Incurred Medical Expenses
Paying for Dental Care: A How-To Guide
American Dental Association, National Elder Care Advisory Committee, Council on Access, Prevention and Interprofessional Relations

Suggested Steps for Residents and their Representatives

Overview
The Incurred Medical Expense regulations\(^9\) can help most nursing facility residents who are enrolled in Medicaid pay for dental care.\(^{10}\) Medicaid residents with Social Security or other retirement income\(^{11}\) may be able to pay for medically necessary dental care that is not covered by Medicaid.\(^{12}\)

The following illustrates how the Incurred Medical Expense regulations may operate in practice:

**Paying the Nursing Facility’s Bill:** Upon admission to a nursing facility, a Medicaid Caseworker determines how much income you as a resident receive each month and applies that income to pay your Nursing Facility’s bill, except for an amount for personal needs and certain other required deductions. Generally, residents on Medicaid don’t have enough income to pay the total amount of the Nursing Facility’s Bill, so the Caseworker directs Medicaid to pay the remaining balance each month.

**Paying the Dental Bill:** When a resident receives a Dental Bill for services that are not covered by Medicaid or another third party payer, the bill may qualify as an Incurred Medical Expense. The resident’s Medicaid Caseworker plays an important role in this process by reviewing the Dental Bill, approving it as an Incurred Medical Expense, and then notifying the resident or the resident’s financial representative to pay the Dental Bill instead of that portion of the Nursing Facility’s bill. At the same time the Caseworker approves payment of the Dental Bill, he or she must notify the state requesting it to increase the amount that Medicaid pays towards the Nursing Facility’s Bill to make sure that the facility continues to be paid in full. If the total amount of the Dental Bill is less than the resident’s total monthly income, then the Dental Bill can be paid in full with just one payment. If the total amount of the Dental Bill is greater than the monthly income, then several monthly payments will need to be approved so that the entire Dental Bill gets paid. During each of those months, the Nursing Facility’s payment from Medicaid would be increased by the amount of the Dental Bill payment.

Each state will have variations in the procedures for Incurred Medical Expenses which will be addressed by the resident’s Medicaid caseworker and dentist.

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\(^{10}\) If the resident has applicable income and pays for medically necessary dental care that is not covered by Medicaid or another third party payer, the state Medicaid agency may be permitted to increase its payment to the institution in the amount that the resident incurred for the care.

\(^{11}\) Medicaid beneficiaries with certain forms of income must generally apply that income, less certain deductions, to the cost of institutional care. The state Medicaid agency reduces its payment to the facility in the amount of such income less the deductions.

\(^{12}\) One required deduction is for expenses that the patient incurred for certain non-covered dental care. The agency may establish reasonable limits on the amounts of these expenses.