

DMA ADMINISTRATIVE LETTER NO: 08-13, ADDENDUM 1, HEALTH COVERAGE FOR WORKERS WITH DISABILITIES

DATE: 1/27/14

SUBJECT: Health Coverage for Workers with Disabilities Phase III

DISTRIBUTION: County Departments of Social Services

I. BACKGROUND

North Carolina is authorized to provide Medicaid for disabled/blind workers under the Health Coverage for Workers with Disabilities Act (G.S. 108A-54.1). Health Coverage for Workers with Disabilities (HCWD) provides an incentive for persons with disabilities to go to work or to increase their hours of work while protecting their Medicaid eligibility.

Health Coverage for Workers with Disabilities was implemented in November 2008, providing eligibility for disabled individuals with incomes of 150% or less of the federal poverty level (FPL) (See MA-2180, Health Coverage for Workers with Disabilities). On August 26, 2013, the income limit was raised to 200% of FPL with the requirement that those whose income exceeds 150% FPL must pay an enrollment fee (see Administrative Letter 08-13).

DMA is providing eligibility for all who qualify for HCWD **regardless of income or CAP status beginning November 14, 2013.**

II. POLICY PRINCIPLES

Implement the following changes in HCWD policy:

A. Income

The only income limit for the HCWD program is that the applicant/beneficiary cannot have more than 150% of FPL in **unearned income**. However, those with total monthly incomes greater than 450% of FPL, after applicable disregards, must pay a full premium (see II.C. below).

B. Enrollment Fee

All individuals with total monthly countable income above 150% of the federal poverty level must pay a \$50 enrollment fee for each twelve month certification period. The enrollment fee is collected by the county and retained to offset administrative expenses. There is no enrollment fee for retroactive coverage. See Administrative Letter 08-13 for enrollment fee notification and collection instructions. If a premium is due (see II.C. below), mail the enrollment fee notice with the premium invoice.

Note: Members of federally recognized Native American tribes and Alaska natives are exempt from cost sharing, including enrollment fees.

C. Premiums

Individuals with countable income above 200% of FPL must pay a monthly premium in addition to an enrollment fee of \$50 per year. The premiums increase with income range until income exceeds 450% of FPL, at which point a 100% premium is due. The 100% premium is based upon the average claims paid for an individual in the MAD and MAB programs.

1. The income ranges and associated premiums are found in the following chart:

<u>Federal Poverty Level</u>	<u>Income Range – HCWD Individual</u>	<u>Income Range – HCWD Couple</u>	<u>Monthly Premium</u>
<u>101-150%</u>	<u>\$958.01 - \$1,437</u>	<u>\$1,293.01 - \$1,939</u>	<u>0</u>
<u>151-200%</u>	<u>\$1,437.01 - \$1,915</u>	<u>\$1,939.01 - \$2,585</u>	<u>0</u>
<u>201-250%</u>	<u>\$1,915.01 - \$2,394</u>	<u>\$2,585.01 - \$3,232</u>	<u>\$139</u>
<u>251-300%</u>	<u>\$2,394.01 - \$2,873</u>	<u>\$3,232.01 - \$3,878</u>	<u>\$175</u>
<u>301-350%</u>	<u>\$2,873.01 - \$3,352</u>	<u>\$3,878.01 - \$4,524</u>	<u>\$211</u>
<u>351-400%</u>	<u>\$3,352.01 - \$3,830</u>	<u>\$4,524.01 - \$5,170</u>	<u>\$247</u>
<u>401-450%</u>	<u>\$3,830.01 - \$4,309</u>	<u>\$5,170.01 - \$5,817</u>	<u>\$283</u>
<u>451 and above</u>	<u>\$4,309.01 and up</u>	<u>\$5,817.01 and up</u>	<u>\$472</u>

Note: All HCWD cases with income above 200% of FPL must be processed in EIS (see III. for EIS requirements).

2. Determine if a Premium is Due

- a. Calculate the amount of total countable net earned and unearned income for the individual. Those with **unearned income** above 150% FPL are not eligible for HCWD.
- b. If total countable monthly income exceeds 200% of FPL, a premium is due.

Note: Members of federally recognized Native American tribes and Alaska natives are exempt from cost sharing, including premiums.

3. Notification of Premium Due

Notify the applicant in writing that a premium is due. (See [Attachment 1](#) for premium invoice).

- a. Date the premium invoice the date it will be mailed.
- b. The invoice must identify the premium amount due for each month separately.
- c. The caseworker must provide his name, direct phone number and email address on the invoice.
- d. Mail the premium invoice with the enrollment fee notice (see II.B. above).
- e. Give the A/B 12 business days to pay the premium. Day one is the day after the invoice is mailed.
- f. Payment must be by check or money order payable to: "NC DHHS" **and** "HCWD Premium" must be written on the memo line of the check.
- g. Have payment mailed to: "DHHS Controller; 2022 Mail Service Center; Raleigh, NC 27699."
- h. When the premium payment is made, DMA will notify the county worker designated on the invoice by telephone and email a copy of the invoice and check to the worker.

4. Premium Invoices for Applications

- a. The applicant must be billed for all premiums due from the first month authorized through one month after the current calendar month.
- b. If 12 calendar days exceeds the 45/90 day processing standard, pend until you receive notice of payment, or until the first workday after the due date for payment.
 - (1) Allow for the exclusion of days when income verification is received and the application must pend beyond 45/90 days in order to notify the applicant and receive the premium payment.
 - (2) The exclusion of days begins on the day of the request for premium payment and ends on the day the premium is received or on the 13th calendar day, whichever occurs first.
 - (3) Use "HCW" code to indicate that the case is pending for the HCWD enrollment fee or premium or both. Refer to MA-2304, Processing the Application, for case pending instructions.

c. Premium Invoices for Retroactive Months

An applicant who requests retroactive coverage must pay a premium for each retroactive month authorized.

Note: No enrollment fee is due for retroactive months.

d. Decision Following Payment or Non-Payment

- (1) Upon receipt of notification from DMA that the premium has been paid, authorize eligibility for the month or months covered by the premium.

For applications, apply premium payments to the oldest unpaid month associated with the application approval, retroactive or ongoing, and then apply payments to the remaining months associated with the application approval from oldest to newest.

- (a) If the applicant has identified the premium payment as an ongoing payment, apply the payment to the earliest unpaid ongoing month.

- (b) If the applicant has identified the premium payment as a retroactive payment, apply the payment to the earliest unpaid retroactive month.
 - (c) If the payment is not identified as retroactive or ongoing, apply the payment to the earliest unpaid month.
 - (2) Upon receipt of notification from DMA that the A/B refused to pay the premium, or failed to pay the premium, deny the application using a G9 code and send the HCWD denial for non-payment of premium letter (See [Attachment 2](#) for non-payment denial notice).
 - (a) Provide the coverage period and amount due for each month owed in the appropriate section of the denial notice.
 - (b) Provide caseworker name and contact information in the appropriate section of the denial notice.
- 5. Premium Invoices for Ongoing Cases and Redeterminations
 - a. Send the monthly premium invoice on the first business day of the month prior to the next month of eligibility (See [Attachment 1](#) for premium invoice).

Example: Premiums have been paid for January and February. On February 1 mail the premium invoice for March.
 - b. Give the A/B 12 business days to pay the premium; day one is the day after the invoice is mailed.
 - c. Do not send a termination notice prior to the day after the payment is due.
 - d. If no communication has been received from DMA on the first business day following the twelfth business day (date on which the fee was due), contact DMA -- William Appel at 919-855-4005 to verify status. If payment has not been made, document the contact and terminate the case for non-payment of the fee.

e. Decision Following Payment or Non-Payment:

- (1) Upon receipt of notification from DMA that the premium has been paid, authorize eligibility for the month or months covered by the premium.

For on-going cases, apply premium payments to the oldest unpaid month in the current certification period.

- (2) Upon receipt of notification from DMA that the A/B refused to pay the premium, or failed to pay the premium, terminate the case after timely notice (See [Attachment 3](#) for non-payment termination notice).

- (a) Provide the coverage period and amount due for each month owed in the appropriate section of the termination notice.

- (b) Provide caseworker name and contact information in the appropriate section of the termination notice.

- (3) If it is a redetermination, terminate after timely notice (See [Attachment 3](#) for non-payment termination notice).

- (a) Provide the coverage period and amount due for each month owed in the appropriate section of the termination notice.

- (b) Provide caseworker name and contact information in the appropriate section of the termination notice.

- (4) See II.B.3. above for notice time frame requirements.

Note: If the redetermination is late, provide coverage without premium payment until timely notice is effective.

III. EIS REQUIREMENTS

Neither EIS or NCFAST are able to accept incomes above 200% of FPL in an ABD program at this time. In addition, none of the existing systems (EIS, NCFAST, and NCTRACKS) have the current capacity to bill for, process and track premiums. Therefore, until the necessary system changes can be made, a workaround will have to be employed. Take the following steps to authorize an individual in EIS by keying an 8125:

A. Income Limits and Medicaid Classification

Due to EIS systems limitations, you will not be able to enter the correct maintenance and income amounts if countable income is above 200% of FPL. If countable income is above 200% of FPL:

1. For living arrangement 10:
 - a. Key the maintenance amount as 200% of FPL
 - (1) For a single individual, the maintenance amount is \$1,915.
 - (2) For a couple, the maintenance amount is \$2,585.
 - b. Enter the income as 200% FPL
 - c. Document the file with the correct countable income figure.
2. For living arrangement 11:
 - a. Key the maintenance amount as 200% FPL
 - (1) For a single individual the maintenance amount is \$1,277.
 - (2) For a couple, the maintenance amount is \$1,724.
 - b. Enter the income as 200% FPL.
 - c. Document the file with the correct countable income limit.

B. Sub-Program Codes

1. For the Basic Coverage Group, enter the following sub-program codes:
 - a. If countable income is at or below 150% of FPL enter B1.
 - b. If countable income is greater than 150% of FPL, enter B2.
2. For the Medically Improved Coverage Group, enter the following sub-program codes:
 - a. If countable income is at or below 150% of FPL enter M5
 - b. If countable income is greater than 150% of FPL, enter M6.
3. See EIS Manual Section 2600 for sub-program codes.

Note: Individual must be a B1 or B2 prior to becoming a M5 or M6.

C. Federal Poverty Level Indicator

Immediately after entering the subprogram code on the 8125, enter the Federal Poverty Level Indicator of 4A for all incomes above 150% FPL.

D. Medicaid Status and Classification

1. Enter the Medicaid status as "D".
2. Enter the Medicaid class as "M".

E. Certification Period

For ongoing cases, enter the certification period as 12 months.

F. Premiums

1. HCWD cases over 200% FPL must be entered into EIS similarly to how a CAP deductible case is entered. Enter the premium amount in the db/pml field. In the future, there will be a payment screen and all premiums will be entered by DMA.
2. Enter the CAP code in the appropriate field only if the individual is also a CAP recipient.

G. Notices

Use "other" change code 50 and override the notice.

H. Enter the Subprogram Group Begin Date

1. Enter the date coverage begins as MMDDYY.
2. HCWD cannot be posted to a period of time that is authorized in an aid program/category that is not eligible for HCWD (i.e. MQB, MAA, MAF, etc.). Only MAD and MAB are correct for HCWD.
3. The Begin Date must be the first day of the month and cannot be later than the ongoing month.
4. For cases with incomes over 200% FPL, the Begin Date can be retroactive, but cannot be earlier than November 1, 2013.
5. An A/B can have a different SUB PROGRAM in the retroactive period than in the ongoing period.

I. Enter the Subprogram Group End Date

1. When HCWD ends, re-key the SUB PROGRAM GROUP code, the FPL indicator, the BEGIN DATE, and the END DATE. The END DATE must be after the BEGIN DATE and must be the last day of the month.
2. For an open/shut approval, the END DATE may be retroactive to the current date, but must be the last day of a month.
3. For an ongoing case, the END DATE must not be earlier than the last day of the month prior to the ongoing month. The END DATE cannot be retroactive.
4. When HCWD coverage changes from one SUB PROGRAM to another, for instance, changing from B1 to M5, use the following instructions:
 - a. To end coverage in the old SUB PROGRAM, re-key the old SUB PROGRAM code and FPL indicator, BEGIN DATE, and END DATE. The END DATE must be after the BEGIN DATE and must be the last day of the month prior to the ongoing month.
 - b. Enter the new SUB PROGRAM code, FPL indicator, and BEGIN DATE. The BEGIN DATE cannot be earlier than the first day of the ongoing month.

J. “Deductible” to Authorized

1. If notified that the premium has been paid:
 - a. Authorize the A/B using the “P” screen;
 - b. Enter premium amount in db/pml field.
2. If notified that premium has not been paid, see II.C. above for denial and termination instructions.

IV. EFFECTIVE DATE AND IMPLEMENTATION

This policy change is effective 11/01/2013. Apply this change to applications taken and redeterminations started on or after November 1, 2013. All applications received or redeterminations begun on or after 11/01/2013 which resulted in denials or terminations for excess income, in which the individual had earned income, will have to be reopened to determine if the individual

would have been eligible under the expanded HCWD program. A list of all those potentially affected will be created in XPTR and the counties will be notified when these reports are available. **If you have been holding applications, process them now.**

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

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Acting Director

(This material was researched and written by Wanda McLeoud, EIS Consultant and William Appel, Project Director, Recipient and Provider Services).