

DMA CHANGE NOTICE FOR MANUAL

DATE: FEBRUARY 20, 2009

Manual: Aged, Blind, and Disabled Medicaid

Change No: 05-09

To: County Directors of Social Services

Effective: April 1, 2009

I. CONTENT OF CHANGE

This change notice issues the new poverty level income limits and provides implementation instructions for pending applications, new applications and ongoing cases. In addition, Health Coverage for Workers with Disabilities (HCWD) has been added to the poverty level income limit chart.

Further, the amount of the student earned income exclusion is adjusted by the cost of living adjustment (COLA) that is used to adjust the SSI Federal Benefit rate. The COLA for 2009 is 5.8%.

Last, policy is updated to indicate that the MMA file of those who have both Medicaid and Medicare coverage is now sent to CMS twice per month.

II. EFFECTIVE DATE OF NEW INCOME LIMITS

A. Income Limits

Income limits for MAABD-N, MQB-Q, MQB-B, MQB-E, MWD and HCWD are revised effective April 1, 2009 to reflect the increase in the federal poverty level. The income limits were updated in EIS effective February 25, 2009. You may enter the new income limits on or after that date.

Use the new income limits to determine eligibility beginning April 1, 2009. Use the 2008 income limits to determine eligibility for months prior to April 2009.

B. End of COLA Disregard

The exclusion of the RSDI cost-of-living allowance (COLA) for MAABD-N, MQB-Q, MQB-B, MQB-E, and MWD ends with the implementation of the new income limits. Effective April 1, 2009, begin counting the full RSDI amount, including the 2009 COLA. Continue to disregard the COLA for January, February and March 2009.

C. Student Earned Income Exclusion

Effective January 1, 2009, exclude up to \$1,640 per month, but no more than \$6,600 total for the year 2009, of the countable earned income of an eligible student.

III. IMPLEMENTATION INSTRUCTIONS FOR PENDING APPLICATIONS

A. Pending MAABD PLA Applications Dated Prior to April 1, 2009

1. For the months prior to April 2009, use the income limits and countable income for those months. For months April 2009 and later, use the income limits effective April 1, 2009 and the countable income effective for those months.

For MAABD-N cases, the 2009 RSDI COLA was disregarded through March 2009. Begin counting the COLA increase in April 2009.

2. If the budget unit's countable income is within the MAABD-N limit for months in the certification period prior to April 2009 and for months April 2009 and later, approve the application effective the first month of eligibility through the end of the certification period. Enter the April 1, 2009, income limits and countable income.
3. If the budget unit's countable income prior to April 1, 2009 exceeded the MAABD-N income limit, but effective April 1, 2009 it is within the MAABD-N income limit and the budget unit is otherwise eligible:
 - a. Recalculate the medically needy deductible for the number of months in the c.p. prior to April 1, 2009. When the deductible is met, authorize the case as medically needy from the date the deductible is met through March 31, 2009.

NOTE: When calculating the deductible, do not disregard the COLA. The COLA disregard does not apply to medically needy.

- b. Authorize the case with an N classification effective April 1, 2009. The certification period will be 12 months beginning with the month of application.

NOTE: Remember that for MAABD-N, if resources exceed the MAABD resource limit at the first moment of the month, the applicant is ineligible for MAABD-N for the entire month. He must be evaluated as medically needy. Refer to MA-2230, Financial Resources.

4. If the budget unit's countable income prior to April 1, 2009 exceeded the MAABD-N income limit and it still exceeds the increased N limit, evaluate the case for medically needy. Use the April 1, 2009 income limits and the current COLA amount for any certification period that includes April 1, 2009 or later, regardless of the begin date. If it is established that the deductible can be met or projected expenses are within \$300.00, pend in deductible status. If it is determined that the deductible cannot be met, deny the application.

B. Pending MAABD LTC/PACE Applications Dated Prior to April 1, 2009

If countable income is above the MAABD-N income limit prior to April 1, 2009 but is within the limit effective April 1, 2009, and all other MAABD-N criteria are met, classify the case as N effective April 1, 2009. For all months prior to April 1, 2009, classify as medically needy if all other factors are met.

C. Pending MQB Applications Dated Prior to April 1, 2009

1. If the classification effective April 1, 2009 is different than that prior to April 1, 2009 and all other criteria are met, approve effective April 1, 2009 in the new classification. Enter the income limit effective April 1, 2009 in EIS. The certification from date must equal the first day of the month of application. Authorize months prior to April 1, 2009 on the DB/PML screen. This may mean that an MQB-E case is now MQB-B or an MQB-B case is now MQB-E.
2. If the applicant is eligible for MQB prior to April 1, 2009 and eligible for MAABD effective April 1, 2009:
 - a. Approve the MQB as open/shut for the months prior to April 1, 2009. Complete a manual DMA-5004, Buy-In Clerical Action, for the open/shut case.
 - b. Enter a new administrative MAABD application and approve as MAABD effective April 1, 2009. Enter in EIS the income limit effective April 1, 2009. The certification from date must equal the first day of the month of application.

EXAMPLE: Applicant applies for Medicaid on March 1, 2009. His countable income is \$896. The application is processed on March 15, 2009. You determine he is eligible for MAABD-Q effective April 1, 2009, based on the new income limits and he is eligible for MQB-B for March. Approve the MQB-B application open/shut, for March 2009. Enter a new administrative MAABD and approve as MAABD effective April 1, 2009. Authorization for Q classification always begins the month following the month of disposition.

3. If the case's countable income prior to April 1, 2009 makes the case ineligible for MQB-Q, B or E, but will be eligible based on the new income limits, approve the application in the appropriate classification with a Medicaid effective date of April 1, 2009. The certification from date must equal the first day of the month of application.

D. Applications Dated April 1, 2009 or Later

1. Apply the new income limits to establish eligibility for the ongoing certification period.
2. Use the old income limits to establish eligibility for the retro months prior to April 1, 2009.

IV. IMPLEMENTATION INSTRUCTIONS FOR ONGOING ADULT MEDICAID (MAABD-N, F, G, H, Q & B, MQB-Q, B & E CASES)

A. For April 1, 2009 or later, apply the new income limits and 2009 RSDI amounts to establish eligibility for the ongoing certification period.

A report will display on NCXPTR. The title of the report is Poverty Potential Eligibility for Program Review. To view the report in XPTR, type: 'DHREJA POV POT ELIG FOR PROG REV'. This report compares the New Countable Income to the New Poverty Level for the Aid Program/Category and Medicaid classification. For MQB-B and MQB-E cases, it also compares the New Countable Income Limit for their current aid program/category. The Minimum Income column lists the new "minimum" amount of the federal poverty level for the recipient's current aid program/category.

EIS will not automatically update the cases on this report. You must pull these cases.

1. For each case listed on the report, complete an Online Verification (OLV) to verify the RSDI amount.
 - a. If there is no amount in the RSDI field in EIS, the increase could not be calculated correctly. These cases will show on the report with zeroes in the EIS RSDI field.
 - (1) Calculate the new countable income.
 - (2) Compare the New Countable Monthly Income with the New Poverty Level.
 - (3) If income is greater than the new poverty level limit, evaluate eligibility under other aid program/categories.

- (4) Take appropriate action and send a timely notice. React to the change in the case by the pull cutoff date in April (4/24/09).
 - b. For cases with no amount listed in the Minimum Income Limit column, do the following:
 - (1) Compare the New Countable Monthly Income with the New Poverty Level.
 - (2) If the poverty level increase causes a recipient's income to be greater than the New Poverty amount, evaluate for Medicaid under other aid program/categories.
 - (3) Take appropriate action and send a timely notice. React to the change in the case by the pull cutoff date in April (4/24/09).
 - c. For cases with an amount listed in the Minimum Income Limit column (current MQB-B and MQB-E recipients), do the following:
 - (1) Compare the New Countable Monthly Income with the New Poverty Level.
 - (a) If the poverty level increase causes a recipient's income to be greater than the New Poverty Level amount, evaluate for Medicaid under other aid program/categories.
 - (b) Take appropriate action and send a timely notice. React to the change in the case by the pull cutoff date in April (4/24/09).
 - (2) Compare the New Countable Monthly Income with the Minimum Income Limit.
 - (a) If the poverty level increase causes a recipient's income to be equal to or less than the Minimum Income Limit, evaluate for greater benefit aid program/categories.
 - (b) Transfer the case to the appropriate program/category and send an adequate notice.
2. If an individual who is dually eligible (MAABD with Medicaid class Q) has a deductible, he must be transferred to MQB-B. Refer to MA-2355, MAABD/MQB Program Transfers.
3. If the individual is not entitled to Medicare, change to deductible status if it is established that the deductible can be met or projected expenses are within \$300.00 of meeting the deductible. If the deductible cannot be met, send a timely notice to terminate the case.

B. Prior to April 1, 2009, apply the current income limits and 2009 RSDI amounts to establish eligibility for ongoing certification period. If the budget unit's countable income is within the MAABD-N income limit prior to April 1, 2009 and all other criteria are met, approve effective the first month of eligibility.

Use the April 1, 2009 income limits and the current COLA amount for any certification period that includes April 1, 2009 or later, regardless of the begin date. Please note that to enter the case in EIS, when months April 2009 or later are covered, you must enter the income limits effective April 1, 2009.

EXAMPLE: You are completing a February 2009 review. The total countable income is \$840.00, due to disregard of the RSDI COLA. You determine he is eligible for MAABD for March 2009 using the 2008 income limits. For April 2009 and later, you must include the RSDI COLA as countable income. Therefore, the new total countable income is \$889.00. You determine he remains eligible for MAABD effective April 1, 2009, based on the new income limits. The new certification period is March 2009 – August 2009. To enter April 2009 and later months into EIS, you must enter the income limits effective April 1, 2009.

V. INSTRUCTIONS FOR MAINTENANCE OF THE MANUAL

A. Remove: MA- 400, Introduction to Medicaid, Figure 1.

Insert: MA-400, Introduction to Medicaid, [Figure 1](#) effective 04/01/09.

B. Remove: MA-2250, Income, pages 95-96.

Insert: [MA-2250](#), Income, pages 95-96 effective 1/01/2009.

C. Remove: MA-2260, Financial Eligibility Requirements/PLA, pages 14-15.

Insert: [MA-2260](#), Financial Eligibility Requirements/PLA, pages 14-15 effective 04/01/09.

D. Remove: MA-2311, LIS Processing and Case Maintenance, Figure 1.

Insert: MA-2311 LIS Processing and Case Maintenance, [Figure 1](#) effective 04/01/09.

E. Remove: MA-2312, Medicare Prescription Drug Benefit, pages 3-4.

Insert: [MA-2312](#), Medicare Prescription Drug Benefit, pages 3-4.

If you have questions regarding this information, please contact your Medicaid Program Representative. For any issues that are not able to be handled through that venue, Angela Floyd, Assistant Director for Recipient and Provider Services, will be your point of contact and can be reached at (919) 855-4000.

Tara R. Larson
Acting Director

(This material was researched and written by William Appel, Policy Consultant, Medicaid Eligibility Unit.)