SAPC | Substance Abuse Prevention and Control

Share of Cost Informational Reference

OVERVIEW

This informational reference provides a high-level overview of Share of Cost (SOC) for Medi-Cal beneficiaries and how it impacts billing to SAPC. Share of Cost is a monthly dollar amount that some Medi-Cal beneficiaries must pay, or agree to pay, towards their medical expenses before utilizing their Medi-Cal benefits. A Medi-Cal beneficiary's SOC is similar to a private insurance plan's deductible; the SOC must be paid before Medi-Cal will pay for services rendered. The main difference being that private insurance deductibles are typically annual while Medi-Cal SOC is monthly.

Share of Cost is determined at the time of eligibility determination by the county department responsible for eligibility benefits and is based on the amount of income a beneficiary receives that is over "maintenance need" levels. "Maintenance need" is the amount of an individual's income that is used to cover living expenses, such as food, clothing, and housing. Medi-Cal beneficiaries pay their SOC directly to the provider of the service, not to Medi-Cal. For Los Angeles County, the Department of Public Social Services (DPSS) is responsible for SOC determination.

The SOC amount resets each month and is only needed to be spent down in months where care was received. DHCS refers to SOC "spend down" as the payments a beneficiary makes towards meeting monthly SOC. "Certifying" SOC per DHCS, refers to the process of reporting transactions paid by the patient towards SOC to Medi-Cal and reducing the SOC to $0. Once a beneficiary's SOC is certified, Medi-Cal will begin paying services billed for the beneficiary.

Share of Cost should not be confused with cost-sharing, which is when a beneficiary is required to pay a set amount or percentage of each service received. With cost-sharing, both the patient and Medi-Cal pay a portion of the cost of the service.

> Services billed to SAPC for a patient with unmet Share of Cost will be denied by DHCS and recouped by SAPC. Once Share of Cost is met, applicable services can be replaced to SAPC.

DETERMINING SHARE OF COST

A beneficiary's Medi-Cal information contains SOC amounts when viewed on the Medi-Cal Provider Portal, 271 Eligibility Response in Sage, or Automated Eligibility Verification System (AEVS). The eligibility verification message will indicate the SOC dollar amount the beneficiary must pay and whether it has been met.

Medi-Cal Provider Portal Eligibility Transaction

On the Medi-Cal Provider Provider website eligibility response transaction response, the field "Spend Down Total Remaining" displays the SOC amount that is remaining for the beneficiary to pay before Medi-Cal will pay for services. The field "Spend Down Total Obligation", indicates the monthly SOC requirement. The image below is an example of a beneficiary's eligibility response showing $1,100.00 remains to be paid towards SOC where the monthly SOC requirement amount is $1,200.00.

County of Los Angeles Public Health

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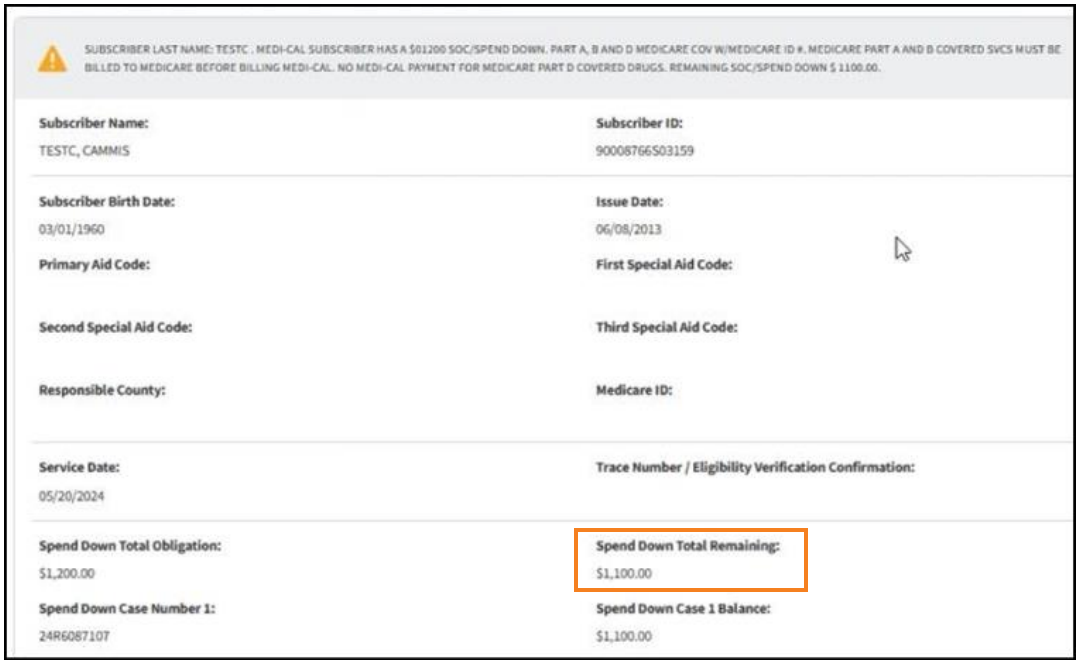

Sage 271 Eligibility Response

On the 271 Eligibility Response in Sage, the SOC monthly requirement will appear as "(Y) Spend Down" in the row labeled "Eligibility or Benefit Information" and the SOC amount will be indicated as the "Benefit Amount". The amount of SOC remaining to be spent down will show with the "Time Period Qualifier: (29) Remaining" and the "Benefit Amount" field beneath the line will indicate the remaining SOC amount. In the example image below, the patient has a SOC of $1368, that remains to be spent down.

Inquiry Type	:	Generic: Financial Eligibility
Eligibility Or Benefit Information	:	(Y) Spend Down
Benefit Amount	:	1368

Inquiry Type	:	Generic: Financial Eligibility
Eligibility Or Benefit Information	:	(Y) Spend Down
Time Period Qualifier	:	(29) Remaining
Benefit Amount	:	1368

Automated Eligibility Verification System (AEVS)

The Department of Health Care Services (DHCS) AEVS is an interactive voice response system that allows provider agencies to access beneficiary eligibility information and clear SOC liability via telephone. Providers must have a valid Provider Identification Number (PIN) to access AEVS. AEVS verifies beneficiary eligibility for the current and prior 12 months and will provide information on SOC. Provider agencies can also use AEVS to report SOC spend down transactions. Refer to the DHCS AEVS General Instructions guide and DHCS AEVS Transactions guide for information on accessing AEVS and how to receive and transmit SOC information via the telephone system.

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MEETING SHARE OF COST

Patients can meet SOC through healthcare expenses including medical equipment, prescription and over-the-counter drugs prescribed by a physician, medical services, and health supplies. These services are not required to be Medi-Cal covered in order to meet SOC. It is also possible that unpaid medical bills can be used to lower a future month's SOC. DHCS recommends the patient contact LA County Department of Public Social Services (DPSS) to determine if their scenario is allowable to be reported for SOC spend down. DPSS has also issued a Share of Cost Flyer that outlines more information about how to meet SOC.

Medi-Cal providers are required to perform a SOC clearance transaction immediately upon receiving payment or accepting obligation of payment directly from the beneficiary for services they provide. Obligating payment means that the provider is allowing the beneficiary to pay for services at a later date or through a payment plan, as designated by the provider. A payment plan should be a written document, signed by both parties, that outlines the timeline and payments required to be made.

> Services delivered to a Medi-Cal beneficiary where the patient pays or obligates payment should not be billed to SAPC as the cost of the service has been paid. Only services or portions of a service not paid by the patient should be billed to SAPC, once their SOC for the month has been met.

CERTIFYING SHARE OF COST

Certifying SOC means that the Medi-Cal eligibility verification system shows that the beneficiary has paid the entire monthly SOC amount. Agencies should report SOC transactions to Medi-Cal to report spend downs of patient SOC amounts. Share of Cost can be reported to DHCS via the Medi-Cal Provider Portal or the AEVS system. DHCS refers to the reporting of payments towards SOC as "Share of Cost Clearance Transactions".

Provider agencies must keep a record of the transactions reported to Medi-Cal on behalf of the patient along with the supportive documentation, should it be needed in an audit.

The process for reporting clearance transactions can be found in the DHCS Medi-Cal Provider Portal Eligibility Transactions User Guide, Share of Cost (SOC) section, and in the DHCS AEVS Transactions guide, beginning on page 6.

Once the patient's SOC has been certified, i.e. the SOC has been fully spent down, services for the patient can be billed to SAPC. Services paid by the patient to spend down their SOC should not be billed to SAPC as they were already paid by the patient.

RESOURCES

Below are the links noted throughout this guide as well as additional resources that may be of assistance. Questions regarding how to report SOC payments or what services can be attributed to SOC should be directed to DHCS and/or DPSS.

Telephone Inquiries

- DHCS Medi-Cal Helpline: (800) 541-5555

- Los Angeles County Department of Public Social Services
  - Customer Service Center Toll Free: (888) 613-3777
  - Local Customer Service Centers: (310) 258-7400, (626) 569-1399, (818) 701-8200

Reference Links

Link	Description
Medi-Cal Provider Portal User Guide: Eligibility Transactions	Provides information on eligibility transactions, how to determine if a patient has SOC and how to certify SOC using the DHCS Medi-Cal Provider Portal
DPSS Share of Cost Flyer	Provides information on how to meet SOC
Medi-Cal Provider website	Link for the Medi-Cal Provider website to view eligibility and report SOC transactions
DHCS AEVS Transactions	Provides information on how to report SOC transactions via AEVS
DHCS AEVS General Instructions guide	Provides information generally on how to use the AEVS system
DHCS Medi-Cal Course: Share of Cost Recorded Webinar	DHCS recorded webinar on SOC
DHCS Share of Cost Webinar Handout	DHCS SOC handout associated to the above recorded webinar on SOC
California HealthCare Foundation Share of Cost Medi-Cal Issue Brief	Provides information regarding what Share of Cost is, how it is determined, and how it can be met.