

CHANGE NOTICE FOR MANUAL NO. 11-03, Application Processing, MA-2306, Corrective Action Procedures

DATE: AUGUST 14, 2002

Manual: Aged, Blind, and Disabled Medicaid MA-2306

Change No: 11-03

To: County Directors of Social Services

Effective: October 1, 2002

I. BACKGROUND

On February 5, 2002, Judge Graham C. Mullen, Chief Judge, U.S. District Court for the Western District of North Carolina, dismissed the Alexander Consent Order. The February 1992 version of the Consent Order required payment of penalties or remedial fines if the counties did not process applications according to federal regulations and State rules.

Judge Mullen approved a "Plan to Assure Timely and Quality Services to Applicants for Medicaid, otherwise known as the Exit Plan". The Centers for Medicare and Medicaid Services and Legal Services had approved this Exit Plan. The State had worked with a group of county representatives in developing this plan.

The persons from the following counties who worked on this plan were:

Brenda Davis of Catawba County

Millie Brown and Elva Quinn of Duplin County

Dave Bradshaw and Dale Moorefield of Forsyth County

Betty Barnes of Johnston County

Jean Biggs and Vicki Lewis of Martin County

Sarah Bradshaw and Alvinia Parker of Sampson County

Although the Exit Plan does not change all that the counties wanted, it did result in the dismissal of the Consent Order. The Exit Plan reflects the commitment of both the State and the counties to continue to provide accurate benefits to our citizens in a timely manner. Each county in the State deserves recognition for its efforts. It is critical that counties continue to provide accurate benefits in a timely manner.

Work First (WF) applications are not under the Exit Plan. However, a Work First application is considered an application for Medicaid. If a person comes to the agency to ask for financial assistance, he must be given the opportunity to apply for Medicaid that same day. This applies even if the county requires the person to go to the Employment Security Commission or to the Child Support Enforcement office before taking a WF application.

Due to changes needed in the Eligibility Information System, all aspects of the Exit Plan could not be implemented until EIS was ready. In DMA Administrative Letter No. 19-02, some policy changes were made without EIS support. These included:

- A. The requirement to pend applications for three months ended.**
- B. Penalty checks are no longer issued.**
- C. DDS is no longer required to pend applications.**
- D. The requirement to complete an interview unless the client arrives at the agency within 30 minutes of closing changed to 60 minutes.**
- E. The requirement to send out two requests for information with 10 calendar days between requests changed to sending out two requests for information with 12 calendar days between requests. (The 10-10 rule became the 12-12 rule.)**

As a result of enhancement to EIS, all of the aspects of the Exit Plan can now be implemented.

II. CONTENT OF CHANGE

- A. MA-2306, Application Processing – Corrective Action Procedures, is added to the M-AABD manual as a new section.**
 - 1. This section outlines procedures for corrective action . There are two application processing report cards effective October 1. The Adjusted Application Report Card allows for exclusion of processing time. The Actual Time Report Card lists total processing time. Refer to MA-2305, Evaluating County/DDS Performance.
 - 2. When a county fails the Adjusted Application Report Card, the Medicaid Program Representatives will work closely with the agency to implement corrective action.
 - 3. Failure of the Actual Time Report Card may indicate a lack of understanding of procedures for exclusion of time. The Medicaid Program Representative will work with the county to address problem issues and implement corrective action.
 - 4. Failure of the Adjusted Application Report Card also affects monitoring. Counties who do not fail the report card will be monitored every other year. A county may request and be approved for a waiver of no more than two report card failures annually and still be monitored every other year at the discretion of the lead monitor. A county that fails three or more report cards annually (for any reason) will be monitored annually. Refer to MA-2305, Evaluating County/DDS Performance.

5. Procedures remain in place for local and/or state corrective action teams (formerly compliance teams) to be convened when a county fails the report card in any category for three months in a row, in five of twelve months, or, fails to meet the monitoring threshold of 80% in any category.

II. EFFECTIVE DATE

This policy change is effective October 1, 2002.

III. MAINTENANCE OF MANUAL

Insert: MA-2306 Application Processing – Corrective Action Procedures

Online Manual: Section Added.

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

Nina Yeager
Director

(This policy was researched and written by Jon York, Field Staff Supervisor, Medicaid Eligibility Unit.)

[MA-2306](#)

[MA-2306, Attachment 1](#)

[MA-2306, Attachment 2](#)

[MA-2306, Attachment 3](#)