

DMA ADMINISTRATIVE LETTER NO. 06-01, Children with Protected Disability Status

DATE: AUGUST 25, 2000

**Subject: Children Terminated from SSI With
Protected Medicaid Status**

**Distribution: County Directors of Social Services
Medicaid Eligibility Staff**

PART ONE - BACKGROUND AND POLICY REQUIREMENTS

I. BACKGROUND

Federal welfare reform legislation enacted in 1996 changed the definition of childhood disability. As a result, many children were terminated from SSI and Medicaid. Congress subsequently required those children to have "protected status," which means they continue to be considered disabled for Medicaid purposes as long as they meet the financial requirements for MAD (either Categorically Needy or Medically Needy).

DMA Administrative Letter 07-98 (July 7, 1997) provided instructions for continuing Medicaid for children who lost SSI due to this change and who appealed their termination. Children in appeal status are entitled to have Medicaid continued throughout the appeal process. DMA Administrative Letter 25-98 (January 23, 1998) and Addendum 1 (March 19, 1998) established the policy requirements and instructed counties to identify children with protected Medicaid status.

In April 2000 HCFA issued new instructions to states which significantly change the policy for children with protected status, especially concerning ex parte reviews and continuing protected status when there are breaks in coverage.

At the same time, the Social Security Administration (SSA) provided each state with a master list which identifies children in their state who were terminated from SSI and who are eligible for protected Medicaid status. HCFA requires that states review their master list to ensure that these children continue to receive Medicaid.

The purpose of this letter is to:

- update the policy for protected Medicaid status,
- identify the children for whom SSA has established protected status, and
- provide instructions for reviewing the enclosed reports generated from the SSA master list.

The reports are discussed in detail in Part II of this letter. Please note that only one copy of the printouts will be sent to each county, attached to a copy of this letter. The new requirements for ex parte reviews will be issued as a separate manual change.

The SSA master list for North Carolina was compared to information in EIS as of July 14, 2000. The majority of the more than 2,500 affected children are currently receiving Medicaid, either as a disabled child or in Work First or Family & Children's Medicaid. However, a number of children were identified who are not currently authorized. Children on the SSA master list with protected status whose Medicaid has been terminated must be reinstated. The SSA master list also provides information to assist counties in ensuring that affected children who are currently authorized are not improperly terminated.

This letter obsoletes DMA Administrative Letters 25-98 and 25-98 Addendum 1. All policy requirements and other current information are incorporated into this letter. The ongoing requirements will also be incorporated into MA-2525 in a separate notice. DMA Administrative Letter 07-98 is still in effect.

II. POLICY REQUIREMENTS FOR PROTECTED STATUS

"Protected Medicaid status" means that a child terminated from SSI due to the change in the definition of childhood disability continues to be considered disabled for Medicaid purposes as if that definition had not changed. If SSI terminated due to the change in the law, the child's eligibility for MAD (Categorically Needy or Medically Needy) must be continued as long as he continues to meet all other non-disability related eligibility requirements for MAD. Non-disability requirements include income and reserve. This protected status continues until the child turns 18 and has a review under adult disability criteria. All activities regarding protected Medicaid status must be tracked and documented in the case record.

Because SSA has provided states with a comprehensive master list of children eligible for protected Medicaid status, counties do not have to establish a child's protected status. The following summary of criteria for protected status is provided to assist counties in understanding protected status.

A. Criteria for Protected Status

The child must have met all the following requirements to have protected Medicaid status:

1. Be eligible for and receiving SSI on August 22, 1996.

NOTE: There were children with protected status who were in non-pay ("N01") status in August 1996 or changed to non-pay status briefly between August 1996 and the SSI termination. These are children whose family incomes fluctuated due to five weeks wages or other temporary fluctuations in income. They were considered by SSA to be temporarily in non-pay or suspension status and were expected to return to pay status. These children met the criteria for protected status if they met all other requirements. The same rule applied to children who went in "S08" status, Payee Development Pending.

2. SSI termination effective date on or after July 1, 1997, and
3. SSI termination due solely to no longer meeting the new definition of childhood disability, and
4. Would have continued to receive SSI except for the change in definition of disability.

B. Children Who Are Not Eligible for Protected Status

1. SSI eligibility was established after August 22, 1996.
2. SSI terminated for some reason other than the change in the definition of childhood disability, such as income, reserve or an improvement in the child's medical condition not related to the definition.
3. SSI terminated after early 1999 because the child is no longer disabled.

SSA conducted disability reviews of all SSI children in 1997, 1998 and early 1999, and terminated those who did not meet the new definition of disability. These are the children with protected status who are on the SSA master list. Children who are now appearing on the SSI Termination Report as being terminated from SSI with a payment status code of "N07" are being terminated because of a change in their medical condition, not the change in definition of disability. They are not entitled to protected status. If you are unsure about a child's protected Medicaid status, refer to the SSA master list (the reports described in Part II below) or contact your Medicaid Program Representative.

C. End of Protected Status At Age 18

Protected Medicaid status continues until the child reaches age 18, regardless of the aid program/category in which the child is authorized.

IMPORTANT NOTE: This is a significant change from earlier policy which stated that protected status ends when the child no longer meets the non-disability MAD-N eligibility criteria. Continuous eligibility is not a requirement to maintain protected status. Also, note that protected status applies to children receiving as MAD Medically Needy as well as Categorically Needy. Instructions for review of children with protected status who turn age 18 will be incorporated into the Aged, Blind and Disabled Manual.

D. Children In Appeal Status

Some children who were terminated due to the change in the definition of childhood disability appealed the termination of SSI. Most of those appeals have been completed, but there are a small number of appeals still pending. Children in appeal status who have protected status are included in the SSA master list. (The children who appealed the termination are entitled to protected Medicaid status because their SSI benefits terminated, even though they appealed the termination.)

The law mandated that if the SSI termination was due solely to this change, the child's Medicaid must be continued as long as he is in appeal status. DMA Administrative Letter 07-98 provided instructions to continue Medicaid until the appeal process is completed. Once the appeal process is completed and you evaluate the child's ongoing eligibility, follow the requirements in this letter to track and document the child's protected status.

E. Protected Status Tracking Sheet

Each child's protected Medicaid status must be clearly identified in the case record, and all activities required by protected status policy must be documented. To meet this requirement, a Protected Status Tracking Sheet has been developed. (See [Figure 1](#).) Staple this tracking sheet inside the front cover of the child's case record.

The first page of the tracking sheet alerts staff that the child has protected Medicaid status, which must be tracked until protected status ends. An additional sheet provides space for documentation of activities required in this letter, including evaluating for MAD prior to any termination and termination of protected status.

Counties must also retain the enclosed reports as a central list of protected status cases based on the SSA master list. There is currently no way to identify these cases in EIS. Counties may make notes on their lists, such as transfers to another county or changes in address.

If a child with protected status moves out of state, make a copy of the protected status tracking sheet and forward it to the new state of residence if known. This will ensure that the child's protected status will continue to be tracked in the new state of residence. Retain a copy in the case record and document the tracking sheet of the change in residence.

F. Ongoing SSI Terminations

A payment status code of "N07" indicates that a child is no longer disabled due to a change in their medical condition, or the child is turning age 18 and is no longer disabled as a child, not due to a change in the definition of childhood disability. Follow the procedures in MA-1000, VII. for SSI terminations and ex parte reviews.

PART TWO - INSTRUCTIONS FOR REPORTS

The SSA master list includes all children determined by SSA to have protected status. The data on the SSA master list was compared to information in EIS, and the results of that match are organized into several reports. Instructions and time frames for working with each report are outlined in the following sections. The following reports are attached:

- SSI Terminated Children Inactive in EIS (Two sections)
 - SSI Terminated Children Under Age 18 - Section III.B.
 - SSI Terminated Children Over Age 18 - Section III.C.
- SSI Terminated Children Active In EIS - Section IV.
- SSI Terminated Children Who Are Not In EIS - Section V.
- SSI Disabled National Children Inactive in EIS - Section VI.B.
- SSI Disabled National Children Active in EIS - Section VI.C.

These reports are also available on-line in X/PTR.

The reports from the North Carolina master list were run on 7/14/00 and the reports from the national list were run on 8/18/00. Instructions for children who are inactive in EIS are different from those for children who are active. If a child's status has changed by the time you receive these reports, follow the instructions below based on the child's status at the time of your action.

Each county is responsible for following the instructions in this letter for each child listed on their county reports, even if the child has moved to another county. This includes reinstating Medicaid and determining ongoing eligibility. If a child's ongoing eligibility is established, the ongoing case must then be transferred to the new county of residence. Document the report to indicate that the case was transferred and the new county.

If a child lives a county other than the one receiving the report, it will be necessary for the two counties to share information and coordinate in locating these children and conducting eligibility reviews. It is recommended that someone in each county be designated as a contact to assist other counties in completing the process within the required time frames.

III. "SSI TERMINATED CHILDREN INACTIVE IN EIS"

This report includes children on the SSA master list who have an eligibility history in EIS but are not active as of 7/14/00. This report has the HIGHEST PRIORITY. Within 30 days of receipt of this letter, children on this report must have their Medicaid reinstated if there is a current address available, or the county must send a letter to the most recent address to advise that Medicaid can be reinstated.

A. Report Format

The report is broken into two subsections: children under age 18 as of 7/14/00, and children over age 18 as of 7/14/00. Each subsection of this report is sorted by county, district/worker number, and alphabetically, and includes the following:

County Number
District/Worker Number
EIS Case ID
Individual ID
County Case Number
Aid Program/Category
Name (Last Name, First Name)
Address in EIS
Birthdate
Social Security Number
Termination Date and Code

B. Requirements for Report of "SSI Terminated Children Under Age 18"

1. Step 1 - Review Case Record and Document Protected Status

Review the case record for each child on this list. The record must clearly identify the child as having protected status and protected status must be tracked in the child's record using the Protected Status Tracking Sheet (see [Figure 1](#)). Once the case record contains a Tracking Sheet, proceed to Step 2.

NOTE: If the case record is not available because of flood damage, purging or other reasons, complete a Protected Status Tracking Sheet and proceed to Step 2.

2. Step 2 - Locate Current Address

- a. Attempt to locate a current address for the child. A current address is defined as one that is:
- Part of an active record in another program (such as Food Stamps, services or IV-D records).
 - Part of an inactive record in another program which had active benefits within the past 6 months. Any activity in the case in the previous 6 months, except for mail returned as undeliverable, is sufficient to consider the address current.
 - From any other source within the agency if no older than 6 months.
 - From other sources outside the agency, if no older than 6 months. Check other available records such as Social Security, DMV, ESC, etc.

- b. Check all agency records, both paper and computer records. Search records using the child's name and the parents' names if known.
- c. If the most recent address is not current, attempt to locate a telephone number to contact the family to request a current address.
- d. If you locate a current address, proceed to Step 3 to reinstate Medicaid.
- e. If there is no current address available:
 - (1) Send a letter to the child's last known address advising that he may be eligible for Medicaid benefits. (See [Figure 2](#).) Request that he or his representative contact the agency to provide a current address. The deadline date is 60 days from the date of the letter.
 - (2) If the child or his representative does not contact the agency within 30 days of the first letter, send a second letter. Mark the top "Second Notice" in red letters. The deadline date for responding is the same as the deadline date in the first letter, 60 days from the date of the first letter.
 - (3) If the child or his representative contacts the agency by the deadline date and provides a current address, proceed to Step 3 to reinstate Medicaid.
 - (4) If the child or his representative does not contact the agency by the deadline date, document in the case record on the Protected Status Tracking Sheet all attempts to locate and the results. No further action is necessary.
 - (5) If the child or his representative contacts the agency after the 60th day to request Medicaid benefits, do not automatically reinstate benefits. Take a MAD application for the child, noting that he has protected status. If the child is not eligible as MAD, evaluate eligibility in other aid program/categories (including MPW). Document the Tracking Sheet, noting the date the contact is made, whether MAD was approved and if not, the outcome of the evaluation for other coverage.

3. Step 3 - Reinstatement of Medicaid

- a. Once you have obtained a current address, reinstate MAD-N eligibility. Reopen the case for four months to allow time to determine ongoing eligibility applying protected status requirements.

(1) Enter a DSS-8124.

(a) Enter as a NEW MAD-60 ADMIN application.

(b) APPLICATION DATE is the day the application is entered into EIS.

(2) Enter a DSS-8125 to approve the case.

(a) EFFECTIVE DATE is the first day of the month the application is entered into EIS.

(b) The certification period is four months.

For example, if the DSS-8124 is keyed on August 15, the application date is 08/15/00 and the c.p. is 08/00-11/00. If the DSS-8124 is entered on September 6, the application date is 09/06/00, and the c.p. is 09/00 - 12/00.

- b. Send a manual DSS-8108 advising the recipient that benefits have been reinstated and the dates of coverage. Advise the recipient of the reason for this reinstatement. Use this wording: "Federal law requires reopening Medicaid for children who were terminated from SSI to determine if they are eligible to receive ongoing Medicaid."

4. Step 4 - Evaluation of Ongoing Eligibility

- a. Once Medicaid is reinstated, a complete redetermination of eligibility is required to determine if the child is eligible for ongoing Medicaid. Initiate a mail-in or telephone review as soon as possible to allow time to complete the review and send timely notice prior to the end of the four month certification period.

- b. Use the DMA-5007 or DMA-5007MR to document the review. Follow instructions in MA-2320 XXII.F-.G. for mail-in or telephone reviews. The agency cannot require the recipient or his representative to come to the agency to complete the review.

NOTE: Do not submit medical information to DDS for a review of disability when the case is reinstated. Instructions will be provided separately for conducting disability reviews for children who remain eligible for MAD beyond the four month period.

5. Failure to Respond to Requests for Information/Returned Cards or Notices
 - a. If the Medicaid card or DSS-8108 is returned, attempt to locate a current mailing address or telephone number to contact the recipient.
 - b. If the recipient or his representative does not respond to attempts to contact by phone or mail, or does not provide requested information, send timely notice to terminate assistance. Allow at least 10 days after attempts to contact recipient or after requesting additional information before sending timely notice.
 - c. If Medicaid is terminated for failure to cooperate with the review, document the Tracking Sheet. If the child reapplies for Medicaid at a later date, protected status continues.

C. Requirements for Report "SSI Terminated Children Over Age 18" (As of 7/14/00)

Even though protected Medicaid status ends at age 18, a child with protected status cannot be terminated until a disability review has been conducted using adult disability standards to determine if he is eligible for ongoing MAD as an adult.

1. Step 1 - Review Case Record and Document Protected Status

Review the case record for each child on this list. The record must clearly identify the child as having protected status and protected status must be tracked in the child's record using the Protected Status Tracking Sheet (see [Figure 1](#)). Once the case record contains a Tracking Sheet, proceed to Step 2.

NOTE: If the case record is not available because of flood damage, purging or other reasons, complete a Protected Status Tracking Sheet and proceed to Step 2.

2. Step 2 - Adult Disability Review

- a. Attempt to determine if an adult disability review has been completed at any time since the child's SSI was terminated. An adult disability determination would have occurred if the individual reapplied for SSI, RSDI or MAD, and the disability decision was rendered on or after the individual's 18th birthday.

- (1) If the recipient meets all other MAD (N or M) eligibility criteria, continue Medicaid as a disabled adult.
 - (2) If the recipient does not meet all other MAD eligibility, he is not eligible for MAD. Evaluate eligibility in other aid program/ categories (including MPW). Use any information available to the agency, including Food Stamps, Work First, child care or child support records, etc., as well as information from other agencies such as SSA. You may also consider the records of immediate family members.
 - (3) If the recipient is not eligible in any other aid program/category, send timely notice to propose termination.
- b. If DDS determines that the recipient is not disabled:
- (1) He is not eligible for MAD. Evaluate eligibility in other aid program/ categories (including MPW). Use any information available to the agency, including Food Stamps, Work First, child care or child support records, etc., as well as information from other agencies such as SSA. You may also consider the records of immediate family members.
 - (2) If the recipient is not eligible in any other aid program/category, send a timely notice to propose termination.
- c. Protected status ends once the recipient turns 18 and has an adult disability review. Document on the tracking sheet the date and reason protected status ended. (Use the date on the DMA-4037 as the date protected status ends.)

IV. "SSI TERMINATED CHILDREN ACTIVE IN EIS"

Federal rules require that children with protected status must be identified and their protected status tracked. This report lists children on the SSA master list who are active recipients in EIS in any aid program/category as of 7/14/00. This information is provided to assist counties in identifying children with protected status and to ensure that each child's case record clearly documents and tracks protected status.

A. Report Format

The report is sorted by county, district/worker number and alphabetically, and includes the following:

County Number
District/Worker Number
EIS Case ID
Individual ID
County Case Number
Aid Program/Category
Name (Last Name, First Name)
Address in EIS
Birthdate
Social Security Number

B. Requirements

1. As soon as possible, but no later than the next regular eligibility redetermination, review the case record for each child on this list to ensure that the child is clearly identified as having protected status. Protected status must be tracked in the child's record using the Protected Status Tracking Sheet (see [Figure 1](#)). Once the case record contains documentation of protected status, no further action is required until the child's Medicaid eligibility in the current case ends or he turns age 18.
2. It is not necessary to change the aid program/ category to MAD for children authorized in Family & Children's Medicaid or Work First.
3. If a child with protected status becomes ineligible for Family and Children's Medicaid or Work First, do not terminate without evaluating the child's eligibility for MAD. Document the results of that evaluation of protected status on the tracking sheet. The evaluation should take place prior to termination of Work First. However, if the evaluation cannot be completed prior to termination, transfer the case to MAF-C for one month to allow time to complete the evaluation. If the evaluation cannot be completed during the one month continuation, continue the case on a month by month basis until the evaluation is completed
4. Do not submit to DDS for a review of disability at this time. Instructions will be provided at a later date for disability reviews for children with protected status.

NOTE: In some cases a child who is ineligible for Family & Children's Medicaid will also be ineligible for MAD. However, it is necessary to document on the tracking sheet that protected status was considered prior to termination, until the child reaches age 18.

V. "SSI TERMINATED CHILDREN WHO ARE NOT IN EIS"

This report lists children on the SSA master list who were not found in EIS. This may be because they have invalid SSN's in EIS, or because they received SSI in another state but never received SSI or Medicaid in North Carolina. (Some counties may not receive this report as the number is small.)

A. Report Format

This report is sorted by county and alphabetically by last name and first name of the individual, and contains the following:

County
Name (Last Name, First Name)
Address (from SSA master list)
Birthdate
Social Security Number

B. Requirements

Within 30 days of receipt of this letter, take the following actions:

1. Search EIS to determine if any child on this list is a current or former recipient in this state. The child may be in EIS with an invalid SSN which did not match with the SSA master list. Search EIS using name as well as SSN, using variations on spelling if necessary.
2. If you locate a child with history in EIS, follow procedures in III., above for inactive recipients and IV., above for active recipients. Take action to correct the SSN in the EIS system if the child is a current recipient.
3. If you do not find the child in EIS:
 - a. The child may have received SSI and Medicaid in another state and had protected status when SSI terminated. SSA records indicate that these children may now reside in North Carolina and could potentially be eligible to have protected Medicaid status continued.

b. Attempt to locate a current address for the child. A current address is defined as one that is:

- Part of an active record in another program (such as Food Stamps, services or IV-D records).
- Part of an inactive record in another program which had active benefits within the past 6 months. Any activity in the case in the previous 6 months, except for mail returned as undeliverable, is sufficient to consider the address current.
- From any other source within the agency if no older than 6 months.
- From other sources outside the agency, if no older than 6 months. Check other available records such as Social Security, DMV, ESC, etc.

c. Check all agency records, both paper and computer records. Search records using the child's name and the parents' names if known. If the most recent address is not current, attempt to locate a telephone number to contact the family to request a current address.

- (1) Send a letter to the child's last known address advising that he may be eligible for Medicaid benefits. (See [Figure 2](#).) Request that he or his representative contact the agency to provide a current address. The deadline date is 60 days from the date of the letter.
- (2) If the child or his representative does not contact the agency within 30 days of the first letter, send a second letter. Mark the top "Second Notice" in red letters. The deadline date for responding is the same as the deadline date in the first letter, 60 days from the date of the first letter.
- (3) If the child or his representative contacts the agency by the deadline date and provides a current address, proceed to Step 3 to reinstate Medicaid.
- (4) If the child or his representative does not contact the agency by the deadline date, document in the case record on the Protected Status Tracking Sheet all attempts to locate and the results. No further action is necessary.

VI. NATIONAL SSA MASTER LIST

The reports in III. - V. above were based on a master list provided by SSA for North Carolina. SSA also provided a comprehensive national list of SSI terminated children with protected status. The national list (without the North Carolina children included in the reports above) was compared to EIS to identify additional children in North Carolina who are entitled to protected status. This information is included in the following two reports: "SSI Disabled National Children Inactive in EIS" and "SSI Disabled National Children Active in EIS" (as of 8/18/00).

Within 30 days of receipt of this letter, take the actions required in the instructions below.

A. REPORT FORMAT

This report is sorted by county and alphabetically by last name and first name of the individual, and contains the following:

County Number
District/Worker Number
EIS Case ID
Individual ID
County Case Number
Aid Program/Category
Name (Last Name, First Name)
Address in EIS
Birthdate
Social Security Number

B. "SSI DISABLED NATIONAL CHILDREN INACTIVE IN EIS"

1. Review the case record for each child on this list. The record must clearly identify the child as having protected status and protected status must be tracked in the child's record using the Protected Status Tracking Sheet.
2. Determine from the case record if there is documentation that the child moved to another state. If so, document the tracking sheet and file it in the case record. This information will be important if the child should return to North Carolina and apply for Medicaid. Also notify the other state, if known, that the child has protected Medicaid status.
3. If there is no documentation that the child moved to another state, follow the instructions in III.B., above for obtaining a current address and reinstating Medicaid. (Follow instructions in III.C., above if the child is over age 18.)

C. "SSI DISABLED NATIONAL CHILDREN ACTIVE IN EIS"

1. Review the case record for each child on this list. The record must clearly identify the child as having protected status and protected status must be tracked in the child's record using the Protected Status Tracking Sheet.
2. Verify whether the child is still living in North Carolina. If so, document the tracking sheet and file it in the case record. Follow instructions in VI.B., above to track the child's protected status.
3. If the child is no longer living in North Carolina, send timely notice to propose termination. Notify the other state, if known, that the child has protected status.

D. STATE RETENTION OF NATIONAL LIST

The state office will retain the national master list of children with protected status to assist in identifying children with protected status who move into North Carolina. If you learn that a child who moves into your county may have been terminated from SSI in another state and may be entitled to protected status, please call the Medicaid Eligibility Unit at 919-857-4019 to determine if the child is on the national master list.

VII. CHILDREN INAPPROPRIATELY GIVEN PROTECTED STATUS

A. Requirements

Because of the difficulty in obtaining information at the time SSI terminated and during the SSA case reviews, it is possible that some children were given protected status who were not entitled to it. If you discover a child who was designated as having protected status but you determine he is not entitled to that status based on information in this letter, document the record explaining the reason. Children entitled to protected status are included on the SSA master list and on one of the above reports. If you have questions regarding a child's protected status, contact your Medicaid Program Representative. Also refer to VII., below regarding children whose SSI was terminated in another state.

B. Procedures

1. If the child is currently inactive, no further action is necessary at this time. Document the case record that the child is not entitled to protected status.

NOTE: If the case record is not available because of flood damage, purging or other reasons, document this information on the report.

2. If the child is currently receiving in an aid/program category other than MAD, document the record that the child does not have protected status. No further action is necessary at this time.
3. If the child is still receiving MAD based on protected status, evaluate eligibility in other aid program/categories (including MPW and NC Health Choice). Use any information available to the agency, including Food Stamps, Work First, child care or child support records, etc., as well as information from other agencies such as SSA. You may also consider the records of immediate family members.
4. If the recipient is not eligible in any other aid program/category (including MPW and NC Health Choice), send timely notice to propose termination.
5. The recipient may reapply at any time for MAD. Take an MAD 90 application and process following instructions in MA-2525. Disability must be established under the new criteria based on the individual's current medical condition.

If you have questions regarding this information, please contact your Medicaid Program Representative.

Paul R. Perruzzi
Director

[This information was researched and written by Jackie Franklin, Policy Consultant, Medicaid Eligibility Unit]