G1 - Cost Sharing Requirements

Statute: 1916, 1916A
Regulation: 42 CFR 447.50 - 447.57 (excluding 447.55)

INTRODUCTION

This state plan page (fillable PDF) G1 is used to indicate if the state charges cost sharing (deductibles, co-insurance or co-payments) to individuals covered under the Medicaid state plan, and the general provisions and assurances related to the imposition of cost sharing.

State plan page G1 must be submitted by states implementing cost sharing for the first time or for the initial cost sharing state plan amendment submission in MMDL for existing cost sharing in the state plan. For subsequent state plan amendment submissions, state plan page G1 need only be submitted when changes are being proposed to provisions contained on page G1.

BACKGROUND

For background information related to the cost sharing state plan pages, including state plan page G1, please see separate Implementation Guide, titled "Background - Medicaid Cost Sharing."

TECHNICAL GUIDANCE

PREREQUISITES:

If the state is proposing to establish new cost sharing or modify existing cost sharing in the state plan, it must submit the following pages prior to or concurrently with state plan page G1. These prerequisites do not apply to states proposing to discontinue all cost sharing currently imposed under the state plan.

- **G2a, G2b, and G2c – Cost Sharing Amounts for the Categorically Needy; Medically Needy and Targeting**
- **G3 - Cost Sharing Limitations**

This state plan page is divided into 5 major sections:

- Selection of Cost Sharing Option
- General Provisions
- Cost Sharing for Non-emergency Services Provided in a Hospital Emergency Department (ED)
- Cost Sharing for Drugs
- Beneficiary and Public Notice Requirements
- Other Relevant Information

Selection of Cost Sharing Option

The state must first indicate ***Yes*** or ***No*** as to whether it charges cost sharing (deductibles, co-insurance or co-payments) to individuals covered under the Medicaid state plan. A state that is not planning to

charge or amend cost sharing need not complete this state plan page. If a state wants to discontinue all cost sharing currently imposed under the state plan, they should submit G1 and indicate ***No***.

If the state selects ***Yes***, additional text will be displayed describing general cost sharing requirements, including options for the state to select. Additional provisions and options are provided in state plan pages G2a, G2b andG2c (Cost Sharing Amounts for the Categorically Needy; Medically Needy and Targeting) and G3 (Cost Sharing Limitations).

Review Criteria

For the initial cost sharing state plan amendment submittal in MMDL states electing to impose or amend cost sharing, must select Yes or this state plan page and their cost sharing SPA cannot be approved.

If the state selects ***Yes***, the state must provide assurance that it administers cost sharing in accordance with the provisions in this state plan page and sections 1916 and 1916A of the Social Security Act (the Act) and 42 CFR 447.50 through 447.57.

The state provides this affirmative assurance by checking the box next to the assurance statement.

Review Criteria

The state must check the assurance box or this state plan page cannot be approved.

General Provisions

This section begins with the state providing another assurance that cost sharing amounts established by the state for services are always less than the amount the agency pays for the service. The state provides this affirmative assurance by checking the box next to the assurance statement.

Review Criteria

The state must check the assurance box or this state plan page cannot be approved.

Next is a policy statement that “No provider may deny services to an eligible individual on account of the individual's inability to pay cost sharing, except as elected by the state in accordance with 42 CFR 447.52(e)(1). This policy statement is pre-checked and does not require any entry by the state as it applies to all states with cost sharing.

The state then indicates the state’s process for identifying for providers whether cost sharing for a specific item or service may be imposed on a beneficiary and whether the provider may require the

beneficiary to pay the cost sharing as a condition for receiving the item or service. The state does this by selecting one or more of the options listed and should check all that apply.

Review Criteria

The state must select at least one of the options listed or this state plan page cannot be approved.

If the state selects "Other process", it then enters the description of the process.

Review Criteria

The state must enter a description of the process. The description should be sufficiently clear, detailed and complete to permit the reviewer to determine that the state's election meets applicable federal statutory, regulatory and policy requirements. If the description of the process is not entered, this state plan page cannot be approved.

This section ends with another pre-checked policy statement that "Contracts with managed care organizations (MCOs) provide that any cost-sharing charges the MCO imposes on Medicaid enrollees are in accordance with the cost sharing specified in the state plan and the requirements set forth in 42 CFR 447.50 through 447.57."

Cost Sharing for Non-emergency Services Provided in a Hospital ED

The state indicates by selecting ***Yes*** or ***No*** as to whether the state imposes cost sharing for non-emergency services provided in a hospital emergency department.

Review Criteria

Yes or No must be selected with respect to whether or not the state imposes cost sharing for non-emergency services provided in a hospital emergency department. If Yes or No is not selected, this state plan page cannot be approved. This election must be consistent with the cost sharing described on G2a, G2b, and G2c; i.e., if the state indicates that cost sharing is imposed for non-emergency services provided in a hospital emergency department, such cost sharing must be listed on G2a, G2b, and/or G2c.

If ***Yes*** is selected, the state must then provide two assurances:

- Before providing non-emergency services and imposing cost sharing for such services, the state ensures that hospitals providing care comply with the provisions listed below the assurance.
- The state assures that it has a process in place to identify hospital emergency department services as non-emergency for purposes of imposing cost sharing. This process does not limit a hospital's obligations for screening and stabilizing treatment of an emergency medical

condition under section 1867 of the Act; or modify any obligations under either state or federal standards relating to the application of a prudent-layperson standard for payment or coverage of emergency medical services by any managed care organization.

The state provides these affirmative assurances by checking the boxes next to the assurance statements.

Review Criteria

The state must check the assurance boxes or this state plan page cannot be approved.

The state must then enter a description of the state's process for identifying emergency department services as non-emergency for purposes of imposing cost sharing.

Review Criteria

The description should be sufficiently clear, detailed and complete to permit the reviewer to determine that the state's election meets applicable federal statutory, regulatory and policy requirements. The state must enter the description of the process or this state plan page cannot be approved.

Cost Sharing for Drugs

The state indicates by selecting ***Yes*** or ***No*** as to whether the state charges cost sharing for drugs.

Review Criteria

Yes or No must be selected with respect to whether or not the state charges cost sharing for drugs. If Yes or No is not selected, this state plan page cannot be approved. This election must be consistent with the cost sharing described on G2a, G2b, and G2c; i.e., if the state indicates that cost sharing is imposed for drugs such cost sharing must be listed on G2a, G2b, and/or G2c.

If yes is selected, the state then indicates by selecting ***Yes*** or ***No*** as to whether the state has established differential cost sharing for preferred and non-preferred drugs.

Review Criteria

Yes or No must be selected with respect to whether or not the state charges differential cost sharing for preferred and non-preferred drugs. If Yes or No is not selected, this state plan page cannot be approved. As above, this election must be consistent with the cost sharing described on G2a, G2b, and G2c.

If ***No*** is selected, and the state does not charge differential cost sharing for preferred and non-preferred drugs, a pre-checked provision stating that "All drugs will be considered preferred drugs" is displayed.

If ***Yes*** is selected, and the state charges differential cost sharing for preferred and non-preferred drugs, a pre-checked provision stating that "The state identifies which drugs are considered to be non-preferred" is displayed. The identification of non-preferred drugs is not contained in the state plan, but should be available upon request.

If the state selected ***Yes*** that if differentiates cost sharing between preferred and non-preferred drugs, the state must provide assurance that the state has a timely process in place to limit cost sharing to the amount imposed for a preferred drug in the case of a non-preferred drug within a therapeutically equivalent or similar class of drugs, if the individual's prescribing provider determines that a preferred drug for treatment of the same condition either will be less effective for the individual, will have adverse effects for the individual, or both. In such cases, reimbursement to the pharmacy is based on the appropriate cost sharing amount.

The state provides this affirmative assurance by checking the box next to the assurance statement.

Review Criteria

The state must check the assurance box or this state plan page cannot be approved.

Beneficiary and Public Notice Requirements

The state provides assurance that "Consistent with 42 CFR 447.57, the state makes available a public schedule describing current cost sharing requirements in a manner that ensures that affected applicants, beneficiaries and providers are likely to have access to the notice. If the state imposes cost sharing for non-emergency use of the emergency department, the public schedule must include a list of hospitals that impose this cost sharing. Additionally, if cost sharing is imposed on prescription drugs, the public schedule must provide information about where individuals can access a list of the state's preferred drugs.

Prior to submitting a SPA which establishes or substantially modifies existing cost sharing amounts or policies,, the state provides the public with advance notice of the SPA, specifying the amount of cost sharing, who is subject to the charges, and what are the consequences for non-payment, if any. The state must provide a reasonable opportunity for stakeholder comment. Documentation demonstrating that the notice requirements have been met are submitted with the SPA. The state also provides opportunity for additional public notice if cost sharing is substantially modified during the SPA approval process."

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The state provides this affirmative assurance by checking the box next to the assurance statement.

Note: Specific information about the format used to provide public notice will be entered into the General Information for each SPA in MMDL.

Review Criteria

The state must check the assurance box or this state plan page cannot be approved.

Other Relevant Information

In this section states may enter any other information which the state feels is relevant, but has not been covered in any of the cost sharing state plan pages.