

CHANGE NOTICE FOR MANUAL NO. 11-02, NCHC Waiting Period & Enumeration

DATE: DECEMBER 14, 2001

Manual: Family and Children's Medicaid
Change No: 11-02
To: County Directors of Social Services
Effective: January 1, 2002

I. BACKGROUND

Title XXI of the Social Security Act contains provisions for the NC Health Choice for Children program. Only uninsured children are eligible to participate in the program, provided all other eligibility factors were met. Uninsured means the child is not covered under any private or employer sponsored creditable health insurance plan. Most children whose comprehensive medical insurance coverage is voluntarily discontinued within 60 days of the date of application for NC Health Choice are subject to a two-month waiting period before enrollment into the program.

In November 2000, an exception to the two-month waiting period was implemented for some children with special health care needs. The child's physician determined if the special needs requirement was met by certifying in writing that the child had at least one of four specific medical conditions. The two-month waiting period was waived if the child met the special needs requirement.

In September of 2001, the North Carolina General Assembly amended General Statute 108A-70.18 to eliminate the two-month waiting period for all children. Therefore, any child whose comprehensive medical insurance coverage is discontinued can be enrolled in NC Health Choice without a waiting period.

Finally, new federal regulations effective August 25, 2001, permit states to require social security numbers for NC Health Choice assistance unit members. In addition, the Centers for Medicare and Medicaid Services (CMS) has issued clarification regarding the use of social security numbers for assistance unit and non-assistance unit members.

We are currently revising the DMA-5063 to incorporate these changes.

II. CONTENT OF CHANGE

A. To be eligible for NC Health Choice, a child must be uninsured. However, if a child is covered by comprehensive medical insurance, the insurance can be voluntarily discontinued in order for the child to be enrolled in NC Health Choice without penalty. MA-3225 is updated to include this change in policy.

- B. As a result of this change, the DMA-5068, Verification of Special Health Care Needs for NC Health Choice Children, is no longer required when comprehensive medical insurance coverage is voluntarily terminated. The DMA-5069, Special Health Care Needs Questionnaire, is still required for federal tracking of children with special health care needs. The DMA-5069 will be added to the DMA-5063 when revised.
- C. Figures 8 and 9 in MA-3225 are being eliminated. Counties are now required to contact the HMO to determine the coverage area and if a medical provider network exists in the child's county of residence.
- D. NC Health Choice denial code D8 which states that the child(ren) for whom you applied is disqualified due to voluntarily terminating health insurance is no longer a valid reason for denying a request for NC Health Choice effective January 1, 2002, or later.

EIS changes have been requested to assist in the tracking of cases in which comprehensive medical insurance coverage is voluntarily discontinued in order to be eligible for NC Health Choice. Counties will be notified via terminal message once these changes are finalized.

- E. Policy is revised to require social security numbers for all children included in the NC Health Choice assistance unit.

EIS codes have been requested for denial or termination of Health Choice cases or deletion of individuals for failure to comply with enumeration. Until those codes have been issued, use a manual notice for failure to comply with enumeration. Use any Health Choice denial, termination or change code to key the action and override the notice.

- F. Existing policy in MA-3365 and MA-3375 is clarified to ensure that social security numbers for non-assistance unit members are not required, even if the individual has financial responsibility in the case.

Also, notification requirements are added when the social security number of the non-assistance unit member is requested.

Finally, because the social security number cannot be required for individuals who are members of the budget unit only, policy is updated to clarify for whom and when IEVS matches must be completed.

F. Other Changes

1. MA-3225 is revised to clarify the responsibility of the dss in determining if a deductible can be met for mail-in applications. The dss is not required to contact the applicant regarding medical expenses to meet a retroactive or ongoing deductible unless the mail-in application indicates a medical need.
2. Also, clarification is added that failure of a self-employed individual to provide operational expenses does not constitute failure to comply with procedural requirements in evaluating eligibility for NCHC.
3. In an effort to eliminate conflicting information with EIS and the State Employee's Health Plan, policy is revised to include that the classification code for an ongoing NCHC case should not be changed during the 12-month certification period. When a change in situation occurs which may affect NCHC do not change the classification code in EIS.

For example: Mom and her 2 children are receiving NCHC under classification code K. Dad applies for his 3 children. Based on the family's income, the case is now eligible under classification code J. When the add-on application is completed, do not change the classification code in EIS. Add Dad's children to Mom's case and leave the classification code as K. Update the classification code at the next redetermination of eligibility.

4. MA-3225 has also been expanded to include the procedures to follow in the event of another NC Health Choice enrollment freeze. There is no change in the process and at this time a new freeze is not anticipated.
5. Family and Children's Change Notice 09-02 was issued to revise MA-3270. There was an inadvertent error on page 17. Page 17 is being reissued with a correction.
6. MA-3365 is updated to remove the references to enumeration data sheets. Enumeration data sheets are no longer produced. This section is also revised to add reference to the State On-Line Query for verifying benefits. Reference to the SDX Updates report is removed. This report is no longer run. Finally, references to specific manual sections and DMA Letters are updated.
7. MA-3375 is updated to add reference to the State On-Line Query when verifying a social security number.

III. EFFECTIVE DATE

- A. The change in waiting period applies to any NC Health Choice enrollment which is effective January 1, 2002, or later.
- B. The change in enumeration applies to applications taken on or after January 1, 2002, and to mail-in reviews mailed or re-enrollment interviews conducted on or after January 1, 2002.

IV. IMPLEMENTATION PROCEDURES

- A. When evaluating for NC Health Choice, do not apply this change in the elimination of the waiting period to any NC Health Choice enrollment with an effective date of December 1, 2001 or earlier. The waiting period applies to enrollments with an effective date prior to January 1, 2002. However, the waiting period must end on or before December 31, 2001.
- B. The waiting period no longer applies to NC Health Choice enrollments on or after January 1, 2002.
- C. Apply this change in the waiting period to any NC Health Choice enrollment that is effective January 1, 2002, or later. Ensure that the comprehensive medical insurance coverage is discontinued prior to enrollment.
- D. Applicants requesting NC Health Choice who voluntarily discontinue comprehensive medical insurance have the right to apply for benefits as long as the comprehensive health insurance is discontinued by the end of the month in which the 45th day falls. If applicable, the waiting period applies to any months prior to January 1, 2002.

For example, an applicant requests NC Health Choice on December 1st and provides verification that comprehensive health insurance was voluntarily discontinued on November 30th. Accept the application and authorize NC Health Choice effective January 1, 2002, provided all other eligibility factors are met. The waiting period is applied to the month of December unless the special needs requirement is met.

- E. An ongoing MIC-N case that is determined ineligible at re-enrollment due to income must be evaluated for NC Health Choice. If any child(ren) in the case is insured, notify the casehead that comprehensive medical insurance must be discontinued for that child(ren) by the end of the MIC certification period to be eligible for NC Health Choice. If verification that insurance was discontinued is provided, authorize NC Health Choice effective the first month following the month the insurance is discontinued, but no earlier than January 2002. If verification is not provided, terminate the child(ren) following timely notice.

For example, a MIC-N certification period ends December 2001. Income verification received November 5th indicates that the case is now eligible for NC Health Choice. A timely notice proposing termination of Medicaid due to excess income is sent on November 15th for any child(ren) in the case that is insured. The notice informs the recipient that the NC Health Choice can be authorized if the comprehensive medical insurance coverage is discontinued. The recipient is given 10 workdays to provide verification of discontinued insurance coverage. If verification is provided, authorize NC Health Choice effective January 2002. If verification is not provided, terminate assistance for the insured child(ren) at the end of the timely notice period.

V. MAINTENANCE OF MANUAL

- A. Remove MA-3225, pages 1-2, 9-33, and Attachments 5, 8 and 9.
Insert MA-3225, pages 1-2, 9-40, and Attachment 5.**

On-line Manual – Items I. through II.A.3.c.(2) and III.C.2.d through the end of the section.

- B. Remove MA-3270 pages 17-18.
Insert MA-3270, pages 17-18.**

On-line Manual – Items V.C.9. through V.D.8.

- C. Remove MA-3365.
Insert MA-3365 and Attachment 1.**

- D. Remove MA-3375.
Insert MA-3375.**

This policy change obsoletes DMA Administrative Letter No. 16-01.

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

Nina M. Yeager
Director

(This material was researched and written by Renee Boston and Vanessa Broadhurst, Policy Consultants, Medicaid Eligibility Unit).

[MA-3225](#)

[MA-3225, Figure 5](#)

[MA-3270](#)

[MA-3365](#)

[MA-3365, Attachment 1](#)

[MA-3375](#)