

# **CHANGE NOTICE FOR MANUAL NO. 04-20, LIVING ARRANGEMENT**

**DATE: NOVEMBER 2, 2020**

**Manual:** Family and Children's Medicaid  
**Change No:** 04-20  
**To:** County Directors of Social Services

## **I. BACKGROUND AND CONTENT OF CHANGE**

The Division of Health Benefits (DHB) has revised Medicaid policy section, MA-3360, Living Arrangement. The revision includes new policy guidance for the suspension of Medicaid eligibility for incarcerated juveniles under 21 or eligible Former Foster Care beneficiaries under age 26 (MFC) and recertification for incarcerated individuals. The revision includes current NC FAST functionality and job aids, and updates to general language and program terminology. Manual sub-sections were re-ordered to support the new and revised policies. The specific changes are outlined below.

## **II. POLICY UPDATE**

### **A. Section II, Types of Institutions/Facilities**

1. The types of Juvenile Justice facilities expanded to include: Juvenile Detention Centers, Youth Development Centers, Penal Wilderness Camps and Federal Residential Re-Entry Facilities.
2. Additional methods of verification to determine type of facility/institution were added, including self-attestation for non-state correctional facilities.

### **B. Section III, Medicaid Suspension/Termination for Incarcerated Beneficiaries**

1. Beneficiaries who are incarcerated in a federal prison, county or local jail must have their Medicaid eligibility terminated. Policy was revised to add exceptions for beneficiaries under age 21 and MFC who must have Medicaid eligibility suspended.
2. The aid program/categories in which beneficiaries cannot have their eligibility remain in suspension is updated to include Health Coverage for Workers with Disabilities (HCWD) and Medicaid for Qualified Beneficiaries (MQB). Evaluate for all other Medicaid programs before terminating the case.

3. Family Planning beneficiaries incarcerated in Department of Public Safety (DPS) facilities who remain otherwise eligible should have their Medicaid suspended.
4. The Special Assistance Product Delivery Case must be closed, and the beneficiary evaluated for continued Medicaid eligibility.
5. The Incarceration Tasks Report Details is located in NC FAST > Reports> O&M Reports>Daily, Monthly and Yearly Reporting Tab> Incarceration and HEARTS Reports. This provides incarceration details for applicants and beneficiaries who are housed in DPS facilities. This report should be monitored daily to ensure appropriate actions are taken.
6. NC FAST will create a task for Incarceration Evidence and create an on-hold decision on the case associated with that beneficiary.
7. Recertifications must be completed during the length of incarceration for beneficiaries.

**C. Section IV, Medicaid Suspension for Incarcerated Beneficiaries Under 21 and Former Foster Care (MFC) Under Age 26**

1. Medicaid eligibility cannot be terminated for incarcerated beneficiaries under 21 or eligible MFC in DPS facilities, Federal Prisons, Juvenile Justice Facilities, County Jails or Local Jails. They must have their Medicaid suspended, if otherwise eligible.
2. Currently eligible inmates must have their eligibility placed in suspension with the appropriate living arrangement.
3. Determine whether the beneficiary remains eligible in their current Medicaid program. If not, they must be evaluated for eligibility in other Medicaid programs and transferred, if otherwise eligible.
4. Process applications submitted on behalf of inmates by DPS and other facilities and approve in suspension unless the applicant is going to be released in the first month of eligibility.
5. Guidance regarding children awaiting adjudication is revised and updated.
6. These beneficiaries who are Safekeepers will have their Medicaid benefits placed in suspension.
7. Recertification must be completed during the length of incarceration.

**D. Section V Medicaid Suspension/Termination of Beneficiaries Who Enter an Institution for Mental Disease (IMD)**

1. To place the beneficiary's Medicaid in suspension, enter the IMD on the evidence dashboard.

2. When a Medicaid beneficiary is discharged from an IMD, the caseworker must confirm the discharge and conduct an ex-parte and to determine Medicaid eligibility.

#### **E. Section VI, Living Arrangements**

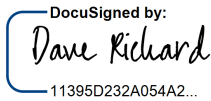
1. Includes a chart of Living Arrangements.
2. Provides instructions on use of following living arrangements:
  - a. Incarceration – County, City
  - b. Incarceration - Other, Federal

### **III. EFFECTIVE DATE AND IMPLEMENTATION**

The effective date of this policy is November 9, 2020. This policy applies to all applications, recertification and ongoing cases.

The local agencies must continue the procedures in the [DHB ADMINISTRATIVE LETTER NO: 09-20, MEDICAID/NC HEALTH CHOICE RECERTIFICATION PROCEDURES FOR COVID-19](#). However, suspension of individuals who are incarcerated is allowed during the PHE. Additional guidance will be provided at the end of the Public Health Emergency.

If you have any questions regarding information in this letter, please contact your [Medicaid Operational Support Team Representative](#).

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Dave Richard  
Deputy Secretary, NC Medicaid