What is a share of cost?

A share of cost refers to the cost of medical expenses a person must incur during any given month before that person receives assistance from Medicaid. The share of cost is sometimes referred to as a “spenddown” because a person with a share of cost must spend down part of his or her income before receiving Medicaid coverage.

Why do I have a share of cost?

If you have a share of cost, the Nebraska Department of Health and Human Services (DHHS) has determined that your age, status as a parent or disability makes you eligible for Medicaid, but your income is too high for the Medicaid program.

How is my share of cost calculated?

Your share of cost is the difference between your income at the time you applied for Medicaid and the “medically needy” income standard used by DHHS. In Nebraska, this standard is $392/month for households of any size. If your household has a monthly income greater than $392, your share of cost will equal your monthly income minus $392. In determining your income, DHHS will look at your resources and may deduct certain expenses. You can ask DHHS for a printout of this calculation.

EXAMPLE #1 Leslie makes $525/month. Her share of cost is $133. ($525 - $392 = $133).

EXAMPLE #2 Alexander receives $800/month in Social Security benefits. His wife Anna makes $1000/month, so their combined monthly income of $1800. Alexander’s share of cost is $1408. ($1800 - $392 = $1408)

My share of cost is $1500. Do I have to pay DHHS $1500 in order to get Medicaid?

No, you do not have to pay DHHS anything. A share of cost is similar to a car insurance deductible. The $1500 refers to the amount you must incur in medical expenses before Medicaid will cover any further health care costs.

Incurred costs can be those you have paid for as well as those you have simply received a bill for.

EXAMPLE #1 Julian’s share of cost is $1500. He incurs $800 in medical expenses for the month. Because his expenses were less than $1500, Medicaid will not cover any of Julian’s health care costs this month.

EXAMPLE #2 Shawna’s share of cost is $300. Her medical expenses for the month are $800. Because her expenses are greater than her share of cost, Shawna is only responsible for the first $300. Medicaid will cover the remaining $500.

What if I don’t have a lot of medical expenses?

A share of cost is most helpful to people who require costly treatment, such as cancer patients who need chemotherapy. While a share of cost may not be as helpful to someone with fewer medical expenses, many types of expenses can be used to help meet your share of cost—including the cost of supplies and services that are not normally covered by Medicaid.

What expenses count toward my share of cost?

- Medical expenses incurred by you or your spouse
- Prescription medication (and over the counter medication if prescribed by a doctor)
- Transportation costs related to medical appointments
- Durable medical equipment, such as wheelchairs, glucose monitors, and catheters
- Dental services
- Chiropractic care
- Counseling and therapy
- Drug and alcohol treatment
- Home health services
- Medicare premiums and copays
- Other supplemental medical or dental insurance policy premiums and copays

Incurred costs can be those you have paid for as well as those you have simply received a bill for.

NOTE: While expenses not covered by Medicaid can count toward your spenddown, they will not be covered by Medicaid even if you meet your share of cost. So, if you have health care costs that are Medicaid covered and expenses that are not covered, you should always submit the costs of the non-Medicaid expenses first. Doing this makes sure the remaining Medicaid approved services can be covered once you’ve met your share of cost.

How will DHHS know if I met my share of cost?

Your DHHS caseworker should send you a form each month that you can take with you when you visit your doctor, pharmacist, or other health care provider. Your provider can complete the form and fill in the sections with the service and the amount you owe. Or, the provider can attach a copy of your medical bills to the form before it is sent to DHHS.

The miles you drive to and from appointments also count toward your share of cost. To include these expenses, your medical provider must verify that you were seen on the given date and use MapQuest to determine the miles traveled to and from the appointment before sending the information to DHHS. DHHS will calculate the associated cost according to their own mileage reimbursement rate and will apply those expenses toward your share of cost for the month.

If you visit a provider after meeting your share of cost for the month, let the them know that you are now Medicaid eligible. You can present your copy of the form that was sent to DHHS to verify that you have Medicaid coverage.

How long is the spenddown period?

In Nebraska, the spenddown period is one month. This means that you must meet the share of cost each month before Medicaid will cover services that month. Your share of cost starts over every month, regardless of your expenses incurred during previous months.
It can be helpful for a person or household with a share of cost to schedule multiple appointments or purchases during the same month if the total cost is expected to exceed the spenddown amount.

**EXAMPLE:** John and Betty have a share of cost of $1000. John needs a surgery that costs $950, and Betty needs to buy an electric scooter for $750.

- If Betty purchases the scooter in March and John has his surgery in April, they will have to pay the full cost both months because the amount of medical expenses incurred each month is less than $1000.
- If Betty waits until April to buy the scooter and John has surgery later that month, their combined expenses are $1700. In this case, they are only responsible for the first $1000. Medicaid covers the remaining $700.

Medicaid also involves a “recertification” process. This means you will periodically need to prove that you remain eligible for benefits. DHHS will send you a notice telling you when and how you will need to recertify.

**What if I think DHHS made an error calculating my share of cost, or I don’t think I should have a share of cost at all?**

The Ombudsman’s Office (1-800-742-7690) can help you access your case file to understand how DHHS made the decision about your share of cost. If you believe an error has been made, you have the right to appeal the decision within 90 days of the date on the notice from informing you of the share of cost decision.

You are not required to have an attorney to appeal, but it is wise to consult one if possible. Legal Aid of Nebraska may be able to assist you if you cannot afford to hire an attorney. You can call Legal Aid toll-free at 877-250-2016 on Monday and Wednesday mornings or Tuesday and Thursday afternoons. Or, you can request legal services online at http://www.legalaidofnebraska.com.

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**My share of cost is correct, but I still can’t afford it. What else can I do?**

Depending on your situation, you may be able to get health care coverage through the new Health Insurance Marketplace. If your income is greater than 100% of the Federal Poverty Level (FPL) you may qualify for tax credits that reduce the cost of your monthly premiums, making it more affordable for you to buy insurance. The table below shows the FPL for 2014.

<table>
<thead>
<tr>
<th>Household Size</th>
<th>100% FPL (2014) Monthly Income</th>
<th>100% FPL (2014) Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$973</td>
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<tr>
<td>2</td>
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<tr>
<td>6</td>
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<td>$31,970</td>
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<tr>
<td>Each additional Household Member</td>
<td>+ $338</td>
<td>+ $4,060</td>
</tr>
</tbody>
</table>

You can learn more about your options and apply for coverage through the Marketplace by visiting healthcare.gov or calling your local Community Action Agency.