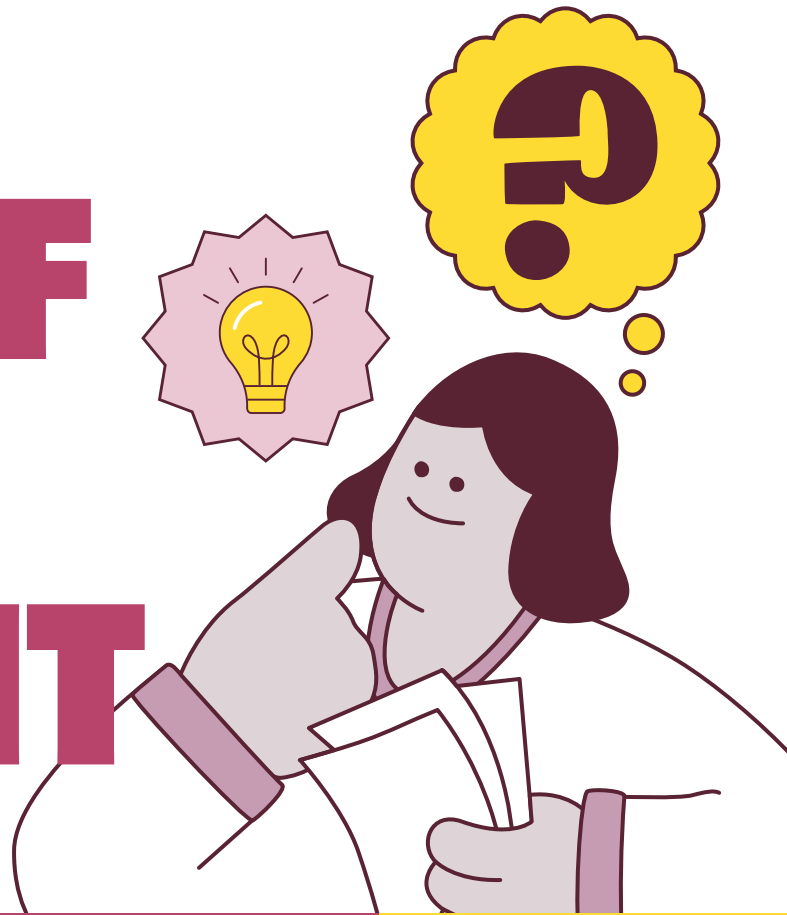


Navigating **COST OF CARE AMOUNT**



**A Practical
Guide for LTSS
Providers and Care
Coordinators**



Trust
Alaska Mental Health
Trust Authority

1



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Understanding COST OF CARE AMOUNT (COCA)

The Cost of Care Amount (COCA) is a federal rule that affects providers, care coordinators, and recipients of Medicaid waiver services. Under this “Post Eligibility Treatment of Income” requirement, some recipients must contribute a portion of their income toward their care costs, while Medicaid covers the remainder. This guide explains your specific responsibilities as providers and care coordinators and provides practical strategies for managing the COCA process effectively.

For detailed information about how COCA is calculated and how it impacts recipients, please refer to our companion guide: ***“Understanding Your Cost of Care Amount: A Guide for People Getting Long-Term Services & Supports.”***

Providers can share this companion guide with the individuals they support to help them better understand their COCA obligations.

[VIEW NOW](#)



QUICK START: FIND YOUR PATH



SECTIONS (Quick Links)

- 1 Residential Supported Living (RSL) Waiver Providers (Procedure Code T2031)
- 2 Non-Residential Supported Living (Non-RSL) Waiver Providers
- 3 Managing COCA Changes & Audits
- 4 Department of Health Roles in the COCA Process
- 5 Who to Contact for Assistance
- 6 Glossary: Key Words Explained

RSL PROVIDER PROCESS

Procedure Code T2031

1

HOW COCA WORKS FOR YOU

- COCA is automatically deducted from your Medicaid claims in the Alaska Medicaid Health Enterprise system (Enterprise), which is Alaska's Medicaid Management Information System (MMIS)
- Your per diem payment is reduced by the daily COCA amount (Monthly COCA ÷ days in month)

YOUR PROCESS

- Recipient pays COCA directly to you
- COCA automatically deducted from your claims
- You receive reduced Medicaid reimbursement
- DO NOT report COCA payments in Enterprise

BEST PRACTICES

- Verify COCA status monthly for all recipients
- Create a payment agreement with each recipient specifying COCA responsibilities - who the recipient submits their payment to, when their payment is due, etc.
- Update payment agreements when COCA changes
- Keep detailed records of all COCA payments received
- Know your recipients' DPA caseworkers and contact information

KEY POINTS TO REMEMBER



- ✓ **RSL providers (Procedure Code T2031):** Never enter COCA payments on your claims submissions
- ✓ All waiver providers must collect COCA
- ✓ Good documentation prevents audit issues
- ✓ Proper COCA management helps recipients maintain Medicaid eligibility

CRITICAL REQUIREMENT



When submitting your Medicaid claims, **DO NOT** enter COCA payments you receive.

If entered, COCA will be deducted twice from your reimbursement.

ENTERPRISE ACCESS

Verify a recipient's current COCA obligation monthly by:

- Asking the recipient to share their COCA notices
- Checking the recipient's eligibility in **Enterprise**:

- 1 Log in to the Provider Portal
- 2 Select "Member" > "Check Eligibility"
- 3 Enter member information and search
- 4 Click on individual row to view details
- 5 Look for "Patient Liability" section for COCA information

NON-RSL PROVIDER PROCESS

2

This includes providers of various waiver services such as Residential Habilitation, Day Habilitation, Adult Day, Supported Employment, and Supported Living services (this list is not exhaustive)

Note: Personal Care Services (PCS) providers cannot collect COCA

HOW COCA WORKS FOR YOU

- **COCA is a partnership between the recipient and provider** - the recipient determines which provider to pay their COCA to
- **You cannot opt out of accepting COCA payments** - all waiver providers are required to accept COCA when offered by recipients
- **You are not responsible for requiring recipients to pay their COCA** - payment enforcement is not your responsibility
- **You must report all COCA payments received** when submitting your Medicaid claims
- Correctly reporting COCA adjusts your Medicaid reimbursement and prevents overpayment
- **Recipients typically choose to pay the provider delivering the highest level of service**, which is usually the provider with the highest billing amount in the recipient’s support plan
- For care coordination-only support plans, the care coordinator must collect COCA if the recipient chooses to pay them
- Non-RSL waiver services have varied rate structures (daily rate, 15-minute units, monthly rates), which is why automated deductions aren’t possible

YOUR PROCESS

- Recipient pays COCA directly to you
- Submit claims in Enterprise
- Enter COCA as “Patient Amount Paid”
- Receive adjusted reimbursement

ENTERPRISE CLAIM ENTRY INSTRUCTIONS

LOCATION: On the 837P claims transaction
FIELD: In the 2300 Loop, AMT segment
QUALIFIER: Using ‘F5’ qualifier in AMT01 data element
AMOUNT: Enter COCA payments as “Patient Amount Paid”

BEST PRACTICES

FOR CARE COORDINATORS

- Maintain current GEN 58 or ROI with DPA (submit copy with all correspondence)
- Help recipients and families understand their COCA obligation
- Educate recipients about the importance of timely reporting changes to DPA

FOR ALL PROVIDERS

- Verify COCA status monthly for all recipients
- Create a payment agreement with each recipient specifying COCA responsibilities - who the recipient submits their payment to, when their payment is due, etc.
- Update payment agreements when COCA changes
- Keep detailed records of all COCA payments received
- Know your recipients’ DPA caseworkers and contact information

CRITICAL REQUIREMENT



YOU MUST enter COCA payments you receive when submitting your Medicaid claims

Correctly reporting COCA adjusts your reimbursement and prevents overpayment

ENTERPRISE ACCESS

Verify a recipient’s current COCA obligation monthly by:

- Asking the recipient to share their COCA notices
- Checking the recipient’s eligibility in **Enterprise**:

- 1 Log in to the Provider Portal
- 2 Select “Member” > “Check Eligibility”
- 3 Enter member information and search
- 4 Click on individual row to view details
- 5 Look for “Patient Liability” section for COCA information

KEY POINTS TO REMEMBER



- ✓ **Non-RSL waiver providers:** Always report COCA payments on your claims submissions
- ✓ All waiver providers are required to accept COCA - you cannot opt out
- ✓ Good documentation prevents audit issues
- ✓ Proper COCA management helps recipients maintain Medicaid eligibility

MANAGING COCA CHANGES & AUDITS

3

MANAGING COCA CHANGES

Recipients' COCA amounts may change when:

- Their income increases or decreases
- Their allowable deductions change
- They move to a different residential setting
- They receive a lump sum payment (e.g., Alaska Native dividends, retroactive Social Security benefits)

When Changes Occur: DPA sends updated notices to the recipient and their care coordinator (if current GEN 58/ROI on file)

IMPORTANT



The most common audit finding is failure to recognize when a recipient has COCA or when their COCA payments change.

MEDICAID PROGRAM INTEGRITY AUDITS: WHAT TO EXPECT

The Audit Process

- 1** Program Integrity identifies providers serving recipients with COCA
- 2** Enterprise claim records are reviewed for proper COCA reporting
- 3** Providers not correctly reporting COCA receive a letter requesting a 30-day self-review

Potential Outcomes

If you collected COCA but didn't report it: You must repay the overpayment

If you were unaware of COCA and didn't collect it from the recipient: Program Integrity typically closes the case without penalty, as they recognize recipients can pay their COCA to any HCBS provider they receive services from

If you don't respond to the audit letter: Formal collection process begins with potential penalties and interest



CRITICAL

ALWAYS respond to audit letters promptly to avoid unnecessary financial consequences.

DEPARTMENT OF HEALTH ROLES IN THE COCA PROCESS

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Division of Senior & Disabilities Services (SDS)

- Maintains the Harmony database with approved recipient support plans
- Provides education for care coordinators

Division of Public Assistance (DPA)

- Determines Medicaid eligibility and calculates COCA
- Issues official notices to recipients

Division of Health Care Services (HCS)

- Administers the Alaska Medicaid Health Enterprise system
- Handles COCA collection issues less than one year old
- Manages claim adjustments when providers learn about COCA after billing

Medicaid Program Integrity Unit

- Verifies proper COCA collection and reporting primarily through audits of group home providers
- Handles COCA issues over one year old

WHO TO CONTACT FOR ASSISTANCE

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Billing and Enterprise Questions:

Health Care Services:

doh.hcs.rec.info@alaska.gov

Gainwell Technologies:

(800) 770-5650 (option 1, 1) for Gainwell Provider Inquiry

COCA Liability Questions:

- Contact the recipient's DPA caseworker
- Provide detailed information for efficient resolution

Care Coordinators - General COCA Questions:

SDS Training Unit:

carecoordinationsupport@alaska.gov

Providers - General COCA Questions:

Health Care Services: doh.hcs.rec.info@alaska.gov

Audits or COCA Issues Over One Year Old:

Medicaid Program Integrity:

QAPIProgramIntegrity@alaska.gov or 907-269-0399

GLOSSARY

Key Words Explained

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Alaska Medicaid Health Enterprise System (Enterprise): Alaska's Medicaid Management Information System (MMIS) used by providers to submit claims, report recipient payments (including COCA), and receive Medicaid reimbursements. Administered by the Division of Health Care Services with Gainwell handling fiscal agent operations.

COCA (Cost of Care Amount): The monthly amount recipients of HCBS waiver services must pay toward their care costs based on their income.

DPA (Division of Public Assistance): Department of Health division that determines Medicaid eligibility and calculates COCA.

EIS (Eligibility Information System): System used by DPA to process eligibility information and calculate COCA.

EOB (Explanation of Benefits): Insurance documentation showing covered services and patient responsibility, required for medical expense deductions.

Fair Hearing: Formal appeal process for recipients to challenge decisions about their benefits.

GEN 58: DPA's release of information form allowing information sharing between agencies.

Gainwell Technologies: Alaska's Medicaid fiscal agent responsible for Medicaid operations and provider support.

Harmony: Secure data management system used to administer waiver programs and provider certification.

HCBS (Home and Community Based Service): Medicaid waiver services allowing individuals to receive care in community settings rather than institutions.

HCS (Division of Health Care Services): Department of Health division responsible for Medicaid service oversight and provider certification.

LTC (Long-Term Care): Range of services for individuals needing extended personal care and health-related assistance.

LTSS (Long-Term Services and Supports): Comprehensive services for individuals needing assistance with daily activities due to aging, illness, or disability.

Lump Sum Payment: Irregular income such as Alaska Native Dividends or retroactive Social Security benefits that affects COCA calculation in the month received.

Medicaid Program Integrity: Department of Health unit that conducts audits to ensure proper Medicaid billing and COCA collection.

MMIS (Medicaid Management Information System): System used to process Medicaid claims and track recipient information.

Patient Liability: MMIS term for COCA.

PCS (Personal Care Services): Non-waiver service to assist with personal care needs; they cannot collect COCA.

PNA (Personal Needs Allowance): A set amount recipients keep for personal and maintenance expenses, varies by living situation.

Post Eligibility Treatment of Income: Federal requirement determining recipient contribution to care costs after Medicaid eligibility is established.

ROI (Release of Information): Authorization allowing information sharing between healthcare providers and agencies.

RSL (Residential Supported Living): Licensed nursing homes and assisted living facilities providing 24-hour care.

SDS (Senior & Disabilities Services): Department of Health division administering Medicaid waiver programs and overseeing providers.

Understanding Your **COST OF CARE AMOUNT**



1

**A Guide for People
Getting Long-
Term Services &
Supports**



Trust
Alaska Mental Health
Trust Authority

2



3

[BACK TO START](#)

WHAT IS COST OF CARE AMOUNT (COCA)?

- ✓ *Your monthly payment toward your services*
- ✓ *Like paying your share of the bill*

WHY THIS MATTERS TO YOU

When you understand COCA from the start, you can:

- ✓ *Avoid surprise bills*
- ✓ *Know exactly what to expect each month*
- ✓ *Plan your budget*
- ✓ *Keep your services running smoothly*

IMPORTANT DEADLINES



30 DAYS from the date of the notice to request a Fair Hearing if you disagree

10 DAYS to report from when your household knows about income or living situation changes

What This Guide Is About

If Medicaid helps you pay for long-term services and supports in Alaska, you might need to pay some money each month toward your care. This payment is called your “Cost of Care Amount” or “COCA.”

We know money matters can be confusing. This guide explains COCA so you know what to expect.

When you get Medicaid long-term services and supports, federal law says that you must pay a part of your income toward your care if your income is above a certain amount. This payment is your **Cost of Care Amount (COCA)**.

Think of COCA as your monthly share of the cost for services that help you live as independently as possible.

HERE’S HOW IT WORKS:

- Alaska pays your service provider for your care.
- If you have a COCA, Alaska pays the provider less because you pay part of the cost of your services directly.
- You must pay your COCA to your service provider each month. Your provider will not receive full payment for your services if you don’t.

Main Process Steps

1. YOU GET SERVICES

When you get Medicaid long-term services and supports, federal law requires income-based cost sharing.

2. ALASKA CALCULATES YOUR COCA

The Division of Public Assistance (DPA) figures out your COCA using these steps:

- Add up all your monthly income (Social Security, pensions, job income, other money)
- Subtract your allowed expenses (personal needs allowance, unreimbursed medical expenses you pay, etc.)
- What’s left becomes your monthly COCA payment

3. YOU GET TWO LETTERS

- Medicaid Eligibility Letter (says you qualify for services)
- Cost of Care Amount Letter (shows monthly payment amount if you have to pay COCA)

4. YOU PAY YOUR PROVIDER

- Pay the provider who helps you most.
- Services continue.

Need Help?



Your Care Coordinator:

Can help you understand how COCA works



Your DPA Caseworker:

Can help with questions about your COCA payment amount



HOW YOUR COCA IS CALCULATED

Your Income

Social Security,
Pensions, Job pay,
Other money



Your Expenses

Personal needs allowance, Medical bills, Insurance



Your COCA

When DPA Figures Out Your COCA

DPA figures out your COCA at three important times:

- 1. **When you first apply** for Medicaid long-term services and supports
- 2. **Every year** when you renew your Medicaid
- 3. **When you report changes** to your income or expenses

During these times, your DPA caseworker will look at your income and expenses to figure out if you have to pay COCA and how much it will be.

INCOME SOURCES TO REPORT:

- Social Security (provide award letter)
- Pensions/retirement (provide statements)
- Employment income (provide pay stubs)
- VA benefits (provide award letter)
- Trust income (provide complete trust docs)
- Investment income

ALLOWABLE DEDUCTIONS:

- **Personal Needs Allowance if You Live in:**
 - **Nursing home: \$200/month**
 - **Assisted living: \$1,396/month**
 - **Living at home: \$1,656/month**
- Health insurance premiums (you pay)
- Medical expenses (you pay)
- Guardian fees (up to \$100/month)
- Income taxes
- Support for spouse/dependents



DEADLINE ALERT

Report changes within **10 DAYS**

Contact your DPA caseworker **IMMEDIATELY** if your income or living situation changes.

KEEP THESE PAPERS

- ✓ Social Security letters
- ✓ Insurance bills
- ✓ Medical bills
- ✓ Bank statements

Documentation Checklist

Save paperwork for all the money you get and medical bills you pay. Give your DPA caseworker the right kind of paperwork that shows your income and expenses. Bank statements by themselves aren't enough. This helps make sure your COCA payment amount is correct.

FOR INCOME VERIFICATION:

- Social Security award letters
- Most recent pay stubs (if working)
- Pension/retirement statements
- VA benefit award letters
- Complete trust documents + court registration
- Trust bank statements (all accounts)

FOR EXPENSE VERIFICATION:

- Insurance premium bills/statements
- Insurance Explanation of Benefits (EOB) forms
- Pharmacy EOB forms
- Tax returns
- Guardian/conservator invoices



TIP: Bank statements alone are NOT sufficient - you need the original source documents listed above

UNDERSTANDING YOUR COST OF CARE AMOUNT LETTERS

You will get two letters:

1. **Medicaid Letter**
(you qualify)
2. **COCA Letter**
(payment amount)

Check carefully - make sure all income and expenses are included



After DPA decides you're eligible for Medicaid, they will send you two letters:

1. **Medicaid Eligibility Letter** - says you qualify for services
2. **Cost of Care Amount Letter** - shows how much you need to pay each month (if you have to pay COCA)

The COCA letter shows:

- All your income
- All approved expenses you qualify for
- Your monthly COCA payment amount

Check your letter carefully. Make sure DPA included all your income and expenses. If something is missing, call your DPA caseworker right away. Have your paperwork ready to make things go faster.



IMPORTANT TIP: Always share these letters with your care coordinator so everyone has the same information.

Who Can Help You:



Your Care Coordinator:

can help you understand how COCA works



Your DPA Caseworker:

can help with questions about your COCA payment amount



Keep all letters

you get about Medicaid and COCA

IF YOU THINK YOUR COST OF CARE AMOUNT IS WRONG

30 DAYS to request a Fair Hearing:

First: Contact your DPA caseworker

If that doesn't help:
Ask for Fair Hearing

You have 30 days to ask for a Fair Hearing if you think your payment amount is wrong.

HOW TO ASK FOR A FAIR HEARING

A fair hearing request can be made to any DPA employee in person, by telephone, or in writing:

- Call the Virtual Contact Center: (800) 478-7778
- Email: hss.dpa.offices@alaska.gov
- Fax: (907) 269-6520 in Anchorage or (888) 269-6520 statewide



IMPORTANT: Keep proof you sent your request. DPA must respond within 10 days.

IMPORTANT ADVICE: If you disagree with your COCA, ask for a Fair Hearing. You can cancel your request later, but you cannot ask for a Fair Hearing after 30 days.

MAKING YOUR COST OF CARE AMOUNT PAYMENTS

Who to Pay

If you live in a:

- Nursing home
- Assisted living
- Group home

PAY THEM

If you live at home:

Pay the provider who helps you most

Simple rule: *Pay whoever helps you the most*

SPECIAL SITUATIONS

If You Have a Trust

Your COCA counts ALL your income BEFORE trust payments

WHEN YOUR COST OF CARE AMOUNT MIGHT CHANGE

COCA May Change When:

- Your income changes
- You move
- Your expenses change

REPORT IN 10 DAYS or COCA might be wrong

How to Make Your Payment

You don't pay COCA directly to the state. Instead, you pay one of your service providers.

When you're ready to make your COCA payment:

- Pay the provider's office staff, not the people who give you direct support
- Ask the office staff how and where to make payments
- Give a copy of your COCA letter to the provider you choose to pay

This makes sure your payment gets handled properly.



IMPORTANT NOTES:

- You can only pay your COCA to waiver service providers
- You cannot pay your COCA to Personal Care Services (PCS) providers because PCS is not a waiver service

Trust Calculation Details

Your COCA is calculated using ALL income BEFORE any money goes into the trust.

Alaska Native Dividends: Dividend income over \$2,000 annually counts toward COCA even if deposited in a trust.

ONE-TIME PAYMENTS (LUMP SUM):

- Sometimes you get money that isn't part of regular monthly income
- DPA only counts this for the month you get it
- Alaska PFDs don't count

You must report changes to your DPA caseworker within 10 days.

Changes that might affect your COCA include:

- New job or job loss
- Social Security increase/decrease
- Pension changes
- Moving to different care setting
- Any changes to medical expenses
- Insurance changes



Must report within 10 days

HOW TO REPORT:

1. Contact DPA caseworker first
2. Have documentation ready
3. Follow up in writing if requested
4. Keep records of when you reported



BACK TO START

WHEN THINGS GO WRONG

Common Questions

Who do I pay?

Office staff, not direct caregivers

Can't afford COCA?

Contact DPA NOW

Provider won't accept payment?

All providers **MUST** accept COCA

Disagree with amount?

30 days for Fair Hearing

Didn't get letters?

Contact DPA

If You Think Your Cost of Care Amount Is Wrong

You have **30 days** from COCA letter

STEP 1

Contact DPA caseworker first

- Explain your concerns
- Ask them to review calculation
- Get their response in writing

STEP 2

If still not resolved

- Request a Fair Hearing from any DPA employee in person, by telephone, or in writing
- Call the Virtual Contact Center: (800) 478-7778
- Email: hss.dpa.offices@alaska.gov
- Fax: (907) 269-6520 in Anchorage or (888) 269-6520 statewide

STEP 3

Prepare for hearing

- Gather all documentation
- Write down your concerns
- Consider getting help (see resources)



TIP: You can cancel the Fair Hearing request later, but you **CAN'T** request one after 30 days!



CRITICAL DEADLINE REMINDER

30 DAYS to request Fair Hearing | **10 DAYS** to report changes

Missing these deadlines can affect your services!

REMEMBER

- ✓ Your COCA payment helps make sure you continue receiving necessary services
- ✓ Understanding COCA helps avoid unexpected bills or service disruptions

When in doubt:
ask questions

Resources

DIVISION OF PUBLIC ASSISTANCE (DPA)

General Information: health.alaska.gov/en/services/division-of-public-assistance-dpa-services

Tips for Avoiding Delays: health.alaska.gov/en/resources/tips-to-avoid-delays

LEGAL HELP

Disability Law Center of Alaska (for people with intellectual/developmental disabilities)

Free legal help with disability rights, benefits, guardianship, and special needs trusts

Website: www.dlcak.org

Alaska Legal Services (for everyone else)

Free legal help for low-income Alaskans with public benefits, healthcare, housing, and estate planning

Website: www.alsc-law.org

Fair Hearing Requests

Email: hss.dpa.offices@alaska.gov

Fax: (888) 269-6520



OVERVIEW

The Cyclical Nature



STARTING POINT



Key Words Explained

COCA (Cost of Care Amount): Your monthly payment toward the services you receive.

DPA (Division of Public Assistance): The state agency that decides if you qualify for Medicaid and figures out your COCA.

EOB (Explanation of Benefits): A document from your insurance company showing what medical services were billed, what was paid, and what you owe.

Fair Hearing: A formal process to challenge decisions about your benefits.

Gross Income: All the money you receive before any deductions or taxes are taken out.

HCBS (Home and Community-Based Services):

Services that help you live at home and in your community instead of an institution.

Lump Sum Payments: One-time payments of money (like back payments from Social Security or Alaska Native dividends) rather than regular monthly income.

Personal Needs Allowance (PNA): Money set aside from your income for personal expenses. This is a set amount based on your living situation.

Trust: A legal arrangement where money or property is held and managed by someone else (called a trustee) for your benefit.

Waiver Services: Special Medicaid programs that provide home and community-based services as an alternative to institutional care.