



COMMISSIONER
Jon Weizenbaum

February 28, 2014

To: Nursing Facilities
Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Conditions

Subject: Information Letter 14-14
REMINDER: Applied Income Requirements

Information Letter 13-11, dated February 20, 2013, notified providers that in June 2012, the Department of Aging and Disability Services (DADS) was found out of compliance during a review by the Centers for Medicare and Medicaid Services (CMS) Payment Error Rate Measurement (PERM). This was due to a Medicaid paid nursing facility claim that processed with an inappropriate applied income amount for a resident receiving Supplemental Security Income (SSI). While the inappropriate applied income for the SSI resident was subsequently corrected, the correction was made more than 60 days after the claim had been adjudicated.

The purpose of this information letter is to remind providers to notify the resident's Medicaid for the Elderly and People with Disabilities (MEPD) worker as soon as possible of any errors in the resident's applied income. This is especially important when the resident is an SSI resident and may not have an income; thereby, not requiring an applied income contribution.

CMS allows states to adjust claims more than 60 days after the date of adjudication as long as a reasonable explanation exists (e.g. change in payment rates). When there is not a reasonable explanation for claims adjustment more than 60 days after the date of adjudication, the claims will be counted as a payment error and any federal financial participation will have to be refunded, by DADS, for overpayments.

Direct questions about policy to NF.Policy@dads.state.tx.us. Questions about this information letter should be directed to the Provider Claims Services Help Desk at (512) 438-2200, Option 1.

Sincerely,

[signature on file]

James Jenkins
Chief Financial Officer

JJ:mgm