How to properly report Cost of Care for Medicaid Waiver beneficiaries residing in Assisted Living Homes

This document will explain cost of care and how to properly bill cost of care on a CMS-1500 claim form.

What is Cost of Care?

Cost of care is the amount of money the recipient may be responsible to pay to reduce the Medicaid services payment, if their income exceeds applicable disregards and allowances as defined in regulation.

Once a recipient is found to be eligible for Medicaid waivers, the Division of Public Assistance will determine if the recipient is required to pay a cost of care amount (COCA).

How is COCA determined?

In accordance with 7 AAC 100.554, A recipient's cost of care liability in any given month is the recipient's total monthly income, less the applicable disregards and allowances in 7 AAC 100.554 (b) and (c), not to exceed the actual cost of long-term care services paid by the department on behalf of the recipient.

Who collects COCA?

Per 7 AAC 100.552(b) and (c) A Medicaid provider who renders home and community-based services to a recipient who is eligible under 7 AAC 100.002(d)(4) or (8) must reduce its claim to the department by the amount the provider actually receives from the recipient as payment toward the recipient's cost of care liability. A recipient with a cost of care liability who does not pay the Medicaid provider is liable to that medical institution or home and community-based waiver services provider for the unpaid amount.

Per 7 AAC 145.520 (n), Once the department has determined the recipient's monthly liability under 7 AAC 100.550 - 7 AAC 100.579, the recipient shall pay that liability toward the cost of care for home and community-based waiver services. If a recipient is receiving residential supported living services under 7 AAC 130.255, the recipient shall pay the liability first to the recipient's residential supported-living services provider, and second to other home and community-based waiver services providers if any monthly liability remains.

Including COCA on the CMS-1500 claim form

Home and Community Based Waiver claims are billed on a CMS-1500 claim form. See figure 1 below.

When billing, the provider must reduce their claims to the Department of Health and Social Services (department) by the amount the provider received from the recipient as payment towards the recipient's cost of care liability.
1. CMS – 1500 Claim Form

![CMS 1500 Claim Form](image-url)
After entering all necessary information into the claim fields, follow the steps below to enter the cost of care information:

1. In field 28. - Total Charge; enter the total amount of Medicaid services being billed.

2. In field 29. - Amount Paid; enter the total amount of the cost of care.

   See figure II below.

II. CMS – 1500 Claim Form Detail

![CMS 1500 Claim Form](image)

Additional Resources and Training

You can review the most current Home and Community Based Waiver Rates and Cost Survey Information at: [http://dhss.alaska.gov/dsds/Pages/info/costsurvey.aspx](http://dhss.alaska.gov/dsds/Pages/info/costsurvey.aspx)

You may visit the Division of Senior and Disabilities Services website at: [http://dhss.alaska.gov/dsds/Pages/default.aspx](http://dhss.alaska.gov/dsds/Pages/default.aspx)