



Medical Services Division  
ND Dept of Human Services  
600 E Boulevard Ave, Dept. 325  
Bismarck, ND 58505-0250  
(701) 328-2321  
Fax (701) 328-1544

## RECIPIENT LIABILITY

### What is Recipient Liability?

Recipient liability is the amount of monthly net income remaining after all appropriate deductions, disregards, and Medicaid income levels have been allowed. This is a monthly amount that is the recipient's responsibility to pay towards their medical claims.

Eligibility workers at the local county social service agency determine Medicaid eligibility for applicants, based on established federal and state guidelines. Eligibility determinations involve various criteria, which include family size, income, assets and expenses. These factors and any other program specific standards are calculated and compared against the family's income standard, as determined by program policy. When an individual's income exceeds the assistance program income standard, that person can still become eligible for Medicaid with a recipient liability. The individual must incur medical expenses that equal or exceed the recipient liability amount during the month.

Providers should submit all claims for recipients with a recipient liability in the usual manner. As claims are received and processed, they are applied to the recipient liability amount. The recipient is obligated to pay the provider directly for any amount applied to the recipient liability. The provider will be notified on their remittance advice once the claim has been processed. The recipient is also notified of the requirement to make payment to the provider.

### Taking Recipient Liability (RL) at the Time of Service

With the exception of Pharmacy Point of sale, providers are **not** to collect Recipient Liability at the time of service. Rather, providers are to file the claim, then collect the RL only if directed by the information on the Remittance Advice.

Here is an example of why the RL cannot be collected "up front":

A recipient goes to the dentist and the dentist collects the RL. At the end of the dental appointment, the recipient is given a prescription to fill. The recipient proceeds to the pharmacy to have the prescription filled and the pharmacy (point of sale) system shows the recipient to have RL, which they may collect at the time of service. The recipient has already paid the RL at the dentist, but the point of sale system does not reflect this and the pharmacist insists on collecting the RL. The recipient is unable to pay the RL to the pharmacist and cannot have the prescription filled.