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| LOCAL COMMISSIONERS MEMORANDUM |  
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Transmittal No: 91 LCM-207

Date: November 18, 1991

Division: Medical Assistance

TO: Local District Commissioners

SUBJECT: Use of Medical Expenses Paid/Incurred by ADAP to Meet Medical Assistance Spenddown Amounts

ATTACHMENTS: None

This Local Commissioners Memorandum (LCM) is to clarify procedures for establishing the amount of medical expenses paid for participants in the AIDS Drug Assistance Program (ADAP) for the purposes of meeting the Medical Assistance (MA) spenddown amount of an applicant/recipient.

Administrative Directive 91 ADM-11 informed social services districts of a change in the Social Security Act which allows the use of medical and remedial care expenses paid by a public program of the State, or a political subdivision of the State, as incurred medical expenses under the spenddown provisions of the MA program. ADAP, which is administered by the New York State Department of Health, qualifies as a public program for purposes of this requirement.

The following procedures have been established for ADAP participants who are MA eligible with an income spenddown:

- o Each ADAP participant who is MA eligible with an income spenddown will receive a special ADAP identification card which will identify the individual as an ADAP participant who has an MA spenddown.
- o When the individual requires medication and presents this card to the pharmacy, the pharmacy must first use the Common Benefit Identification Card (CBIC) to determine that the individual is in fact not eligible under MA.
- o If the individual is not MA eligible, the medication will be provided and reimbursement sought from ADAP. The pharmacy will then issue a receipt to the individual in the amount that is billed to ADAP.
- o The individual is responsible for submitting the receipt to the social services district to be applied as an incurred medical expense to meet any spenddown.

This procedure will be used only for ADAP participants who do not have any third party health insurance available for prescription drug coverage.

Questions may be directed to your MA Eligibility County Representative at 1-800-342-3715, extension 3-7581, or 212-417-4853 in New York City.

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Jo-Ann A. Costantino  
Deputy Commissioner  
Division of Medical Assistance