

I. OVERVIEW OF LIVING ARRANGEMENT

A. Introduction

The type of living arrangement that an applicant/**beneficiary (a/b)** has affects whether the individual is potentially eligible for Medicaid **and** whether he is budgeted as private living arrangement (pla) or as long term care (ltc). This is very important because how an individual is budgeted affects county of residence, reserve, and spousal/parental financial responsibility.

The purpose of this section is to provide information to determine the type of living arrangement and whether to budget pla or ltc. Use the [DMA-5121, Determining Potential Medicaid Eligibility and Budgeting](#), as a reference.

B. Types of Living Arrangements

For Medicaid purposes there are two types of living arrangements, private living arrangement (pla) and long term care (ltc) living arrangement.

1. Private Living Arrangement (pla)

A private living arrangement is usually thought of as a private residence. However, in the Medicaid program individuals who live in many types of group living arrangements or institutional settings are also budgeted pla. All of the following types of living arrangements are considered to be pla:

- a. Home or apartment,
- b. Commercial boarding house or rooming houses,
- c. Adult Care Home (formerly domiciliary care facility),
- d. Residential treatment facility,
- e. Educational or vocational facility,
- f. Hotel and motel,
- g. Group living arrangement or supervised independent living licensed by Mental Health,
- h. Homeless or emergency homeless shelter,
- i. **An inpatient stay in a general/acute care hospital providing medical, surgical, psychiatric or substance abuse treatment, a psychiatric residential treatment facility (PRTF), nursing facility or intensive care facility for the mentally retarded (ICF-MR) when:**

(I.B.1.i.)

- (1) The institutionalization is expected to last 12 months or less and the individual is under 21 years of age; or
- (2) The institutionalization lasts less than 30 continuous days and the individual is 21 years of age or older.

2. Long Term Care Living Arrangement (ltc)

In the Medicaid program, only those individuals who live in a medical facility as defined in [MA-2270, Long Term Care Need and Budgeting](#), are considered to be in a long-term care living arrangement. This includes:

- a. A nursing facility for SNF, ICF, ICF-MR, SNF Rehab, hospice, or
- b. Nursing level of care in a hospital (usually called a swing bed or inappropriate level of care bed), or
- c. A general/acute care hospital, psychiatric unit of a state mental hospital, or psychiatric residential treatment facility (PRTF) when the length of stay is expected to exceed 12 months or ends with a direct transfer to a nursing facility.

NOTE: Always refers to [MA-2280, Community Alternatives Program](#), for budgeting rules when an a/b requests services under a Community Alternative Program (CAP).

II. SPECIFIC TYPES OF INSTITUTIONS/FACILITIES

In order to determine whether an individual is potentially eligible for Medicaid or whether he is budgeted pla or ltc, you must identify the type of residence. Use the following information to help you identify the a/b's living arrangement.

A. Public Institution

A public institution is the responsibility of a governmental unit. Examples of public institutions include: prisons, jails, and juvenile justice facilities.

1. Individuals under the jurisdiction of the court for whom the public authorities are not providing food and shelter are **not** considered inmates of a public institution. These individuals are potentially eligible for Medicaid. Examples of this situation are house arrest, probation, or parole.

(II.A.)

2. Department of Public Safety, Division of Prisons Inmates (DOP)

a. Currently Eligible Inmates

DOP shares information on newly incarcerated individuals with DMA. DMA compares the inmate information with that of current Medicaid beneficiaries, including caseheads. The individuals identified from this match have their eligibility automatically placed in suspension by EIS (See III).

The individuals who have been suspended are included in a report in NCXPTR for counties to use to determine whether the individual remains eligible in their current Medicaid program, must be transferred to another program category or terminated (See III.D).

When it becomes known to DSS that a beneficiary of Medicaid has had eligibility suspended due to incarcerated in a Division of Prisons (DOP) facility:

- (1) Evaluate for continued eligibility.
- (2) If the individual remains eligible in the same program category, no further action is needed until review.
- (3) If the individual's only remaining eligibility is in another program category, make the change but continue eligibility in suspension.
- (4) If the individual is no longer eligible for full Medicaid, send timely notice to the last known address and terminate.

b. Applications from DOP

Applications submitted on behalf of inmates by DOP must be processed. These individual are automatically placed in suspension unless the individual is going to be released in the first month of eligibility. Automated suspension will allow the County DSS approve the case in suspension status (following EIS instructions for completing the DSS-8125, See 2304, Processing the Application).

c. Covered Services while Eligibility in Suspension

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(II.A.2.c.)

The only services that are covered while a beneficiary's Medicaid is in suspension for incarceration are medical services received during an inpatient hospital stay.

3. Inmates of Federal Prisons, Juvenile Justice Facilities, County Jails or Local Jails

When it becomes known to DSS that a beneficiary of Medicaid has become incarcerated in a federal prison, state juvenile justice facility, county or local jail, send timely notice to the individual's last known address and terminate according to instructions in MA-2352/MA-3410, Terminations/Deletions.

4. Children Awaiting Adjudication

a. A child can be charged with an offense and placed in detention or hospital setting by the court prior to adjudication (the judge's final order in his case is the final disposition of the charge). In this situation whether or not the child is considered an inmate of a public institution depends on the final placement.

(1) If final placement is a detention or correctional facility, the child is considered an inmate of a public institution beginning with the day he is arrested and detained.

(2) If the final placement is any place other than a public institution (placed with a relative, psychiatric hospital, etc.), the child is never considered an inmate of a public institution and may be eligible for Medicaid.

b. When a child is incarcerated waiting final placement, accept a Medicaid application.

(1) If the child is incarcerated in a federal prison, juvenile justice facility, county or local jail, the child cannot be approved for Medicaid until the final placement is verified.

(a) When a final placement has not been made at the end of the application processing period, deny the application because the child is an inmate of a public institution. Advise the applicant/representative to contact the agency when a final placement is made.

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(II.A.4.(1))

- (b) If the final placement is **not** a public institution, follow instructions in [MA-2304, Processing the Application](#), to re-open the Medicaid application as an administrative action. A signed application is not required. Enter a “Y” in the administrative field of the DSS-8124 and enter the original application date as the date of the administrative application.
- (2) **If the child is incarcerated in a NC Division of Prisons (DOP) facility, he is automatically placed in suspension status. Automated suspension will allow the County DSS approve the case in suspension status (following EIS instructions for completing the DSS-8125).**

B. Medical Institution/Facility

1. A medical institution is an institution that **primarily** provides inpatient medical care (not residential care). It can be a general hospital, specialty hospital, nursing facility (SNF, ICF, or ICF-MR), rehabilitation facility, Hospice facility, psychiatric hospital, (see C., below), or psychiatric residential treatment facility (PRTF)(see E., below).
2. Inpatients in a medical facility can be budgeted pla or ltc depending on the type of medical facility, level of care, length of stay, and age of the **beneficiary**.
3. Only inpatients in a medical facility who meet the requirements in [MA-2270, Long Term Care](#) are budgeted ltc. This means Medicaid will pay for the cost of care.

C. Institution for Mental Disease (IMD)

An Institution for Mental Disease (IMD) is a hospital, nursing facility, or other institution of more than 16 beds that is primarily engaged in providing diagnosis, treatment or care of persons with mental diseases. The treatment of alcoholism, substance abuse or other chemical dependency syndromes are included in this definition. Residential facilities also treat alcoholism and substance abuse, but they are not considered a **medical** institution. Refer to [D](#).

An IMD may be a private psychiatric hospital or a state mental hospital. **There are three state mental hospitals: Broughton, Central Regional, and Cherry.**

Inpatients 21 thru 64 in an IMD with more than 16 beds are not eligible for Medicaid for the period of time they are an inpatient except:

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(II.C.)

1. When an individual is an inpatient in a state mental hospital or private psychiatric hospital for only a portion of a month, authorize the individual for the entire month if otherwise eligible.
2. Inpatients in a general/acute hospital on a substance abuse ward or psychiatric ward may be eligible for Medicaid.
3. An individual **age 21 or over** on convalescent leave, or conditional release, or a trial visit home from a psychiatric hospital is not considered to be an inpatient. Therefore, he is potentially eligible for Medicaid.
4. An individual **under age 21** retains his inpatient status until he is **unconditionally** released.
5. An individual who is an inpatient at the time he turns 21 remains eligible for Medicaid until he is released or turns age 22.

D. Residential Treatment Facilities (See E. for PRTFs)

1. A residential treatment facility is an institution in the sense that individuals are admitted to live there and receive treatment or services appropriate to their needs. However, it is not a medical institution. Treatment facilities provide services other than food and shelter, such as behavioral modification treatment for substance abuse or alcoholism, or help with personal living activities. Incidental medical or remedial care may also be provided.
2. Individuals in a residential treatment facility are always budgeted pla. Medicaid does not pay for cost of care (room and board). Always advise the **a/b** he is responsible for paying for cost of care. Refer him to Mental Health for possible funding.
3. There are many types of residential treatment facilities. Examples include, but are not limited to:
 - a. Non-hospital facilities licensed by Mental Health for substance abuse and alcoholism
 - b. Rehabilitative facilities for substance abuse and alcoholism
 - c. Detoxification facilities
 - d. Therapeutic camps and homes
 - e. Halfway houses
 - f. Group homes or supervised living arrangements licensed by mental health
 - g. Group homes serving developmentally disabled adults (DDA homes)
 - h. Eckerd Camps
 - i. Wilderness Camps

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E. Psychiatric Residential Treatment Facility (PRTF)

1. A Psychiatric Residential Treatment Facility provides treatment for individuals with mental illness or substance abuse/dependency who require services in a non-acute inpatient setting. The individual must require supervision and specialized interventions on a 24-hour basis to attain a level of functioning that allows subsequent treatment in a less restrictive setting.
2. PRTFs are structured psychiatric programs which meet accreditation requirements, and the facility must enroll as a Medicaid PRTF provider to bill for these services.
3. Coverage includes room, board and treatment.
4. Budgeting procedures for MAF or MIC individuals in PRTFs are based on the length of time the individual will be out of the home. Refer to [MA-3305, Budgeting](#), and [MA-3325, Long Term Care for budgeting procedures](#).
5. Only individuals under age 21 are eligible for payment of this service, except that an individual who is in a PRTF on his 21st birthday continues to be covered until age 22.

F. Verification

Use the following aids to determine the type of facility/institution:

1. EIS - Medical facilities where Medicaid pays for cost of care are listed in alphabetical order in EIS under facility inquiry (FI). Select the facility and verify Medicaid Certified field is marked "y."
2. Contact area mental health to verify residential treatment facilities.
3. Contact the Division of Youth Services to verify Eckerd camps.
4. Contact the administrator of the facility and ask how the facility is licensed and what is the source of the expected payment for the stay.

III. Medicaid Suspension/Termination for Incarcerated Beneficiaries and Beneficiaries Who Enter an Institution for Mental Disease (IMD)

A. General Rules Regarding Suspension and Termination

1. Incarcerated Individual

Beneficiaries who are incarcerated in a federal prison, juvenile justice facility, county or local jail must have their eligibility terminated.

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(III.A.1.)

Inmates who are incarcerated in a NC Department of Public Safety, Division of Prisons (DOP) facility must have their eligibility placed in suspension, provided they remain otherwise eligible for Medicaid.

The only services that are covered while a beneficiary's Medicaid is in suspension for incarceration are medical services received during an inpatient stay.

2. Inpatients age 21 thru 64 in an Institution for Mental Disease (IMD) with more than 16 beds.
 - a. Beneficiaries who are authorized and are age 21 thru 64 when they enter an Institution for Mental Diseases (IMD) must have their eligibility suspended, provided they remain otherwise eligible for Medicaid.
 - b. No medical services are covered for a beneficiary age 21 thru 64 in an IMD, however suspension will expedite the process of having Medicaid re-instated if he is released during the certification period.

B. Beneficiaries Whose Eligibility cannot be placed in Suspension

1. Individuals in the program categories listed below cannot have their eligibility placed in suspension. They must be evaluated for eligibility in other program categories and have either their eligibility transferred or adequately terminated if not eligible.
 - a. Refugee Assistance (MRF and RRF),
 - b. NC Health Choice (MIC-A, J, K, L or S),
 - c. Non-qualified aliens or qualified aliens during the five year ban (any aid program/category).
2. Caretakers

Individuals who are incarcerated cannot receive as a caretaker and must be evaluated for eligibility in other program categories.

C. Automated Suspension of Medicaid Benefits

DIRM receives a daily file of new confinements from the Division of Prisons (DOP). When an individual appears on this file with an incarcerated date and no release date, EIS will automatically suspend Medicaid benefits. These individuals are listed on the XPTR report DHRWDB Prisoner Daily Match Report.

1. Medicaid will automatically suspend with adequate change code 9I. The Living Arrangement (LA) code is changed to 16 and the CCNC number is 9900058.

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(III.C.)

2. The worker number is change to DOP and the address is change to:

Medicaid Coordinator
Division of Prisons
831 W. Morgan St
Raleigh, NC 27603

3. The Medicaid suspension effective date is the last day of the incarcerated month or the last day of the following month if processed after EIS cutoff date.

- a. CAP Beneficiaries

When Medicaid is put in suspension status, an end date is entered in the special coverage field for Community Alternative Program (CAP) services as the last day of the incarcerated month.

- b. SSI beneficiaries

Cases with an SSI indicator of “Y” cannot have a living arrangement code of 16. Complete an ex parte review when SSI stops due to incarceration (these individuals will appear on the SSI termination report).

4. EIS action will initiate an automated notice (DSS-8110A) to notify the authorized representative (Medicaid Coordinator at DOP) that Medicaid is suspended.

5. Special Assistance

For Special Assistance cases, SAA/SAD is automatically transferred to MAA/MAD during the automated suspension process. Medicaid is suspended at the same time.

- a. The Living Arrangement code is change to 16 and the CCNC number is 9900058. The Facility code is deleted.

- b. Using adequate change notice code 9I, EIS action will initiate an automated notice (DSS-8110A) to include the statement “Your Special Assistance check will stop MMDDYY.” The MMDDYY date is the last day of the incarcerated month.

- c. The Medicaid effective date is the first day of the ongoing month following the incarceration month.

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- d. A certification period from the first day of the ongoing month thru the last day of the month of the payment review period is automatically entered in EIS. If the payment review period ends prior to the ongoing month, the certification period is thru the last day of the ongoing month.

D. County DSS Responsibilities

1. Applications received from NC Department of Public Safety, Division of Prisons (DOP)

DOP makes applications on behalf of its inmates under two sets of circumstance; the inmate is about to be released back into the community; the individual has had, or it is anticipated that he will have an inpatient hospitalization.

(a) Prisoners with Inpatient Hospitalization

DOP takes applications from inmates who have inpatient hospitalizations but who will remain incarcerated after release from the hospital. The applications along with signed authorizations are forwarded for processing to the inmate's last county of residence prior to incarceration. Automated suspension allows the county DSS key approved applications in suspension status. Follow procedures in MA-2304/3215, Processing the Application. Contact "Medicaid Coordinator," Division of Prisons, 831 W. Morgan Street, Raleigh, NC 27603 for all needed information.

(b) Prisoners about to be released

DOP will continue to send applications for prisoners who are scheduled for release to the county where the prisoner is expected to live. Follow policy in MA-2302/3207, Receiving Mail-In Applications. After the applicant has been released, contact him at the address shown on the application for all needed information.

2. Inmates of Federal Prisons, Juvenile Justice Facilities, County Jails or Local Jails

The governing authorities over federal prisons, state juvenile justice facilities, county and local jails retain third party responsibility for the medical care of inmates in their custody.

a. Termination after Notice

When it becomes known to DSS that a beneficiary of Medicaid has become incarcerated in a federal prison, state juvenile justice facility, county or local jail, send adequate notice to the individual's last known address and terminate according to instructions in MA-2352/MA-3410, Terminations/Deletions. This includes cases that are suspended with a living arrangement code 16.

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(III.D.2.)

b. SSI Cases

Individuals with an SSI indicator of “Y” cannot be terminated until Social Security terminates their SSI. When it becomes known to the county department of social services that an SSI beneficiary has been incarcerated, notify the Social Security Administration of the individual’s status using [DMA-5049](#).

3. Caseheads

Incarcerated individuals and individuals who are in an IMD cannot remain as casehead. If an incarcerated individual or an individual in an IMD is a casehead, review the case file for other family members or third part contact information. Contact the family or third party and find out with whom the children are living. Obtain the information necessary to replace the casehead. Substitute the name of the new casehead for the institutionalized casehead. Change the address and phone number of necessary.

4. Applications

a. If an individual on a Medicaid application becomes incarcerated, they will automatically be placed in suspension status. If otherwise eligible, approve the application as of the day of eligibility. Automated suspension will allow the County DSS approve the case in suspension status. For further instructions, see EIS-2251, Approving MAA, MAB, and MAD New applications or Reapplications, EIS-2254, Approving MAF New Applications or Reapplications, and EIS-2255, Approving MIC New Applications or Reapplications.

5. Redeterminations

Redeterminations are not allowed in EIS for cases with an individual who has a living arrangement code 16 or 17.

a. For a multi-person case, deleted the individual if still incarcerated or in an IMD. For a single person case, terminate the case.

Send timely notice to the individual’s last known address and terminate according to instructions in [MA-2352/MA-3410](#), Terminations/Deletions and Expertes.

b. If the individual is no longer incarcerated or in an IMD, reevaluate eligibility. If eligible in the existing program category, continue eligibility using the appropriate living arrangement code.

If eligible in another program category, terminate or delete individual from the existing case. Approve in a new category using the appropriate living arrangement code.

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(III.D.5.b.)

Contact “Medicaid Coordinator,” Division of Prisons, 831 W. Morgan Street, Raleigh, NC 27603 for all needed information.

c. Prisoners about to be released

DOP will continue to send applications for prisoners who are scheduled for release to the county where the prisoner is expected to live. Follow policy in [MA-2302/3207](#), Receiving Mail-In Applications. After the applicant has been released, contact him at the address shown on the application for all needed information.

E. Institution for Mental Disease (IMD)

1. Individuals age 21 thru 64

Medicaid benefits for beneficiaries who are authorized and are ages 21 thru 64 when they enter an Institution for Mental Disease (IMD) with more than 16 beds are automatically suspended with living arrangement 17. Medicaid suspension is effective the date the individual entered the facility.

Note that individuals in program categories listed in III.B.1. cannot be placed in suspension and must be evaluated for eligibility in other program categories. To place the individual’s Medicaid in suspension, change the Living Arrangement Code to 17 to indicate that the individual is in an IMD (see [EIS-3101](#), Changes to Medicaid Cases, for further instructions).

2. Individuals under age 21 or over age 64

Individuals under age 21 or over age 64 who are in an IMD with more than 16 beds are eligible for Medicaid. If they are in one of the state mental hospitals, use the Living Arrangement Code specific to the hospital in which they reside (see [EIS 4000](#) Codes Appendix, Living Arrangement Codes).

A special message on the Case Management report notifies the IMC when an individual with Living Arrangement Code 17 is turning 65. This message appears two months prior to the birth month. Evaluate for full Medicaid eligibility and take necessary action based on appropriate program policy.

F. Automatic Termination of Medicaid Benefits for suspended individuals due to Incarceration

(III.F.)

DIRM receives a daily file of individuals newly released by DOC into the custody of the county sheriffs, or who are deceased from the Division of Prisons (DOP). When an individual appears on this file with a release date or date of death, EIS will automatically terminate Medicaid benefits. These individuals are listed on the XPTR report DHRWDB Prisoner Daily Match Report.

1. Safekeepers

Safekeepers are county prisoners who are transferred to DOC custody due to county inability to safely maintain the individual in local custody.

Safekeepers are not eligible for Medicaid benefits. Medicaid is automatically terminated effective the last day of the month prior to the processing month with termination code 64. An adequate automated notice (DSS-8110A) is sent notifying the beneficiary that his benefits are terminated.

For multiple person case, the individual is deleted with change code 77. The DSS-8110A notifies the casehead that Medicaid for this person is terminated.

2. Deceased individuals

Medicaid is automatically terminated effective the last day of the month of death with termination code 52. For multiple person case, the individual is deleted with change code 61. The DSS-8110A notifies the casehead that Medicaid for this person is terminated.

G. Automatic Reinstatement of Medicaid Benefits for suspended individuals due to Incarceration

DIRM receives a daily file from the Division of Prisons (DOP) of individuals newly released from DOC custody. When an individual appears on this file with a release date, Medicaid automatically reinstates Medicaid benefits using adequate change code 9U. Full Medicaid coverage is effective the first day of the month of the release date.

EIS action will initiate an adequate automated notice (DSS-8110A) sent to the release address on file with DOP informing the beneficiary that his Medicaid has been reinstated. These individuals are listed on the XPTR report DHRWDB Prisoner Daily Match Report.