

# **DAAS ADMINISTRATIVE LETTER NO: 13-02 DMA ADMINISTRATIVE LETTER NO: 01-13, MEDICAID TERMINATION FOR ALL SPECIAL ASSISTANCE BENEFICIARIES IN AN INSTITUTION FOR MENTAL DISEASE (IMD)**

**DATE:** February 11, 2013

**SUBJECT:** Medicaid Suspension for All Special Assistance Beneficiaries in an Institution for Mental Disease (IMD).

**DISTRIBUTION:** County Directors  
Special Assistance Supervisors  
Medicaid Supervisors  
Adult Services Supervisors

## **I. BACKGROUND**

Federal Medicaid regulations outline specific facility characteristics where Medicaid coverage for the residents within these facilities is excluded. Medicaid will not pay for any services for a resident of a facility that has been determined to be an Institution for Mental Disease (IMD). Guidance from the Centers for Medicare and Medicaid Services (CMS) advises us that these beneficiaries do not have the right to appeal the determination that a facility is an IMD.

Adult care homes and supervised living facilities across the State are currently being evaluated to determine whether or not they meet IMD characteristics. A Dear County Director of Social Services Letter dated May 4, 2012, was sent by the Division of Medical Assistance (DMA) informing counties that letters were mailed to facilities and residents telling them that that their facility is at-risk of being determined an IMD. The owners of a facility determined to be an IMD will be sent a letter indicating this determination. Residents and authorize representatives (if applicable) will receive a letter informing them of the suspension of Medicaid.

**It is important to remember that the SA beneficiary may live in a facility that is in a county other than where their SA/Medicaid originates.**

**The monitoring of all facilities for IMD status will continue on an ongoing basis.**

## **II. EFFECT ON MEDICAID ELIGIBILITY**

Effective with the determination of a facility as an IMD, the following applies:

**A. Medicaid will not pay for any services because the SA beneficiary's Medicaid will be suspended effective the date the facility became an IMD.**

**B. When Medicaid is suspended, the SA check will continue.**

- C. Medicaid will not pay the Medicare Part A and Part B premiums while the SA beneficiary's Medicaid is suspended.**
- D. Medicaid benefits for SA beneficiaries in an IMD, who receive SSI, will also be suspended effective the date the facility became an IMD.**
- E. Medicaid will be suspended for all SA beneficiaries in the IMD facilities regardless of age.**
- F. The beneficiary has no appeal rights in the determination that the facility is an IMD.**

### **III. PROCEDURES FOR SUSPENDING MEDICAID FOR SA CASES IN AN IMD**

- A. Once it is determined that a facility is an IMD, the facility will be notified by DMA of its status. DMA will inform the Division of Information Resource Management (DIRM) at DHHS for purposes of suspending Medicaid.**
- B. DIRM will use the facility code to identify SA beneficiaries residing in the IMD.**
  - 1. EIS automatically suspends Medicaid eligibility by changing the Living Arrangement (LA) code to "18" and the CCNC number to 9900059. The Medicaid claims processing system (MMIS) will not pay claims for individuals residing in the IMD.
  - 2. The Medicaid Effective Date field when Medicaid is suspended will be two working days after the date the facility became an IMD. This can be any day of the month.
  - 3. The next business day, the IE screen will show the breakdown of SA LA code "52" for part of the month (or whatever LA code is applicable) and the code "18" for the remainder of the month and ongoing. This information will also be in "sync" with MMIS for the Medicaid claims to process accurately.
- C. DIRM action will initiate a notice to beneficiaries regarding Medicaid suspension the same day as the IMD effective date.**
- D. As indicated in a Dear County Director Letter dated May 4, 2012, County DSS staff will receive notification from DMA via the listserv that a facility has been determined to be an IMD.**
- E. EIS creates a report and loads it to XPTR with the report name DHRWDB SA IMD SUSPENDED listing the individuals whom EIS automatically suspended with living arrangement code 18.**
  - 1. The report is sorted by county, district number and then alphabetical within each district.

2. The report contains the date the report was run, district number, case id, casehead name, facility code, facility name, and Medicaid Effective Date.
3. The Medicaid Effective Date is the date the Medicaid is suspended. The report contains a total number of beneficiaries where Medicaid was suspended on the day the report was run. The report is not cumulative. If individuals are approved for SA while the facility is an IMD, these individuals are not included on a report.
4. If another facility is determined to be an IMD on a different day, a new version of the report is created.

**F. When the SA beneficiary's facility of residence is found to be an IMD, the caseworker should document the effective date of Medicaid suspension for Code "18" in the Medicaid file.**

**G. The CAP Code continues in EIS during the time of the Medicaid suspension, but claims are not paid while the LA is 18 or the CCNC number is 9900059.**

**H. All the fields related to the SA payment, such as income, SA payment amount, payment review period, maintenance amount, domiciliary rate, etc. are not changed. The SA payment field is not affected by suspending Medicaid.**

**I. No Medicaid card is issued while the Medicaid is suspended (LA code is 18 and CCNC number is 9900059).**

**IV. PROCEDURES FOR REINSTATING MEDICAID FOR SA CASES WHO REMAIN IN THE FACILITY WHEN THE FACILITY IS NO LONGER AN IMD**

**A. DMA will notify the county DSS by Listserv when a facility is no longer an IMD. The county DSS will key a DSS-8125 to reinstate the Medicaid benefits by changing the living arrangement code from 18 to the appropriate living arrangement code and the CCNC exempt number from 9900059 to another appropriate code.**

**B. Enter adequate change code "9V" on the DSS-8125. The Medicaid Effective Date is the day after the facility is no longer an IMD. Change the LA code from "18" to the appropriate code. This is the date Medicaid will begin paying claims again.**

**C. The DSS-8125 processes overnight and the IE screen shows the specific dates of Medicaid with the new LA code and CCNC number and specific dates the Medicaid was suspended with LA code of 18 and CCNC exempt number 9900059. The eligibility update is transmitted to the claims processing system (MMIS) the same night that EIS is updated.**

EXAMPLE:

SA beneficiary is in a facility that becomes an IMD on 6/21.

On 6/21, DAAS notifies DIRM to suspend Medicaid for residents of the facility.

DIRM runs the job on 6/21 to suspend Medicaid effective 6/25 (two working days from the IMD effective date).

EIS inquiry on 6/27 shows that Medicaid was suspended (new LA code 18 and CCNC number 9900059) effective 6/25 on the CD, ID, and IE inquiry screens.

The XPTR report shows the names of all the residents of the facility that had their Medicaid suspended. The beneficiary's name is on the report.

On 9/25, the facility comes into compliance and becomes an SA facility that is not an IMD.

The county DSS is notified of the change to the facility on 9/26 by terminal message.

The county DSS worker keys the DSS-8125 on 10/1 with a Medicaid Effective Date of 9/25 to reinstate the Medicaid.

EIS and MMIS update and Medicaid will resume paying claims effective 9/25 and Medicare Buy-in reinstatement is initiated at the next Buy-in run.

**V. PROCEDURES FOR SA CASES WHO MOVE OUT OF THE IMD FACILITY**

- A. County DSS staff can reinstate Medicaid when the individual no longer resides in the IMD and continues to meet all other Medicaid eligibility requirements. The Medicaid reinstatement and SA eligibility must be reevaluated based on the new living arrangement code, whether it is in a private living situation or in another licensed facility eligible to accept SA payments. The individual must continue to meet all other eligibility requirements. Re-evaluate the SA payment for accuracy.**
- B. If the beneficiary moves to an SA facility that is not an IMD and remains eligible, key the DSS-8125 to reinstate Medicaid by changing the LA code from 18 and the CCNC number 9900059 to the appropriate code/number. Enter adequate change code "9V" on the DSS-8125 and enter the date the person is eligible and entered the non-IMD facility as the Medicaid Effective Date. This is the date that Medicaid will resume paying claims.**
- C. If the beneficiary moved out of the IMD and is no longer in a licensed SA facility, evaluate for all other Medicaid programs.**

1. If the individual is not Medicaid eligible, terminate the SA case.
2. If the individual is Medicaid eligible including Private Living Arrangement or Long Term Care, the process for Medicaid reinstatement will be handled differently than usual.
3. The transfer from SA to Medicaid will be a two-day process.
  - a. The reinstatement to SA with a LA code other than 18 must occur first. On the DSS-8125 enter:
    - (1) Adequate change code "9V" on the DSS-8125
    - (2) A facility code that is not an IMD
    - (3) The Medicaid effective date retroactive to the date the beneficiary is no longer in the IMD and is eligible for the rest of the month
    - (4) Change the provider number from 9900059 to the appropriate provider number.

The action to reinstate SA processes overnight and the IE screen will show the partial periods of Medicaid eligibility (suspended and reinstated).

- c. The transfer to Medicaid can be keyed the next workday after the reinstatement of SA with a LA code other than 18.

**D. The SA case terminates effective the last day of the current cycle month.**

**E. Medicare Buy-in reinstatement will be initiated at the next Buy-in run.**

**F. The living arrangement code of 18 and the CCNC exempt number 9900059 must be keyed. Do not key these on the DB/PML for reinstatements. These changes are keyed on the DSS-8125.**

**EXAMPLE:**

SA beneficiary is in a facility that becomes an IMD on 1/21.

On 1/22, DMA notifies DIRM to run the job to suspend Medicaid for residents of the facility.

DIRM runs the job on 1/21 to suspend Medicaid effective 1/24 (two working days from the IMD effective date).

EIS inquiry on 1/28 shows the Medicaid suspended effective 1/24 on the CD and IE inquiry screens.

The XPTR report shows the names of all the residents of the facility who had their Medicaid suspended.

On 2/5, the beneficiary leaves the IMD facility and becomes PLA.

The county DSS is notified of the change on 2/8 and terminates the SA case.

The county DSS worker evaluates the individual's Medicaid eligibility and determines he is eligible.

She keys the DSS-8125 on 2/11 with a Medicaid Effective Date of 2/5 to reinstate the Medicaid under the SA program.

On 2/12, the worker keys the DSS-8125 to transfer the case to Medicaid with a Medicaid effective date of 3/1.

EIS and MMIS update and Medicaid will resume paying claims and initiate Medicare Buy-in reinstatement at the next Buy-in run.

**VI. PROCEDURES FOR REDETERMINATIONS WHEN SA CASE REMAINS IN AN IMD FACILITY**

- A. If all eligibility factors are met, the county DSS worker keys the 8125 to authorize another yearly payment review period leaving the LA code of "18". Medicaid will continue to deny claims while the beneficiary remains in an IMD. The SA payment continues.**
- B. The beneficiary education code is not required.**
- C. The CCNC exempt number remains 9900059.**

**VII. PROCEDURES FOR SA APPROVALS WHEN THE BENEFICIARY IS IN AN IMD FACILITY**

- A. If all eligibility factors are met, the county DSS worker keys the 8125 to authorize the SA case in a Medicaid suspension status.**
- B. The county DSS worker enters the Medicaid effective date as the 1<sup>st</sup> day of the ongoing EIS month and the living arrangement code as 18 and the CCNC exempt number as 9900059.**
- C. The beneficiary education code is not required.**
- D. Key DB/PML screens for specific dates for each different living arrangement code matching the dates the facility was an IMD to the dates of Medicaid suspension and the dates the facility was not an IMD with the dates of authorization of Medicaid with the appropriate living arrangement code for those dates.**

**E. No Medicaid card is issued while a beneficiary's Medicaid is in suspended status.**

**VIII. PROCEDURES FOR SA APPROVALS WHEN THE BENEFICIARY WAS IN A FACILITY THAT WAS AN IMD BUT IS NO LONGER AN IMD**

**A. If all eligibility factors are met the county DSS worker will key the 8125 to authorize the SA case in a non suspended Medicaid status.**

**B. The county DSS worker enters the Medicaid effective date as the 1<sup>st</sup> day of the ongoing EIS month and the appropriate SA living arrangement code and the appropriate CCNC number.**

**C. The beneficiary education code is required.**

**D. Key the DB/PML screens for the specific date for each different living arrangement code matching the dates the facility was an IMD to the dates of Medicaid suspension and the dates the facility was not an IMD with the dates of authorization of Medicaid with the appropriate living arrangement code for those dates.**

**IX. EIS NOTICES**

**A. Approvals**

The DSS-8108 automated notice is generated when the individual is approved for SA with a living arrangement code of 18.

If there is not a notice override of "y" on the DSS-8125, EIS will change notice text to include:

"Effective MMDDYY your Medicaid benefits are suspended."

"You are eligible for Special Assistance Payment Only."

"Your Medicaid is suspended because you reside in an Institution for Mental Disease."

"Your Medicare Part B premium will not be paid by Medicaid during this suspension."

"No Medicaid Card will be issued."

SA Manual section 3100 and 3310."

If there is a notice override of "y" on the DSS-8125, EIS will include the following text:

"If you receive Medicare, Medicare is responsible for your prescriptions."

**B. Medicaid Reinstatement notice**

The DSS-8110 automated notice is generated. If there is not a notice override of "y" on the DSS-8125, EIS will change notice text to include:

"Effective MMDDYY your Medicaid benefits have been reinstated."

"Your Medicaid continues because you no longer reside in an Institution for Mental Disease."

"You will receive an annual Medicaid card if you do not already have a current card."

"SA Manual section 3100 and 3310"

**C. Termination Codes**

Existing SA termination codes and notice are used.

**D. Redetermination code and notice**

Existing redetermination code 01 and DSS-8110 notice are used. For individuals with the living arrangement code 18, the text will include the following:

"Medicaid is suspended."

"Your SA payment continues."

**E. Data Warehouse**

Individuals with living arrangement code 18 will be stored in the Data Warehouse.

If you have any questions regarding this information, please contact your Special Assistance or a Medicaid Program Representative.

Sincerely,



Carol H. Steckel, MPH, Director  
Division of Medical Assistance



Dennis W. Streets, Director  
Division of Aging and Adult Services