

DMA ADMINISTRATIVE LETTER NO: 09-14, 2101 (f) North Carolina HEALTH CHOICE CHILDREN

DATE: December 15, 2014

SUBJECT: 2101 (f) NC Health Choice Children

DISTRIBUTION: County Directors
Medicaid Supervisors
Medicaid Eligibility Staff

I. BACKGROUND

Section 2101 (f) of the Affordable Care Act (ACA) requires states to maintain eligibility for children who lose Medicaid eligibility at review due to the elimination of traditional income disregards under the new MAGI-based methodology. These children are transitioned into a NC Health Choice category.

Prior to the use of MAGI-based methodology, total countable income was determined using income disregards such as child and/or adult care and the Standard Work deductions. The use of MAGI-based methodology has eliminated these disregards when determining total countable income. This administrative letter will provide policy and guidance regarding this change.

II. POLICY PRINCIPLES

Children who lose Medicaid eligibility at review due solely to the elimination of income disregards and meet all other eligibility requirements are eligible for NCHC under 2101(f) guidelines. These children are moved to NC Health Choice, MIC-J/A.

- A. Applies to Medicaid children ages 0 through 18.**
- B. Income and household must remain unchanged. Needs unit and countable income under traditional rules must be the same as household and countable income under MAGI rules.**
- C. The household must meet all other eligibility requirements (state residency, citizenship/alien, etc.)**
- D. The Aid Program/Category/Classification type in NCFAS is *North Carolina Health Choice, Extended Disregard Group*.**

- E. Beneficiaries enrolled are not required to pay an enrollment fee. Cost-sharing applies to applicable NC Health Choice classifications.**
- F. Beneficiaries can be covered by comprehensive insurance. Subprogram Code “ED” has been added to NCTRACKS and to the Medical Forced Eligibility evidence in NCFAST to identify 2101 (f) beneficiaries and allow payment of claims for those approved for MIC-J/A.**
- G. NC Health Choice beneficiaries are ineligible for Medicaid funded transportation services.**
- H. Enrollment in Community Care of North Carolina (CCNC)/Carolina Access is required.**
- I. This protection period is limited to one 12 month certification period.**

III. PROCEDURES

A. Recertification

1. Apply this policy to the first recertification under MAGI methodology.
2. Complete the recertification as an ex parte review.
3. Use current MAGI income limits.
4. Determine if the traditional household composition (needs unit) is the same as the MAGI household.

If the household composition has changed, proceed with the recertification in P7. This is not a 2101(f) child. Deny the recertification application if the child is ineligible for all Medicaid programs.

5. If the household composition is the same, determine if the traditional countable income is the same as the MAGI income.
 - a. If the income is the same and the child is eligible under MAGI rules, proceed with the recertification in P7.
 - b. If the income is the same and the child is ineligible for Medicaid (MAF-C/N, MIC, MIC-1), he is considered a 2101(f) child. The child is eligible for continued eligibility due to loss of disregards. Proceed with forced eligibility in P7. *For keying instructions refer to P7 Medical Forced Eligibility (MAGI) Job Aid in FAST Help.*

- c. If the income has increased, determine if the traditional income disregards would have kept the child eligible for Medicaid when applied to the MAGI income. Do a manual budget by subtracting the traditional income disregards from the new MAGI countable income (without the 5% disregard) and compare to the current MAGI income limits.

Note: Subtract disregards that may no longer be applicable. For example, if the beneficiary is no longer paying for child care expenses, subtract the value of the disregard.

- (1) If ineligible for Medicaid, proceed with the recertification in P7. This is not a 2101(f) Child. Deny application if the individual is ineligible for all Medicaid programs.
 - (2) If eligible for Medicaid, the child is considered 2101(f). He is eligible for continued eligibility due to loss of disregards. Proceed with forced eligibility in P7.
- d. If there is a change in *income type* that does not exceed the traditional countable income and the child is eligible under MAGI rules, proceed with the recertification in P7.

Note: When determining the countable income under MAGI, apply the value of the disregard even if they are not applicable to the new income.

- e. If there is a change in *income type* that does not exceed the traditional countable income and the child is ineligible under MAGI rules, determine if the ineligibility is due to a loss of disregards or for other reasons.
 - (1) If ineligible due to a loss of disregards the child is eligible for continued eligibility. Proceed with forced eligibility in P7.
 - (2) If ineligible for other reasons, the 2101(f) provision does not apply. Proceed with the recertification in P7. Deny application if the child is ineligible for all Medicaid programs.
 - f. If there is a change in *income type* that exceeds the traditional countable income, determine if the traditional income disregards would have kept the child eligible for Medicaid If applied to the MAGI income. Follow procedures in 5.c. above.
- 6. If the beneficiary is determined ineligible based on requirements other than income, such as child ages out at 19, terminate with the appropriate notice. If applicable, evaluate for other programs.

7. If the beneficiary was terminated for failure to provide information and provides the necessary information within 90 calendar days from the termination, a new application is not required. The case must be assessed for 2101(f) eligibility because it is still considered the first renewal under MAGI.

B. Case Maintenance

1. During the certification period, do not react to changes in income or household composition. Continuous eligibility applies.
2. For changes not related to income or household, evaluate the impact on eligibility. If the beneficiary is determined ineligible, terminate using the appropriate timely notice. Refer to MA-3430/2420, Notice and Hearing Process.
3. At renewal, use the ex parte process to complete recertification. Evaluate for continuous eligibility without the 2101(f) provision. This protection period is limited to one 12 month certification period. If the beneficiary is determined ineligible, terminate using the appropriate timely notice. Refer to MA-3430/2420, Notice and Hearings Process.

IV. EFFECTIVE DATE AND IMPLEMENTATION

This policy is effective upon receipt.

If you have questions regarding this material, please contact the Operational Support Team (OST) at ost.policy.questions@dhhs.nc.gov.

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(This material was researched and written by Ena Lightbourne, Policy Coordinator, Medicaid Eligibility Unit).