



## P R O V I D E R   B U L L E T I N

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**To: All Providers**  
**Subject: Daugherty v. Roob – Reinstatement of Benefits for Members with Spend-Down**

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Daugherty v. Roob is a lawsuit recently filed against the State concerning how Medicaid eligibility is determined for members with income higher than the Medicaid limit (*spend-down*). Under an agreement approved by the court, Medicaid with spend-down is being reinstated back to the date it was terminated for persons whose Medicaid eligibility terminated on or after January 1, 2006, because they did not have ongoing monthly medical expenses that were more than their spend-down.

Members who are being reinstated as described above must contact their medical providers who provided services during the time their eligibility was terminated. Providers may use all traditional means of eligibility verification to ascertain the member's eligibility for a specific date of service. Members began receiving notices about their reinstatement in late July 2006.

Once eligibility is verified, providers must file claims with Medicaid for any covered services rendered during this period. If claims were applied to spend-down and did not pay (paid zero), providers must submit an adjustment to EDS to correct the payment. If claims denied, providers should submit a new claim for payment to EDS. All claims fall well within the one-year filing limit; therefore, no other special procedures or handling is required.

When adjudicated, these claims will either be applied to meet spend-down, or if spend-down was met, the provider will receive payment. If the provider receives payment and the member also paid for the service, the provider must issue a refund to the member in accordance with the normal procedures for retroactive eligibility outlined in the *Indiana Health Coverage Programs (IHCP) Provider Manual* (Chapter 2, Section 10). Failure to comply with the refund requirement is considered a breach of the *IHCP Provider Agreement* and could result in IHCP disenrollment of the provider.

Please direct questions about the information in this bulletin to EDS Customer Assistance at (317) 655-3240 in the Indianapolis local area, or 1-800-577-1278.