

1 10A NCAC 23E .0209 is proposed for readoption without substantive changes as follows:

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3 **10A NCAC 23E .0209 DEDUCTIBLE**

4 (a) ~~A Deductible~~ deductible shall apply to a client in the following arrangements:

- 5 (1) In ~~the community, in~~ private living quarters in the community; ~~quarters; or~~  
6 (2) In a residential group facility; or  
7 (3) In a long-term ~~long term~~ care living arrangement when the client:  
8 (A) Has enough income monthly to pay the Medicaid reimbursement rate for 31 days, but does  
9 not have enough income to pay the private rate plus all other anticipated medical costs; ~~or~~  
10 (B) Is under a sanction due to a transfer of resources as specified in the Medicaid State Plan;  
11 ~~10A NCAC 21B .0311; or~~  
12 (C) Does not yet have documented prior approval for Medicaid payment of nursing home care;  
13 ~~or~~  
14 (D) Resided in a newly-certified ~~newly certified~~ facility in the facility's month of certification;  
15 ~~or~~  
16 (E) Chooses to remain in a decertified facility beyond the last date of Medicaid payment; or  
17 (F) Is under a Veterans Administration (VA) contract for payment of cost of care in the nursing  
18 home.

19 (b) The client or his or her representative shall be responsible for providing bills, receipts, insurance benefit  
20 statements, statements or Medicare EOBs ~~EOB~~ to establish incurred medical expenses and his or her responsibility  
21 for payment. If the client has no representative and he or she is physically or mentally incapable of accepting this  
22 responsibility, the county shall assist him or her in obtaining verification. ~~him.~~

23 (c) Expenses shall be applied to the deductible when they meet the following criteria:

- 24 (1) ~~They~~ The expenses are for medical care or service recognized under State ~~state~~ or federal tax law;  
25 (2) ~~They~~ They are incurred by a budget unit member; and  
26 (3) They are incurred:  
27 (A) During the certification period for which eligibility is being determined and the  
28 requirements of Paragraph (d) of this Rule are met; or  
29 (B) Prior to the certification period and the requirements of Paragraph (e) of this Rule are met.

30 (d) Medical expenses incurred during the certification period shall be applied to the deductible if the requirements in  
31 Paragraph (c) of this Rule are met and:

- 32 (1) The expenses are not subject to payment by any third party including insurance, government agency  
33 or program, program except when such the program is entirely funded by state or local government  
34 funds, or private source; ~~or~~  
35 (2) The private insurance has not paid such expenses by the end of the application time standard; ~~or~~  
36 (3) For certified cases, the insurance has not paid by the time that incurred expenses equal the deductible  
37 amount; or

- 1           (4)     The third party has paid and the client is responsible for a portion of the charges.
- 2 (e) The unpaid balance of a Medical expense incurred prior to the certification period shall be applied to the deductible
- 3 if the requirements in Paragraph (c) of this Rule are met and:
- 4           (1)     The medical expense was:
  - 5               (A)     Incurred within 24 months immediately prior to:
    - 6                   (i)     The month of application for prospective or retroactive certification period or
    - 7                           both; or
    - 8                   (ii)    The first month of any subsequent certification period; or
  - 9               (B)     Incurred prior to the period described in Subparagraph (e)(1)(A) of this ~~Rule, Rule;~~ and a
  - 10                   payment was made on the bill during that period; and
- 11          (2)     The medical expense:
  - 12               (A)     Is a current liability;
  - 13               (B)     Has not been applied to a previously met deductible; and
  - 14               (C)     Insurance has paid any amount of the expense covered by the insurance.
- 15 (f) The county department of social services shall apply incurred ~~Incurred~~ medical expenses ~~shall be applied~~ to the
- 16 deductible in chronological order of charges except that:
  - 17           (1)     If medical expenses for Medicaid covered services and non-covered services occur on the same date,
  - 18                   apply charges for non-covered services first; and
  - 19           (2)     If both hospital and other covered medical services are incurred on the same date, apply hospital
  - 20                   charges first; and
  - 21           (3)     If a portion of charges is still owed after insurance payment has been made for lump sum charges,
  - 22                   compute incurred daily expense to be applied to the deductible as follows:
    - 23                   (A)     Determine the average daily charge, calculated by adding the charges and dividing by the
    - 24                           number of days, charge excluding discharge date from hospitals; ~~and~~
    - 25                   (B)     Determine the average daily insurance payment, calculated by adding the insurance
    - 26                           payments and dividing by the number of days, payment for the same number of days; and
    - 27                   (C)     Subtract average daily insurance payment from the average daily charge to establish client's
    - 28                           daily responsibility.
- 29 (g) Eligibility shall begin on the day that incurred medical expenses reduce the deductible to \$0, except that the client
- 30 is financially liable for the portion of medical expenses incurred on the first day of eligibility that were applied to
- 31 reduce the deductible to \$0. If hospital charges were incurred on the first day of eligibility, notice of the amount of
- 32 those charges applied to meet the deductible shall be sent to the hospital for deduction on the hospital's bill to Medicaid.
- 33 (h) The receipt of proof of medical expenses and other verification shall be documented by the county department of
- 34 social services in the case record.

1 *History Note: Authority G.S. 108A-54; 108A-54.1B; ~~42 C.F.R. 435.732~~; 42 C.F.R. 435.831; Alexander v.*  
2 *Flaherty, U.S.D.C., W.D.N.C., File Number C-C-74-483; Alexander v. Flaherty Consent Order filed*  
3 *February 14, 1992;*  
4 *Eff. September 1, 1984;*  
5 *Amended Eff. June 1, 1994; September 1, 1993; April 1, 1993; August 1, 1990;*  
6 *Transferred from 10A NCAC 21B .0406 Eff. May 1, 2012; ~~2012~~.*  
7 *Readopted Eff. May 1, 2019.*