

WGIUPD

GENERAL INFORMATION SYSTEM

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DIVISION: Office of Health Insurance Programs

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TO: Local District Commissioners, Medicaid Directors

FROM: Judith Arnold, Director
Division of Coverage and Enrollment

SUBJECT: OSC Audit - Reminder of Correct Procedures for NAMI Adjustments

EFFECTIVE DATE: Immediately

CONTACT PERSON: Local District Support Unit
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The purpose of this General Information System (GIS) message is to remind local departments of social services (LDSS) of the importance of adhering to correct procedures when updating the Principal Provider (PP) subsystem with changes in a nursing home resident's net available monthly income (NAMI). These procedures include the long standing policy that retroactive increases are not permissible.

Districts are reminded that no action may be taken to increase a NAMI contribution until timely notice is provided to the recipient. Since income contributions are applied on a monthly basis, any increase in the NAMI must be made effective on the first day of the month following the month in which 10-day notice has been provided. Any corresponding entry in the PP subsystem for an increased NAMI must mirror the effective date on the client notice.

Administrative Directive 00 OMM/ADM-6, "Post-eligibility Treatment of Income of Institutionalized Individuals: Application of Income to Cost of Care," advises districts of the correct procedures to follow when increasing a NAMI due to a reported change in a recipient's income or circumstance. These procedures include a reconciliation of the NAMI actually paid with the NAMI that would have been paid had the change been budgeted in the same month in which the change occurred. The difference in what should have been paid toward the cost of care is added to a recipient's ongoing NAMI prospectively, following timely notice. This reconciliation of increased income is limited to changes that occur within six months of the month in which the prospective NAMI adjustment is made. Since NAMI reconciliations are limited to the past six months, districts are reminded to act on NAMI changes timely.

A recent audit conducted by the Office of the State Comptroller identified Medicaid overpayments due to instances where NAMI adjustments to the PP subsystem included a retroactive effective date. In addition, there were instances where NAMI increases were not made timely; consequently, there were months outside of the six-month reconciliation period that could not be included in the NAMI adjustment. Districts are advised to review the policies outlined in the 00 OMM/ADM-6 to ensure that correct procedures for NAMI adjustments are being followed.

Please direct any questions to your local district support liaison.