

DHB ADMINISTRATIVE LETTER NO: 08-22, APPLICATION PROCEDURES FOR AUTHORIZED REPRESENTATIVES and COMPLETE/INCOMPLETE APPLICATIONS

DATE: August 17, 2022

SUBJECT: Application Procedures

- Authorized Representatives at Application
- Complete Applications
- Social Security Numbers
- DMA-5001 Obsolete

DISTRIBUTION: County Departments of Social Services
Medicaid Supervisors
Medicaid Eligibility Staff

I. BACKGROUND

The Division of Health Benefits (DHB) is providing the following updated guidance and clarification of policy concerning applications for Medicaid/NC Health Choice (NCHC).

Centers for Medicare and Medicaid Services (CMS) has changed guidance previously provided to the NC Division of Health Benefits (DHB) regarding Authorized Representatives and who can apply, including who may sign the application.

The following guidance replaces the previously issued guidance found in DHB Administrative Letter 02-22, Application Procedures – Authorized Representatives; Social Security Numbers; DMA-5001 Obsolete.

DHB Administrative Letter 02-22 is now obsolete. County staff should follow guidance provided in this Administrative Letter when evaluating and processing applications for Medicaid/NCHC. It is important to note that DHB is still in discussions with CMS and this guidance is subject to change.

II. DEFINITIONS

A. Authorized representative: any individual who is legally authorized or designated in writing by the applicant/beneficiary (a/b) to act on behalf of the a/b. An authorized representative may be any of the following, but is not limited to:

1. A friend or family member of the applicant
2. A hospital or other medical provider
3. A professional advocate
4. Any other person identified by the applicant

B. Incapacitation: an incapacitated applicant is one who:

Is unable to make and carry out financial, legal, or medical decisions or is unable to understand the consequences of such decisions. An applicant may be incapacitated due to a physical or mental impairment, injury, or death. The incapacity may be temporary or permanent.

C. Person acting responsibly: meets the following criteria:

1. An individual who is making a good faith decision for the minor or the incapacitated applicant.
2. Someone who is acting in the applicant's best interest and without a conflict of interest.
3. Safeguards the applicant's confidential information.
4. May be any of the following, but not limited to:
 - a. A family member or friend of the applicant
 - b. Hospital or medical provider staff
 - c. Hospital volunteers may also act in this capacity when the applicant is incapacitated and is receiving medical care and treatment from the hospital or medical provider
5. Verification of incapacitation must be provided; however, the application **must be accepted with or without this verification**. Refer to section III. below for instructions regarding requesting verification.

D. MAGI household: determines the income limit and whose income may be used in the eligibility determination. The household composition is determined separately for each household member. Categories include:

1. Tax household
2. Non-filer household

For a complete list of criteria for both the tax household and the non-filer household, refer to [MA-3306, Modified Adjusted Gross Income \(MAGI\)](#).

III. COMPLETE/INCOMPLETE APPLICATION

A. Complete application: A complete application is one that is received by the local agency and must include the following:

1. Signature
2. Mailing address
3. Name, sex, and date of birth for at least one applicant

B. Incomplete application: An incomplete application is one that meets any of the following criteria:

1. Application was signed by someone **other than** the following:
 - a. Applicant
 - b. Applicant's verified Power of Attorney (POA)

Note: if not verified, application is incomplete. Follow instructions for obtaining verifications below. Protect the date of application while obtaining verification of POA.

- c. Applicant's verified authorized representative

Note: if not verified, application is incomplete. Follow instructions for obtaining verifications below. Protect the date of application while obtaining verification of authorized representative.

- d. A minor applicant's parent or caretaker
 - e. Any adult member included in the applicant's MAGI household
 - f. Someone acting responsibly for a minor child or incapacitated individual

Note: If proof of incapacity for an adult or date of birth for a minor (so the local agency can verify the applicant is a minor) is not provided, the application is incomplete. However, the date of application must be protected while obtaining verification of incapacity or date of birth for a minor.

2. The application is missing the full name, date of birth, and sex of at least one applicant.
3. The application does not have a complete mailing address.
4. The application is not legible.

If a signed application is incomplete for any reason, the caseworker must protect the original application date and allow the individual who submitted the application 45/90 days to provide necessary verifications to complete the application. See section III. below.

C. Unsigned Application: An application that does not contain a signature or mark from anyone.

If an application is unsigned, follow instructions in current policy, MA-2300/3200, Application. The date of application will be the date that the SIGNED application is received by the local agency. Applications that do not include a signature, should not be keyed into NC FAST.

IV. POLICY PRINCIPLES

A. Authorized Representatives at Application

1. An authorized representative must be designated as such, prior to signing and submitting an application. The designation may be written or an oral designation. If the designation of authorized representative is oral, the assister or authorized representative, must be able to record the oral designation and provide the recording to the local agency. The caseworker must document the designation of authorized representative in the case.
2. The applicant can designate any individual as their authorized representative.

Designation of an authorized representative may be made in-person, by mail, or by other commonly available electronic means such as fax or email.
3. Designation of an authorized representative must be provided; however, **the application must be accepted with or without the designation.** Refer to section III. below for instructions regarding verification of authorized representative.

B. Social Security Number

All applicants must be notified on the use of SSN.

1. Applications originating at the FFM/ePASS/LIS, have been notified about the use of their SSN and no further action is required by the caseworker.
2. When an applicant submits an application in-person or by phone, the caseworker must explain the use of the applicant's SSN. The caseworker must follow instructions provided by NC FAST to mark the application to reflect that this has been explained to the applicant.
3. The [DHB 5200/DHB-5200sp](#), Application for Health Coverage & Help Paying Costs, paper application includes a notice of how the applicant's SSN will be used, and no further action is required by the caseworker.
4. For any application submitted on behalf of a minor or incapacitated applicant, the application is considered to be validly signed when verification of incapacity or the date of birth for the minor, is provided. The applicant and/or financially responsible person for the applicant, **must** be notified about the use of their SSN for matching to online data sources.
 - a. The caseworker must send the [DHB-5097/DHB-5097sp](#), Request for Information along with the [DHB-5001N](#).

The [DHB-5001N](#) is not required to be signed or returned. The form is for notification purposes only.
 - b. The applicant is considered to have been notified on the 13th day after the [DHB-5097/DHB-5097sp](#) and DHB-5001N was mailed.
 - c. The caseworker may request electronic sources, including OVS, on the 13th day after mailing the notification.

C. Incomplete Application

When a signed application is received by the local agency from any source or individual, the date of application, for either complete or incomplete applications, must be protected.

“Protected” means that the date that the application is received by the local agency, regardless of whether the application is complete or incomplete, shall be considered to be the “date of the application” upon which all applicable time frames are based.

When an application that is considered to be **incomplete**, as defined in II.A.3. above, is received by the local agency, the caseworker must follow the procedures below. These procedures are for signed applications received from any source.

D. Date of application

All signed applications (complete/incomplete) must be accepted and keyed with the date the application was received by the local agency within three state business days.

1. Refer to II.A.3. above for criteria to determine if the application is complete/incomplete.
 - a. Mail in applications must be logged by the local agency documenting whether the application is complete or incomplete.
 - b. Applications received electronically via ePASS or the FFM must remain open with the original application date whether the application is complete or incomplete.
 - c. In person and telephone applications must be accepted by the local agency on the date the individual appears at or contacts the local agency by telephone to apply.
2. The date of application must be protected for all signed applications, including incomplete applications, to allow the applicant to provide the missing information.

E. Incomplete applications - administrative

Caseworkers should mark **incomplete** applications as administrative.

1. When an incomplete application is received electronically via ePASS, the caseworker must update the application source to “administrative” in NC FAST.

Refer to the attached NC FAST instructions for changing the application to “administrative.”
2. When an incomplete application is received by mail or telephone, the caseworker must key the application within three state business days (for mail in) or at the time of the telephone interview. The caseworker must mark the application as “administrative” in NC FAST.
3. Caseworkers must clearly document the reason for the application being marked as “administrative” including:
 - a. Date the application was received;

- b. Method of receipt (in person, phone, mail, ePASS, etc.); and
 - c. Document the application is incomplete, and the information required for the incomplete application to be considered complete (proof of incapacitation, designation of authorized representative, etc. or any information outlined in I.A. above).
4. **All** incomplete applications must be given the full 45/90-day processing time to submit information required to make the application complete.
 5. When an incomplete application is received via **any** source generate and send the DHB-5104, Notice of Incomplete Application along with a copy of the application and a DHB-5097, Request for Information, to the individual who submitted the application and the applicant within three state business days. Request all information needed for the application to be considered complete.

No other information may be requested, on the DHB-5097, when requesting information required for the application to be considered complete.

Information requested may include:

- a. A signed designation of authorized representative
 - b. Verification of POA
 - c. Verification that the applicant is incapacitated
 - d. Date of birth (if not provided) for an applicant who is a minor. If the applicant's date of birth is provided on the application, the caseworker must use the date of birth to verify the applicant is a minor.
6. When the required verifications to consider the application "complete", are not received within 12 calendar days, the caseworker must send a second DHB-5097, no earlier than the 13th day after the original DHB-5097.
 7. If required verifications are not received within 12 calendar days after the second DHB-5097, the case must remain in pending status until the required information is received or until the 45th/90th day from the date of application.
 8. When the required verifications **are** received for the application to be considered "complete" by the local agency, the caseworker should process the application following current application processing policy.

- a. If the caseworker is unable to locate verifications needed to determine eligibility either in agency files or via electronic sources, the caseworker must follow current application policy and request the information via the DHB 5097.
 - b. As a reminder, policy requires at least 2, DHB-5097 Request for Information to be sent.
9. If the required verifications to consider the application a “complete” application are **not** received by the 45/90 day, deny the application for failure to provide, but only if the 12/12 rule has been met.

Example: Date of application, 8/17/2022 and the application is considered “incomplete” (according to III. 2. Above). The caseworker must do the following:

- a. The caseworker must send a DHB-5097 Request for Information needed to consider the application “complete”. If after 12 calendar days, the information is not received, the caseworker must send a second DHB-5097 Request for Information.
 - b. The application must pend for 45/90 days.
 - c. If the information needed to consider the application "complete" is received on day 40, the caseworker should attempt to locate necessary verifications via agency files or via electronic sources.
 - d. If verification cannot be located, the caseworker must send a DHB-5097 Request for Information listing the verification items needed. If verifications are not received by the 13th calendar day, the caseworker must send a second DHB-5097 Request for Information to the applicant.
 - e. If verifications are not received by the 13th calendar after the second DHB 5097 Request for Information expires, the caseworker should deny the application for failure to provide.
10. **Caseworkers may not request electronic verifications until the application is determined to be a “complete” application.**

V. PROCEDURES – ONGOING

A. Determine if an application is complete or incomplete

1. Refer to II.A.3. above to determine if any application received by the local agency is complete.

Example: ePASS application is received with five applicants listed. The five individuals include: Mom (signed the application), Dad (Mom's spouse), Child 1 (Mom's child), Child 2 (Dad's child), and Grandma (Mom's mother – **not a tax dependent** of Mom or Dad).

Mom is allowed to sign the application for herself, Dad (her spouse), and both children (including stepchildren). Mom does not provide authorization from Grandma, nor does she include verification of incapacitation for Grandma.

The application for Mom, Dad, Child 1, and Child 2 should be processed according to policy within the application processing timeframe (45/90 days).

The application for Grandma is considered **incomplete** and the caseworker would follow the guidance below.

2. In all situations, the date the **signed** application is received in the local agency must be protected as the date of application (including for Grandma's incomplete application).

B. Procedures for incomplete applications received on or after the date of this letter

Caseworkers must take the following actions for all signed applications. This includes applications that include multiple applicants but the person signing the application may not have authorization to apply for one or more of the applicants.

1. The date the incomplete application was received by the local agency must be protected as the date of application that should be keyed in NC FAST, while requesting the missing information required to complete the application.
2. If the application was received by mail, the caseworker must key the provided information into NC FAST within 3 state business days.
3. If the application was received electronically and one or more individuals on the electronic application are incomplete according to Section I.A above, the caseworker must key an application for those individual(s) separate from the remaining applicants.
4. The caseworker will mark the "incomplete" application as administrative in NC FAST.

In the example found in IV.B.1. above, the caseworker would key a new application for Grandma only. The application for Grandma should be marked

“administrative,” and the caseworker must send the DHB-5104, DHB-5097, and a printout of the application PDF from NC FAST to the applicant (Grandma) and the individual who submitted the application.

The caseworker should process the application (not administrative application) for the remaining applicants (Mom, Dad, Child 1, and Child 2) according to current policy found in MA-2300/3200, Application.

5. Follow instructions found in III.C. (above) to request information required for a complete/valid application.

C. Examples:

1. Application received by the local agency on September 2, by mail. The application is **not signed (no signature at all)**.
 - a. Attempt to contact the applicant by telephone. Document the date and time of the call, phone number called, and whether the call was successful or not.
 - b. If the applicant is available by telephone, offer to complete the application by telephone, inform the applicant about the use of their SSNs, and review the information provided on the unsigned mail in application. Mail the application with a DHB-5097 to the applicant to request the application be signed. (If telephonic signature functionality is available to the agency, initiate the telephonic signature process instead of mailing the application for signature. The application must be keyed in the system during the phone contact in order to obtain the telephonic signature.)

The date of application is the date the telephone application was completed.

- c. If the call to the applicant is unsuccessful, mail the application and a DHB-5104, Notice of Incomplete Application, to the applicant.

The date of application is the date that the signed application is received by the local agency, (i.e., if the applicant does not return the signed application until September 1, September 1 is the application date.)

2. Application signed and submitted by the hospital via fax. Fax received by the local agency on Saturday, September 10. No authorized representative designation and no indication of incapacity provided with the application.

- a. Key the application in NC FAST as an administrative application. The date of application is September 12 (next business day after application is received via fax).
- b. The caseworker should follow instructions in III.C. above to request information needed for the application to be considered “complete”. (This could include proof of incapacity or signed designation of authorized representative.)

The caseworker completes and sends the DHB-5097 and it is dated September 14.

- c. The hospital faxes proof of incapacity to the agency on September 19. The application is now considered to be “complete”.
 - d. The application has been determined complete, the date of application remains September 12, and the caseworker continues to process the application according to current policy.
 - e. The caseworker may request electronic sources as of September 19th.
3. Application submitted via ePASS on September 12, by the applicant’s adult child. The applicant does not reside with the adult child and the application notes that the applicant’s child is POA. No verification of POA was provided with the application.
- a. Caseworker changes the application to “administrative” in NC FAST. The date of application is September 12.
 - b. The caseworker follows instructions found in III.C. above to request verification that the individual who submitted the application is POA. DHB-5097 should be sent to request the verification of POA **only**.

The caseworker completes and sends the DHB-5097 and it is dated September 14.

- c. The verification of POA is not provided to the local agency by the end of business on September 26. Caseworker sends a second DHB-5097 to request the POA information on September 27 (13th day after original DHB-5097).
- d. No response to the second DHB-5097.

- e. Caseworker documents the case in NC FAST and the application will continue to pend until the 45/90-day application processing time ends.
- f. If the information is returned for the application to be considered “complete” prior to the 45th/90th day, the caseworker will process according to policy. If additional verification is needed to determine eligibility, the caseworker must request those verifications according to application policy.

Example:

- (1) If the information needed to consider the application "complete" is received on day 40, the caseworker should attempt to locate necessary verifications via agency files or via electronic sources.
 - (2) If verification cannot be located, the caseworker must send a DHB-5097 listing the verification items needed. If verifications are not received by the 13th calendar day, the caseworker must send a second DHB-5097 to the applicant.
 - (3) If verifications are not received by the 13th calendar after the second DHB 5097 expires, the caseworker should deny the application for failure to provide.
- g. If no information is received so that the application can be considered “complete”, the application will be denied on the 45th/90th day for failure to provide information.

VI. PROCEDURES – FOR ALL INCOMPLETE APPLICATIONS RECEIVED ON OR AFTER JANUARY 26, 2022

A. Applications previously determined incomplete

Based on CMS guidance, those applications that previously were determined to be incomplete and an applicant(s) was marked as a “non-applicant,” on or after January 26, 2022, must be reopened or keyed with the **original** application date for the individual who was marked as “non-applicant” by either the system or the caseworker. Caseworkers should key these applications as “administrative” in NC FAST.

The instructions found in section VI. should be followed for:

- 1. ePASS applications where the system marked individuals as “non-applicant” due to an incomplete application reason, on or after January 26, 2022.

2. Electronic applications where the local agency changed an individual from “applicant” to a “non-applicant” due to an incomplete application reason, effective January 26, 2022.
3. Signed mail in applications returned to the individual who submitted the application because the local agency determined the application to be incomplete based on previous guidance.
4. In person and telephone applications when the individual who contacted the local agency was advised that additional information was required for the application to be accepted.

For all situations noted above, the individual(s) must have their original date of application protected and the full 45/90-day application processing time to provide the information required for a complete application.

B. Actions required – all applications deemed incomplete on or after January 26, 2022

Caseworkers must follow the guidance in this section for **all** incomplete applications received by the local agency. The new guidance applies to all applications received on or after January 26, 2022.

1. Attempt to contact the individual who submitted the incomplete application by telephone at least once. Document the attempt(s), including phone number, date, and time.
2. If phone contact is made with either the individual who signed and submitted the application or, the individual(s) who was marked as a “non-applicant,” the following actions should be taken:
 - a. The caseworker must provide the explanation outlined below:
 - (1) CMS has changed guidance previously provided to NC DHB regarding who may apply and be included on a Medicaid application.
 - (2) An application was submitted for the individual(s) and the individual was considered a “non-applicant” and no application was completed for that person(s).
 - (3) Why the original application is considered incomplete based on policy outlined in section III.B. above, and what must be provided for the application to be considered complete.

- b. Complete the interview for the “non-applicant(s).” Follow normal application processing procedures found in MA-2300/3200, Application. Ensure that the application page is mailed to the individual or obtain the signature telephonically if functionality is available to the local agency. If the application is mailed to the applicant for signature, advise that it must be returned to the local agency by the 45/90-day processing deadline.
3. If unable to make phone contact, take the following actions:
 - a. Mail a copy of the following documents to the individual who signed and submitted the application **and** to the applicant(s) who was marked as a “non-applicant”:
 - (1) Send the DHB-5104, Incomplete Application letter. Ensure the correct reason(s) for the application being incomplete are indicated in the letter.
 - (2) DHB-5097 Request for Information, in the “other” section provide written explanation of why the application is being reviewed, and request information needed for the application to be considered “complete” along with a copy of the original application.
 - b. Follow instructions in III.C. (above).

C. NC FAST report located in [NC FAST Help](#) -ePASS applications

NC FAST has posted the following report that **must** be reviewed, and action taken for applications where an individual was marked as a “non-applicant” by NC FAST or by the caseworker on or after January 26, 2022:

1. January 26, 2022, Report
 - a. A report titled “January 26 Non-Applicants” and includes all ePASS applications that an individual(s) was marked as “non-applicant” by NC FAST/caseworker on or after January 26, 2022, until the August 13, 2022, is posted in NC FAST Help at Reports>Economic Services>MA>January 26 Non-Applicants. The report includes the following:
 - (1) Date of application
 - (2) Name of the individual(s) who was marked as a “non-applicant”

(3) County Name and

(4) Original application ID

- b. The caseworker should follow the steps outlined in II.B. above for individuals included on this report.
- c. Caseworkers must review and take action for individuals who have been marked as “non-applicant” due to an incomplete application reason.
- d. This report must be reviewed and applications keyed/ reopened no later than **September 2, 2022** and procedures outlined in VI. above followed.

D. All other applications January 26, 2022

All applications received by the local agency should be logged on the mail in application log.

All counties are required to review their mail in application log and daily intake log to identify all in person, telephone, and mail in applications received on or after January 26, 2022, but not processed because it was determined incomplete by the agency based on previous guidance.

For all application identified by the local agency meeting these criteria, the following actions are required:

- 1. Key an application in NC FAST within three state business days.
- 2. The date of application must be the original date the application was received by the local agency.
- 3. The application should be keyed as an administrative application for applications dated January 26, 2022 or later that were determined to be “incomplete” based on previous guidance.

E. Applicants who reapplied after the original application date

In some cases, the local agency may find that the individual submitted another application after the original application was determined to be incomplete. If the applicant was found eligible for any Medicaid/NCHC program based on the second application, the caseworker must take the following actions:

- 1. Reopen or key a new administrative application in NC FAST, using the original date of application.
- 2. Follow the steps in V.C. or V.D. above as applicable to the situation.

3. If the individual provides the missing information from the original application, follow policy in MA-2300/3200, Application, to evaluate the applicant for all Medicaid/NCHC programs from the original date of application.

VII. OBSOLETE FORM

As noted in DHB Administrative Letter 02-22, which is obsolete as of the date of this letter, the DMA-5001, Notice on Use of Social Security Numbers, is no longer required and is obsolete.

The DHB-5001N should now be used in limited situations. See II.C. above for guidance for when and how to use the DHB-5001N to notify the applicant about the use of their SSN.

VIII. IMPLEMENTATION

Guidance and policy provided in DHB Administrative Letter 08-22 is effective upon receipt. DHB Administrative Letter 02-22 is **obsolete**, effective the date of DHB Administrative Letter 08-22.

As reminder, the local agency should follow all current Medicaid policy guidance related to the Public Health Emergency located in the DHB Covid-19 Administrative Letters.

If you have any questions regarding this information, please contact your Medicaid Operational Support Team representative.

DocuSigned by:

Jay Ludlam

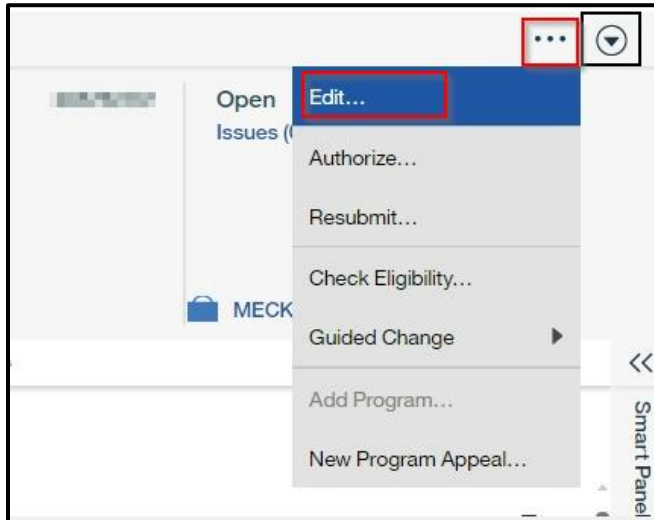
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Dave Richard

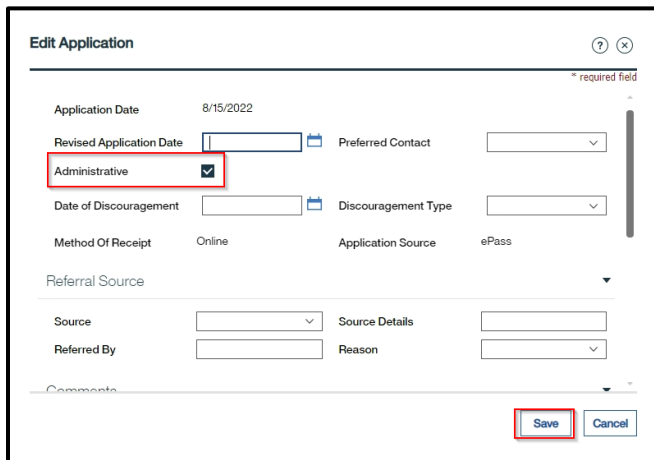
Deputy Secretary, NC Medicaid

MAGI Application

1. Navigate to the Open MAGI Application.
2. Click the ellipse for the Page Actions Menu at the top right corner then select "Edit."

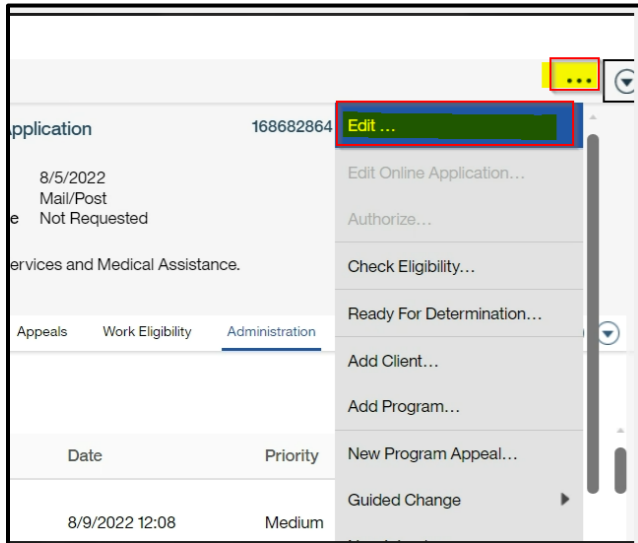


3. The Edit Application pop-up displays. Select the checkbox next to Administrative and click Save.

A screenshot of the 'Edit Application' pop-up form. The form has a title bar with a question mark and a close button. Below the title bar, there is a '* required field' label. The form contains several fields: 'Application Date' (8/15/2022), 'Revised Application Date' (text input), 'Preferred Contact' (dropdown), 'Date of Discouragement' (text input), 'Discouragement Type' (dropdown), 'Method Of Receipt' (Online), 'Application Source' (ePass), 'Referral Source' (dropdown), 'Source' (dropdown), 'Source Details' (text input), 'Referred By' (text input), and 'Reason' (dropdown). The 'Administrative' checkbox is checked and has a red box around it. At the bottom right, there are 'Save' and 'Cancel' buttons, with 'Save' highlighted by a red box.

Income Support Application

1. Navigate to the Income Support Application.
2. Click the ellipse for the Page Actions Menu at the top right corner then select "Edit."



3. The Edit Details pop-up displays. Select the checkbox next to Administrative and click Save.

The 'Edit Details' pop-up form is displayed. It contains the following fields and options:

- Application Date: 8/5/2022
- Revised Application Date: (empty)
- Method of Receipt: Online
- Source: ePass
- Preferred Contact: Mail/Post
- Administrative:
- MOB Only Application:

The 'Save' button is highlighted in red.