

Service Chapter: Basic Care 400-29 and Non-ACA Medicaid 510-05

Effective Date: March 1, 2025 unless otherwise indicated

Overview

Implementing a policy to allow deductions for prescription drug co-pays and over-the-counter drugs (aspirin, cold medicine, vitamins, etc) up to any amount, provided there is verification of a receipt.

Updating remedial rates, effective April 1, 2025.

Description of Changes

1. Allowable Gross Income Deductions 400-29-60-05- Change

Added a deduction as #9

2. Special Processing for Prescription Drug Co-payment 400-29-60-05-01 - Change

Updated TECS to SPACES, county to Zone, added a paragraph for a deduction

3. List of Licensed Basic Care Facilities and Rates 400-29-90-10 - Update

Updating hyperlink with updated remedial rate chart, effective April 1, 2025.

4. Income Deductions 510-05-85-35 - Update

Updating hyperlink with updated remedial rate chart, effective April 1, 2025.

Policy Section Updates**1. Allowable Gross Income Deductions 400-29-60-05**

(NDAC 75-02-10-01.4)

Only specific deductions are allowed for a resident in a basic care facility. Countable income is the remainder of gross income minus any of the following allowable deductions:

1. Personal needs allowance of \$135.00;
2. Sixty-five plus one-half of the remaining monthly gross earned income;
3. The cost of guardianship or conservatorship fees actually charged, but not to exceed 5% of gross monthly income;
4. Court-ordered child support payments or alimony payments actually paid on behalf of a minor child or ex-spouse who is not a member of the person's [Medicaid unit](#);
5. The Medicare or health insurance premium will be allowed as a deduction for all individuals residing in a basic care facility if the premium is not paid by another source such as [Qualified Medicare Beneficiaries \(QMB\) or Special Low-Income Beneficiaries \(SLMB\)](#);
6. Co-payments for Medicaid may be deducted for individuals not eligible for Medicare or if the service is not covered by Medicare;
7. A disregard of recipient liability expense under the Medicaid program; and
8. Income actually deemed to the community spouse from the recipient in a basic care facility.
9. [Co-payments for prescription medications and over-the-counter drugs, \(aspirin, cold medicine, vitamins, etc\) up to any amount with verification of a receipt can be used as a deduction of income in the Resident Payment System.](#)

2. Special Processing for Prescription Drug Co-payment 400-29-60-05-01

Basic Care recipients may have prescriptions for name-brand drugs and be required to pay the co-payment. For clients with a recipient liability such payments will reduce the client's recipient liability in Medicaid. Drug co-payments are to be deducted in the month the expense is incurred. This may require reworking the client's budget in both ~~TECS~~

SPACES and in the Resident Payment System for Basic Care in order to show additional co-payments during the month.

Co-payments for prescription medications and over-the-counter drugs, (aspirin, cold medicine, vitamins, etc) up to any amount with verification of a receipt can be used as a deduction of income in the Resident Payment System.

Since many Basic Care recipients will have a number of prescriptions that are often of a regular and recurring nature, for these clients the ~~county~~ Zone can reasonably anticipate the ongoing co-payments. In order to reduce the amount of rework, the ~~county~~ Zone should prospectively budget these deductions when the budget is initially created.

When there are occasional co-payments in addition to the regular pattern, the ~~county~~ Zone will need to rework the month the co-payment was incurred in order to deduct those payments from income. If there is a reduction in the co-payment, do not rework the case for a reduction in a prior month.

When the ~~county~~ Zone learns of a change in the regular pattern of name-brand prescriptions, the prospective budget for the next month should be adjusted accordingly.

In cases that do not have a recipient liability for Medicaid and have co-payments for prescription drugs, it is important to use the deduction in the Resident Payment System. When there is no recipient liability the deduction affects the distribution of any client resource to room and board costs.

3. List of Licensed Basic Care Facilities 400-29-90-10

Click this [link](#) to view and/or print this document.

4. Income Deductions 510-05-85-35

(N.D.A.C. Section 75-02-02.1-39)

5. Except in determining eligibility for the Medicare Savings Programs, the cost of remedial care for an individual residing in a specialized facility is limited to the difference between the recipient's cost of care at the facility (e.g. remedial rate in a basic care facility) and the regular medically needy income level may be deducted.