

# *Colorado Indigent Care Program*

CICP Provider 2015 Training

Presented by: Karen Talley

2015



**COLORADO**

Department of Health Care  
Policy & Financing

# *Our Mission*

**Improving** health care access and outcomes for the **people** we serve while demonstrating sound stewardship of financial **resources**



**COLORADO**

Department of Health Care  
Policy & Financing

# Objective

- Goals
- Legislation
- Overview of Requirements
- Policy Updates
- Clarification of program policies



**COLORADO**

Department of Health Care  
Policy & Financing

# Goals

- Distributes federal and state funds to partially compensate qualified health care providers for uncompensated costs associated with services rendered to the indigent population
- Providers render discounted health care services to Colorado residents, migrant workers and legal immigrants



**COLORADO**

Department of Health Care  
Policy & Financing

# Enabling Legislation

## Title 25.5, Article 3, Part 1

- Allocate available resources in a manner that will provide treatment of conditions constituting the most serious threats to the health of medically indigent persons
- Such allocation of resources require prioritization of medical services by providers
  - Emergency care
  - Urgent care
  - Any other additional medical care



**COLORADO**

Department of Health Care  
Policy & Financing

# Health Coverage

- CICP is not a health coverage plan
- CICP does not offer a specified discounted medical benefit package or an entitlement to medical benefits
- Medically indigent persons receiving services are subject to certain limitations and requirements



**COLORADO**

Department of Health Care  
Policy & Financing

# *Overview of Requirements*

- Applicants aged 18 and older must:
  - Sign an affidavit indicating their citizenship status;
  - Provide one approved document to demonstrate that they are lawfully present in the country;
  - Be a resident of the State of Colorado;
  - Furnish of Social Security number (or documentation that they have applied for one); and
  - Meet all other CICP eligibility requirements (related to income and resources)



**COLORADO**

Department of Health Care  
Policy & Financing

# Overview of Requirements

- Health care services provided to clients must be medically necessary, as determined by the CICP provider
  - Medical necessity means:
    - A good or service that will, or is reasonably expected to prevent, diagnose, cure, correct, reduce, or ameliorate the pain and suffering, or the physical, mental, cognitive, or developmental effects, of an illness, injury, or disability.
    - May also include a course of treatment that includes mere observation or no treatment at all



**COLORADO**

Department of Health Care  
Policy & Financing

# Policy Changes Effective July 1, 2015

- Equity threshold for vehicles increases to \$7,500
  - Vehicle Equity Pricing
- Modification of the Medical Deduction Policy
- Out of Network clients to continue to receive services from CICP clinics
- New Excel electronic application and worksheets
- Liquid asset spend down line added to worksheet
- Deduction for mileage line on worksheet



# Third-Party Contract

- Additional services not available at the CICP provider's facility
  - Emergency Transportation
  - Specialist Services
  - Pharmaceuticals
- Contract stipulates Department is not a party to the contract and not involved in negotiations
- Third-party provider submits charges, other payments, patient liability and other data as required directly to the CICP provider



**COLORADO**

Department of Health Care  
Policy & Financing

# Questions So Far?



# Emergency Application

- Application is good for one episode of service in an emergency room and subsequent service (Inpatient stay)
  - Eligibility based on applicant's verbal responses
  - Rating cannot be changed even if client complete subsequent application
  - Patients who are eligible for Medicaid cannot complete CACP emergency application



**COLORADO**

Department of Health Care  
Policy & Financing

# Application

- Applicant is person responsible for paying the incurred medical charges
  - Cannot be a minor unless applying in Emancipated Minor status
    - Most likely will be eligible for Medicaid
  - Applicant is deceased
    - Family member or executor can complete application on behalf of deceased applicant
    - Provider can complete application if no other person is available
      - Providers should contact Department prior to completing application
  - Party completing application is not required to pay copayment
    - According to Colorado law, spouses are responsible for each other's medical charges



# Application

- Provider must obtain as much documentation as possible to support the applicant's financial status
  - Except in the event of an emergency, an application can be denied for non-compliance, if the client refuses to provide required information or documentation
  - Provider should schedule an appointment with the applicant to complete the application within 45 days after the date of service
    - Providers should ask clients if they received a CACP rating with a different provider
  - Clients are responsible for notifying the provider's billing office if they have received a CACP rating from another CACP facility



# Application

- Ratings are retroactive for services received up to 90 days prior to application, or
- Adjudication of claim form third-party payer
- Providers may extend the deadline for special circumstances under a policy determined and set by the provider
- Rating process takes a “snapshot” of an applicant’s financial resources as of the date the rating takes place and a signed application is obtained



**COLORADO**

Department of Health Care  
Policy & Financing

# Common Law Marriage

- **Common Law Marriage** - If a man and woman meet the requirements for common law marriage, the same rules apply as with married couples as stated in Section 5.04.1. All five of the following requirements must be met for a common-law marriage in Colorado:
  - It must be the INTENT of both parties to be husband and wife;
  - Both parties must be 18 years of age or older;
  - Both parties must be free to marry (single, widowed or legally divorced);
  - Both parties must live together; and
  - Both parties, by reputation, must claim to be married
- If one or more of these conditions are not met, a couple living together is not a “family” for CACP ratings. This means both partners must complete separate applications.
- As with married couples, the wife does not have to take the husband’s last name for a common-law marriage.
- Providers may request an affidavit of Common Law Marriage signed by both parties.
- As with Married Couples, couples wishing to separate or divorce must provide legal documentation of the separation or the dissolution of marriage to be considered separate for CACP eligibility



# Other Provider's Rating

- Providers are not required to accept each other's rating
  - If provider believes the rate was determined inaccurately, or
  - The person was rated incorrectly
- Providers are asked to contact each other and arrive upon the correct rating



# Provider Management Exception

- Client has an unusual circumstance which may justify lowering of the CICP rating
- Should be used to qualify applicant
- Client must be re-rated after 90 days
- CICP providers do not need to honor exceptions made by other CICP Providers
- The number of Provider Management Exceptions granted by a provider cannot exceed 5% of all ratings performed
- Providers must treat all clients equitably in the Provider Management Exception process



**COLORADO**

Department of Health Care  
Policy & Financing

# Liquid Asset Spend Down

- Enables applicant to qualify for CACP discount if current liquid assets exceed eligibility standards
- Only applies if applicant is over resource, not over income
- The amount of liquid assets exceeding eligibility standard can be applied to the current medical bill
  - Paid directly to provider
- Remaining balance of medical bill is discounted under the CACP
- Client is responsible for the CACP copayment



# Liquid Asset Spend Down Example

- Employment income of \$16,000 per year and has bank account of \$16,500
  - Family size of 1, the Family Size Deduction is \$2,500
  - Equity Resources is \$14,000 ( $\$16,500 - \$2,500 = \$14,000$ )
  - Total family financial status is \$30,000 ( $\$16,000 + \$14,000 = \$30,000$ )
  - No allowable deductions
- **Goal is to get income to \$29,425-family size of 1@ 250% of FPL**
  - Assets need to be reduced by \$575 ( $\$30,000 - \$29,425 = \$575$ )
  - The \$575 is applied to the current medical bill of \$25,000
  - Remaining medical bill is \$24,425 ( $\$25,000 - \$575 = \$24,425$ )
- The client is now eligible for the CACP discount, with a total family financial status of \$29,425 (\$16,000 employment income and \$13,425 in equity and resources)



# Provider Management Appeal

- Facility found client's initial rating was inaccurate
- Can result in higher or lower ratings
- Client has 15 days from date of completing CICP application to request Provider Management Appeal
- Facility must notify clients in writing of results of Provider Management Appeals within 15 working days of receipt of appeal request



**COLORADO**

Department of Health Care  
Policy & Financing

# Provider Management Appeal

- If rating is found to be inaccurate, the designated manager must correct application and assign the correct rating to the client
- The correct rating is effective retroactive to the initial date of application
- Charges incurred 90 days to the initial date of application must be discounted



**COLORADO**

Department of Health Care  
Policy & Financing

# Questions So Far?



# Objective

- Income
- Examples of Income Calculations
- Deductions
- Examples of Deductions
- Waiver



# Definitions of Income

- **Employment Income**
  - Income earned (including overtime and bonuses) for providing services to another individual or company
- **Unearned Income**
  - Countable gross cash received from sources other than employment
- **Self-Employment Income**
  - People find their own work rather than being provided with work by an employer, earning income from a trade or business that they operate

# Financial Screening

- Obtain documentation for current or previous month's income
- Verify income by paystub or employment letter
- Some unearned income can be self-declared
- Self Employment Income can be self-declared



**COLORADO**

Department of Health Care  
Policy & Financing

# Calculating Year-to-Date Income

Utilizes the applicant's cumulative year-to-date gross earnings on pay stub

- Must use most current year-to-date paystub
- Count the number of pay periods that have occurred since January 1<sup>st</sup>, and then divide that number into the gross year-to-date earnings indicated on pay stub
- The result of computation is multiplied by the number of pay periods in a year to determine the annualized gross earnings



**COLORADO**

Department of Health Care  
Policy & Financing

# Year-To-Date Example

- The applicant provides you with a recent pay stub whose year-to-date earnings are \$13,756. The pay frequency is bi-weekly. The pay period ended September 30<sup>th</sup> and since January 1<sup>st</sup> the applicant has been paid 19 times. The calculation would be as follows:
  - Divide \$13,756 by 19 bi-weekly pay periods = \$724.00
  - Multiply \$724 by 26 bi-weekly pay periods in a year = \$18,824
  - OR
  - Divide \$13,756 by 38 weekly pay periods = \$362.00
  - Multiply \$362 by 52 weekly pay periods in a year = \$18,824



**COLORADO**

Department of Health Care  
Policy & Financing

# Calculating Average Pay Income

Utilizes a full month of paystubs

- Total all the gross earnings of all the pay stubs provided
- Divide the result by the number of pay stubs
- The result will be the average gross earnings per pay period
- Determine if applicant is paid weekly, bi-weekly or semi-month (usually the 1<sup>st</sup> & 15<sup>th</sup>)
- Cover the average gross earnings to monthly income
  - Weekly income to monthly income, multiply by 4.333
  - Bi-weekly income to monthly income, multiply by 2.1666
  - To covert semi-monthly income to monthly income, multiply by 2



**COLORADO**

Department of Health Care  
Policy & Financing

# Average Pay Income Example

An applicant provides you with four pay stubs with gross earnings of \$534.00, \$475.00, \$398.00, and \$534.00.

The pay frequency is weekly.

The calculation would be as follows:

- Add: \$534.00, \$475.00, \$398.00, and \$534.00 = \$1,941.00
- Divide: \$1,941.00 by 4 pay stubs = \$485.25 average weekly gross earnings
- Multiply \$485.25 by 4.333 = \$2,102.00 (Average Monthly)
- Multiply \$2,102.00 by 12 months = \$25,231.00



**COLORADO**

Department of Health Care  
Policy & Financing

# Average Pay Income Example

If the applicant has just started a job but has not received a paycheck yet, a letter on official letterhead from the applicant's employer is allowable. Use the information in the letter to calculate the monthly income using the Average Pay Method. The calculation would be as follows:

- Letter on employer's letterhead with hourly wage and hours to be worked per week:
- Weekly earnings =  $\$8.50$  per hour  $\times$  20 hours per week =  $\$170$  per week
- Monthly gross earnings =  $\$170 \times 4.333 = \$736.61$  per month
- Annual income =  $\$736.61 \times 12$  months =  $\$8,839.32$  per year



**COLORADO**

Department of Health Care  
Policy & Financing

# Calculating Self-Employment Income

- Deduct the cost of doing business from the gross income
- Request one month of gross bank business deposits Or
- A profit and loss worksheet Or
- A ledger
- Transfer gross income amount and business expenses listed to worksheet 2
- Worksheet must be signed, dated and attached to application



# Medical Deductions

- To calculate the deductions for Line 14 of the CACP application
  - Request amount of original hospital bill
  - Request the amount paid on the bill
    - Payment plan
  - Complete Worksheet 4 for the allowable deductions
  - Record the Grand Total on Line 14 of the CACP Client application or Line 4 of the CACP Worksheet 1 (Calculating the Rate)
  - Do not annualize one-time or annual payments



**COLORADO**

Department of Health Care  
Policy & Financing

# Vehicle Deduction

- Increased Personal Vehicle Equity Limit to \$7500
- Calculating Vehicle Equity
  - Determine total value of all vehicles owned by the application
  - Determine the total amount owed on all vehicles owned by the applicant
    - Receive confirmation (verbal or written) from the applicant's bank to confirm outstanding vehicle loans
  - The CICP protects a total of \$7,500 (Minus Protected Portion" column for all vehicles owned
  - Subtract the "Amount Owed" and \$7,500" From the Actual Value" of all vehicles.
  - Record this amount on Line 6 under the CICP Equity Calculation" column of the application
  - Record negative amount as zero



**COLORADO**

Department of Health Care  
Policy & Financing

# Motor Vehicle Equity Pricing

- Navigate to the National Automotive Dealers Association (NADA) guide website, [www.nadaguides.com](http://www.nadaguides.com)
- Click on “New & Used Car Prices”
- Under “Research by make”, use the drop down menu to choose the make of the vehicle.
- Select the year of the vehicle from the drop down menu.
- You can now select the body style of the vehicle from the second drop down menu, or you can scroll through all vehicles shown and select the vehicle the applicant owns.
- On the next screen, select the trim level of the applicant’s vehicle (i.e. Coupe, Sedan, LS, LT, etc.).
- Enter the current mileage of the applicant’s vehicle.
- A rounded mileage will work, if the applicant is not sure of the exact mileage.
- From the Optional Equipment list, check the options that are on the applicant’s vehicle (i.e. Cruise Control, Leather Seats, Sunroof, etc.).
- Click Continue at the bottom of the Optional Equipment list.
- Now you should see various trade-in prices for the applicant’s vehicle.
- The trade-in price that should be used as the Vehicle Equity is the one under the “Average Trade-In” column and “Price with Options” line.



# Purpose of Waiver

Reasons a Provider would request a waiver:

- Limitation of Primary Care services
- To require documentation of business expenses
- Avoid the necessity of providing proof of claim denial for out-of-network patients, prior to adjusting the patient account to reflect CACP discount
- Self-declared allowable deductions (expenses)



**COLORADO**

Department of Health Care  
Policy & Financing

# Questions So Far?



# SAVE

- Systematic Alien Verification for Entitlements



**COLORADO**

Department of Health Care  
Policy & Financing

# SAVE

- All applicants and clients 18 years or older must sign Affidavit for Lawful Presence
- All applicants must provide an approved document that demonstrates lawful presence in the United States
- Not necessary for applicant to provide document with photograph
  - Many acceptable documents do display a photograph



**COLORADO**

Department of Health Care  
Policy & Financing

# SAVE

- Must be an original documents
- Shall accept copies of documentation that have been verified by other CICP providers, Medical Assistance sites, county departments of social services
  - Verification must identify that copy was original and who reviewed document



# SAVE

- U.S. Citizens and non-citizen nationals may self-declare
- Provider must first request acceptable Lawful Presence document
- Provider must complete shaded box on the Affidavit for Lawful Presence Application
- Providers are establishing Lawful Presence, not identity

# SAVE

- SAVE is not for U.S. citizens
- Use Affidavit for Lawful Presence until SAVE verification is complete
  - Clients are eligible to receive discounted health care services through the CICP until lawful presence is confirmed in SAVE



**COLORADO**

Department of Health Care  
Policy & Financing

# SAVE

- **No match in SAVE**
  - Begin manual SAVE process and conditionally accept client until status is confirmed or denied
- **Length of provisional acceptance is at the discretion of provider**
  - Not less than one month, but not more than three months
  - Provider shall take into consideration of any known special circumstances of client when setting length of conditional eligibility



**COLORADO**

Department of Health Care  
Policy & Financing

# SAVE

- Directed by an VIS/CPS system message
- Automated check or initial inspection reveals material discrepancies
  - User agencies complete the Document Verification Request (Form G-845)
  - Attach copies of the non-citizen's immigration documentation
- Mail form to:
  - U.S. Citizenship and Immigration Services,
  - 300 North Los Angeles Street, B120, Los Angeles, CA 90012
  - Attention Immigration: Status Verification Union
- Telephone:
  - 1-877-469-2563
- Website
  - <http://www.uscis.gov/save/contact-save>



# Requesting User Access

- Third Party User Access Request or Modification
- Download from Department's website
- Request form from Department
- Used for technicians verifying "Lawful Presence"
- Complete entire form and supply appropriate signatures
- Email or Fax to:
  - [Karen.Talley@state.co.us](mailto:Karen.Talley@state.co.us) or fax to: 303-866-4411



# Common Missteps

- Sending request directly to IT Security
- Not all contact information provided
- Omitting middle initial
  - Write “No Middle Initial” (NMI)
- Not logging on after receiving password
- Not using password for 30 days
- Not completing modification for employees no longer employed with provider
- Not contacting HCPF Information Security for resets
  - [hcpfsecurity@state.co.us](mailto:hcpfsecurity@state.co.us)
  - 303-866-4473



# Questions & Audience Feedback



# Contact Information

Karen Talley

Safety Net Programs & Grant Administrator

[Karen.Talley@state.co.us](mailto:Karen.Talley@state.co.us)

(303) 866-3170

[CICPCORRESPONDENCE@state.co.us](mailto:CICPCORRESPONDENCE@state.co.us)

(303) 866-2580



**COLORADO**

Department of Health Care  
Policy & Financing

# Additional Resources

- CICIP Provider Manual & Newsletter
- [Colorado.gov/hcpf](https://colorado.gov/hcpf)
- CICIP Stakeholder Forum
  - Meets every three months from 9:00 a.m. to 11:00 a.m.
- CICIP Provider Line
  - 303-866-2580
- [cicpcorrespondence@state.co.us](mailto:cicpcorrespondence@state.co.us)



*Thank You!*



**COLORADO**

Department of Health Care  
Policy & Financing