

DHB ADMINISTRATIVE LETTER NO: 01-19, Extension of Eligibility at Recertification

DATE: February 8, 2019

SUBJECT: Medicaid Recertification Process

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

I. BACKGROUND

Federal regulations prohibit ending coverage for a Medicaid beneficiary unless ineligibility under **all** Medicaid categories has been established and timely notice has been sent. Medicaid redeterminations are required to be completed and action effective by the end of the certification period. If not, Medicaid coverage ends without notice at the end of the certification period. Coverage also ends without notice if the county worker fails to timely review eligibility when a child turns age 18 (causing a parent to become ineligible under MAF) or age 19 (causing the child to become ineligible under MIC). Reports are generated each month by NC FAST informing counties which cases are due for review.

Repeated failure to timely review eligibility and issue timely notices has led to a federal class action lawsuit, *Hawkins v. Cohen*, and the Court has issued a Preliminary Injunction ordering the state to fix the problem. The Court Order enjoins the state agency and counties from terminating existing Medicaid benefits without considering *all categories of eligibility and then issuing 10-day prior written notice*. The Order requires that, If a Medicaid redetermination cannot be completed before the recertification period expires,

“the [county] worker must...extend Medicaid coverage to affected individuals until the redetermination can be completed and proper notice is sent.”

Further, the Court has ordered:

“In the event that individual county DSSs do not comply with this instruction, [DHHS] must reinstate automatic extensions of benefits for those noncompliant counties at the end of the mandatory recertification period and hold county DSSs financially responsible for the erroneous issuance of Medicaid benefits and Medicaid claims payments, in accordance with N.C. Gen. Stat. § 108A-25.1A.”

II. CONTENT OF CHANGE

- A. This letter serves as an instruction that, effective immediately, if a Medicaid recertification cannot be completed and timely notice sent prior to the end of the certification period, eligibility must be continued, one month at a time, to allow for the required ex parte review and expiration of appropriate notice. **It is imperative that eligibility be extended if necessary to comply with the Court Order.**

FAILURE TO FULLY COMPLY WITH THE COURT ORDER WILL RESULT IN AUTOMATIC EXTENSIONS OF ELIGIBILITY BY NC FAST IN THAT COUNTY. IN THAT EVENT, THE COUNTY WILL BE HELD FINANCIALLY RESPONSIBLE FOR ANY ERRONEOUS ISSUANCE OF MEDICAID BENEFITS AND MEDICAID CLAIMS PAYMENTS IF THE BENEFICIARY IS DETERMINED INELIGIBLE, AS REQUIRED BY THE COURT ORDER AND N.C. GEN. STAT. § 108A-25.1A.

- B. To prevent loss of benefits to a beneficiary, the following actions are required:

1. If the recertification is not completed, and timely notice effective by the end of the month that the review is due, eligibility must be extended by the worker **no later than the next to last workday of the month** the review is due. Eligibility must be continued on a month-to-month basis until the review is completed and the time period of appropriate notice has expired. This ensures continuing eligibility is transmitted to NC Tracks prior to the first day of the ongoing month.
2. The county should utilize the following O&M reports in NC FAST to manage the recertification process:
 - a. MAGI Pending Recertification Details
 - b. Traditional Medicaid Pending Recertification Details
 - c. Reports of age-based reviews that are due
3. If an extension is required, follow the "Continued Eligibility for Medical Assistance" Job Aid in NC FAST.

- C. County staff must ensure there is no lapse in coverage during the Medicaid recertification process. Staff must monitor the Pending Recertification Details reports to ensure that all cases due for recertification by the end of the month are completed or extended.

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



Dave Richard
Deputy Secretary, NC Medicaid