



COMBINED MEDICAID 701-2 Cash Option/Cost Share Refunds

Supersedes: CMA 701-2 (07/01/2016)

Reference: 42 CFR 435.831 and ARM 37.82.101, & .1107

Overview: A medically needy client can request a cash option refund if:

1. They paid their cash option/cost share obligation,
2. Medicaid was issued for them, and
3. The client believes the cash option/cost share payment exceeded the value of medical services they received in the month.

A cash option/cost share refund may be requested at any time after the payment is received. However, Medicaid providers have up to 365 days to bill Medicaid, so a cash option refund cannot be processed for up to 14 months after Medicaid was authorized for the month. **NOTE:** When a refund is requested for multiple months, the refund is held and not processed until 14 months after the last refund month.

Because refunds are delayed, clients should be relatively certain they will need medical case/services equal to or exceeding the cash option amount before paying their cash option. Cash option/cost share refunds are limited to 36 months immediately preceding the month the refund is requested.

Refunds requested/discovered due to an agency error or adjustment are not held for 14 months. Examples include death of the recipient prior to the start of the benefit month, discovery of Pickle or DAC eligibility, policy adjustment, or agency error. For the examples listed in this paragraph only, refunds will not be delayed by 14 months.

SEE BUSINESS PROCESSES: Client Request Cash option refund and Processing MA under issuances

Effective Date: 01/01/2026