5) years at no risk to a provider or beneficiary. The beneficiary can opt out at any point and SCDHHS will ensure that providers receive full reimbursement for any covered services when billed according to normal billing policies.

Overview

The HOA program is designed to allow Medicaid eligible adults and children the chance to participate in the management of the cost of their Medicaid services. Beneficiaries are not allowed to participate in the HOA if they are in a Medicaid waiver, currently enrolled in a Healthy Connections Choices managed care plan, or have other third party coverage.

How the HOA works

If the individual is eligible for Medicaid and participates in the HOA program:

- Medicaid establishes an account for participating members: \$2,500 for adults and \$1,000 for children for a 12 month period.
- The beneficiary will receive a regular Medicaid card and a HOA identification card.
- Cost of care is deducted from the account as Medicaid covered services are received.
- The costs of preventive care and appropriate emergency room services are covered but not deducted from the account. Appropriate emergency services are defined as care for emergent or life threatening condition.
- Medicaid will send the participant a monthly statement or Explanation of Benefits (EOB). Included in the EOB will be information on paid services deducted from the account, paid services covered but not deducted from the account, and the account balance.

- Money cannot be withdrawn from the account for cash. An open account can only be used for payment of Medicaid covered services to a Medicaid enrolled provider through normal Medicaid billing processes.
- At the end of the beneficiary's 12 month period, the individual can choose whether to stay in the HOA program or choose a different plan through Healthy Connections Choices. If the individual stays with the HOA, a new deposit will be made as well as carrying forward any balance. If eligibility continues and the beneficiary opts out of the HOA Program, the HOA is closed and the money remains the property of Medicaid.
- At the time that the beneficiary becomes ineligible for Medicaid, 75 percent of the balance is available to the non-Medicaid eligible beneficiary for medical and job-training expenses for up to three years post eligibility. The individual must be determined ineligible for Medicaid to use the balance.

Verifying Eligibility

Providers will be informed of participating beneficiaries through the Interactive Voice Response System (IVRS) and other eligibility verification services. Failure to verify eligibility prior to providing a service leaves the provider at risk of providing services to a beneficiary in their deductible period.

All eligibility verification services will inform providers when a patient is participating in the HOA or when they are in the HOA deductible period. We recommend that providers contact the HOA Project Manager, Steve Bouknight at (803) 360-6804 when a patient is in the HOA.

Deductible (Out-of-pocket) Period

- Accounts will be closely monitored and the beneficiary will be contacted when their account balance is running low.
- If the individual depletes their account, they have an out of pocket (deductible) responsibility of 10 percent (\$250/adult; \$100/child).
- Beneficiaries will be contacted when the deductible period begins.
- During this deductible period, the provider bills the beneficiary at the current Medicaid reimbursement rate.
- The provider is responsible for collecting reimbursement for services from the beneficiary at the Medicaid rate during the deductible period.
- Claims will reject during the deductible period with edit code 808 - Recipient is in HOA Deductible.
- Billing problems or problems collecting the deductible during this period should be reported to the HOA Project Manager, Steve Bouknight at (803) 360-6804 or your program representative.
- After the deductible is satisfied, Medicaid will resume coverage and the individual is exempt from any further co-pay for the remainder of the 12 month HOA period.

Enrollment

Beneficiaries wishing to enroll should contact 1-888-549-0820.

Thank you for your participation in the South Carolina Medicaid program.

/s/

Emma Forkner
Director

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To sign up for Electronic Funds Transfer of your Medicaid payment, please go to the following link for instructions: <http://www.scdhhs.gov/dhhsnew/serviceproviders/eft.asp>