
Date: April 05, 2013 **MEPD Policy Bulletin Number: 13-05**

To: Eligibility Services – Regional Directors for MEPD
Regional Attorneys
Hearings Officers

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Subject: Incurred Medical Expenses - Insurance Premiums

The information in this bulletin is for **MEPD**. If you have any questions regarding the policy, follow regional procedures. The information in this bulletin is available at the following websites:

- Eligibility Services - <http://ofs.hhsc.state.tx.us/mepd/mepd-bulletins.aspx>, and
- MEPD Handbook - http://www.dads.state.tx.us/handbooks/mepd_policy/index.htm.

Background

Federal regulations require HHSC to deduct incurred medical expenses not covered by a third party when determining the client copayment amount. Premiums for general health insurance policies, including premiums for limited scope policies such as vision and dental insurance policies, may be considered an Incurred Medical Expense (IME).

Policy/Procedure Update

For IME requests processed on or after April 5, 2013, verification of the first premium payment is no longer required prior to allowing an IME deduction. Allow an IME deduction for general health insurance policy premiums, including premiums for vision and dental insurance policies, when verification is received indicating the policy is assignable, the coverage effective date, and the premium amount.

Ensure IME deductions are processed in the current automated system within 10 business days of the reported change, in accordance with [Section B-8200](#), Redetermination Cycles. Notification of the copayment adjustment must be sent to the recipient within 10 days and must indicate the adjustment is to allow for payment of insurance premiums. IME deductions must be reconciled every six months.

Note: With a dental policy, certain dental services are covered and provided as a part of that policy. Dental services covered under a dental insurance policy are not allowable IME deductions.

Automation

If necessary, Texas Integrated Eligibility Redesign System (TIERS) will be updated in the future.

Handbook

MEPD Handbook Chapter H will be updated with the September 2013 revision.

Training

Instructions for processing pending and future IME requests will be issued and MEPD New Hire Training and Continuing Skills Training will be updated to reflect the new policy.

Effective Date

This policy is effective April 5, 2013.