

# DHB ADMINISTRATIVE LETTER NO: 01-26, CONTINUOUS ELIGIBILITY FOR CHILDREN

**DATE:** May 4, 2026

**SUBJECT:** Continuous Eligibility for Children

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

## I. BACKGROUND

The Centers for Medicare and Medicaid Services (CMS) approved North Carolina for an extension of the 1115(a)-waiver section “North Carolina Medicaid Reform Demonstration”. As part of this waiver, North Carolina has been approved to provide continuous eligibility for children under the age of 19 for extended certification periods, based on the child’s age.

On March 31, 2025, North Carolina extended certification periods for children receiving full Medicaid under MAGI programs. Effective July 1, 2026, continuous eligibility for children under age 19 will expand to include some non-MAGI populations. This letter provides the necessary policy guidance and procedures to implement the additional populations to this waiver demonstration. Due to these changes, Administrative Letter 05-25 Continuous Eligibility for Children is now **obsolete**.

## II. CONTENT OF CHANGE

### A. Continuous Eligibility for Children

1. Continuous eligibility applies to children up to age 19 who are eligible for full Medicaid under a MAGI or non-MAGI program regardless of most reported or discovered changes in circumstances, including income changes.
2. The following MAGI and non-MAGI Medicaid programs are **not** included in the “North Carolina Medicaid Reform Demonstration” waiver. Continuous eligibility does not apply to children eligible for:
  - Medically Needy

- Presumptive Medicaid (MAGI or non-MAGI)
- MQBQ, MQBB, MQBE
- Medicaid-Working Disabled (refer to MA-2150 policy)
- Family Planning Program
- Emergency Medicaid (MAGI or non-MAGI)
- Transitional Medicaid

## B. Special Considerations

1. Supplemental Security Income (SSI)
  - a. Social Security Administration determines eligibility for Supplemental Security Income (SSI) and Medicaid.
  - b. Under this waiver, children under age 19 that lose SSI are entitled to continuous eligibility.
  - c. If SSI coverage is lost, caseworkers will need to determine if an exparte is required.
    - (1) For children age 0-4 years old- an exparte is not required. Continuous eligibility should continue until the end of the month of their 6<sup>th</sup> birthday.
      - (a) Close the SDX PDC and key an ABD Medical Forced case.
      - (b) The new certification period will be the first day of the month following the SSI termination date through the end of the month of their 6<sup>th</sup> birthday.
    - (2) For children under age 6 but their 6<sup>th</sup> birthday is less than 24 months from the current date, an exparte is not required.
      - (a) Close the SDX PDC and key an ABD Medical Forced case.
      - (b) The new certification period will be 24 months, beginning with the first day of the month following the SSI termination date.
    - (3) For children ages 6 up to 19, the caseworker will look at the SDX case certification period **from** date.
      - (a) If less than 24 months have passed,

- 1) Close the SDX PDC and key an ABD Medical Forced case.
- 2) The new certification period will be 24 months, beginning with the first day of the month following the SSI termination date.

(b) If more than 24 months have passed,

- 1) The caseworker must complete an SSI Termination exparte and redetermine eligibility.
- 2) The new certification period will be 24 months, if appropriate.

### **SSI Termination Examples**

Example 1: Child age 3 DOB 1/1/2023 loses SSI 10/31/2026

- No exparte is required, continuous eligibility applies to age 6.
- Caseworker closes SDX PDC and keys ABD Medical Forced with new certification period 11/1/2026- 1/31/2029.

Example 2: Child age 7 loses SSI 9/30/2026

- Caseworker checks SDX certification period from date.
- SSI started 10 months ago, 12/1/2025 → less than 24 months.
- Caseworker closes SDX PDC, and keys ABD Medical Forced with new certification period 10/1/2026- 9/30/2028.

Example 3: Child age 8 loses SSI 11/30/2026 but had SSI for 30 months

- Caseworker checks SDX certification period from date.
- It's more than 24 months ago.
- Caseworker must complete an exparte redetermination.

2. Children in Long Term Care with a Patient Monthly Liability (PML)
  - a. Continue to react to changes in circumstance such as facility changes, income changes and transfers of assets.
  - b. PML increases **will** continue during the continuous eligibility period, following timely notice procedures.
  - c. A child **may** lose eligibility for Long Term Care due to a change in

circumstance such as discharge from the facility. However, they would remain eligible for Medicaid through the end of their continuous eligibility period (end of the month of their 6<sup>th</sup> birthday or 24-month certification period end date).

- d. Key an ABD Medical Forced case for the remainder of the continuous eligibility period. At the end of the continuous eligibility period, an exparte must be completed.

3. Community Alternative Program (CAP)

For children enrolled in an eligible categorically needy Medicaid program and receiving CAP waiver services,

- a. Continue to react to changes in circumstance such as county transfers, hospital/nursing facility stays less than 30 days, etc.
- b. Continue to document the annual Continued Need Review.
- c. A child **may** lose eligibility for CAP due to a change in circumstance such as disenrollment from the waiver program. However, they would remain eligible for Medicaid through the end of their continuous eligibility period (end of the month of their 6<sup>th</sup> birthday or 24-month certification period end date).
- d. Key an ABD Medical Forced case for the remainder of the continuous eligibility period. At the end of the continuous eligibility period, an exparte must be completed.

4. Incarceration

- a. If a child is incarcerated at application, they are not eligible for a 24-month continuous eligibility period under this waiver.
- b. A child in a continuous eligibility period that becomes incarcerated will have their coverage suspended. They remain eligible for inpatient services only throughout the continuous eligibility period.
- c. If the child is still incarcerated at the end of the continuous eligibility period, an additional continuous eligibility period will not be given at renewal. If eligible, they may recertify with suspended status but only receive a regular 12-month certification period.

**C. Exceptions to continuous eligibility**

- 1. Changes that must be reacted to during the continuous eligibility period when reported or known to the agency:

- a. The beneficiary reaches the age limit for the continuous eligibility group.
  - b. The beneficiary is no longer a North Carolina resident.
  - c. The beneficiary or their parent or authorized representative requests termination of eligibility. Refer to MA-2352 and MA-3410 Change in Circumstance, Terminations, And Reopening policy for written and verbal termination request requirements.
  - d. The beneficiary is deceased.
  - e. The local agency determines that eligibility was erroneously approved at application or at the latest recertification.
2. Cost of living allowance (COLA) changes to income will still be applied systematically. However, if the income change causes the child to be ineligible for the current Medicaid program, their continuous eligibility is not affected.

#### **D. Children up to 6 Years Old**

1. Children up to 6 years old who are determined to be categorically eligible for a MAGI or non-MAGI full Medicaid program at any time prior to the month the child turns 6 years old are eligible for continuous eligibility and enrollment through the end of the month of their 6<sup>th</sup> birthday.
2. Enumeration requirements apply for newborns.
  - a. When the beneficiary has been enrolled during the auto-newborn process, and no SSN is provided/found at recertification, the caseworker must request the SSN following all applicable requirements for recertification and requesting information.
  - b. If the SSN is not provided, terminate at the end of the month of the beneficiary's 6th birthday, following timely notification procedures.
  - c. When the local agency receives a subsequent application for the child, the SSN must be provided before eligibility is approved.

#### **E. Children Aged 6 and up to 19 Years Old**

1. Children aged 6 and up to 19 years old who are determined to be categorically eligible for a MAGI or non-MAGI full Medicaid program are eligible for continuous eligibility for a 24-month certification period.

2. When the child reaches the age of 19, a critical age reevaluation is required, and continuous eligibility no longer applies.

#### **F. Annual Notice**

1. The approved waiver requires that an attempt to verify the child's residency be done at least annually, and that a notice of continued eligibility is sent annually.
2. NC FAST will systematically complete this requirement and will generate and mail the notice of continuing eligibility.
3. Returned mail and third-party data indicating an out-of-state address or no forwarding address require additional verification steps and is not sufficient by itself to determine that a child no longer meets residency requirements. Follow returned mail procedures in MA-3410 Change in Circumstance, Terminations and Reopening policy.

### **III. PROCEDURES**

#### **A. Applications**

1. For applicants who are approved for Medicaid benefits within the covered categories, NC FAST will display the extended certification period through the appropriate month when the eligibility check is run.
2. Children 0-4 years old, the certification period will be through the last day of the month of the child's 6th birthday.
3. Children who are 4 years plus one day and older, the certification period will be 24 months.
4. When the child turns 19, continuous eligibility no longer applies. The caseworker must complete a critical age reevaluation.
5. The continuous eligibility period is determined based on the application date, not the retroactive coverage date.

#### **B. One Time Batch**

Children who have not yet turned 6 years old but have active non-MAGI Medicaid coverage on June 30, 2026, will be eligible for continuous eligibility through the end of the month of their 6th birthday.

An automated batch to extend these cases is anticipated to run in late May 2026. NC FAST will provide communication when the batch is completed.

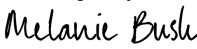
### **C. Recertification**

1. Caseworkers are not required to work on recertifications for children under the age of 6 receiving under a full Medicaid non-MAGI program with a CP beginning on or after July 1, 2026. Recertifications for beneficiaries receiving under MAGI and excluded programs listed above in II. A. 2. must still be completed.
2. If a caseworker does begin the recertification process, the automated batch will extend the case as long as it is not in “submitted” status. As a reminder, caseworkers should not put a case in “submitted” status unless the recertification is to be completed on the same day.
3. Children who are 6 years old or older will be required to have a recertification completed before receiving continuous eligibility.
  - a. When the recertification results in continued eligibility, the new certification period will be 24 months.
  - b. If the beneficiary’s 24-month certification period ends after the month of their 19<sup>th</sup> birthday, the caseworker must reevaluate when the beneficiary is on the critical age report at age 19.
4. Children who are receiving in a Medical Forced Eligibility (MFE) case must be extended by the caseworker.
  - a. The automated batch will not extend benefits for children under 6 if they are in a medical forced eligibility case.
  - b. The caseworker must extend eligibility through the end of the month that the child’s 6<sup>th</sup> birthday falls.

### **IV. EFFECTIVE DATE OF CHANGE AND IMPLEMENTATION**

The policy and procedures found in this letter are effective for all applications, recertifications and changes in circumstances in progress July 1, 2026.

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

DocuSigned by:  
  
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Melanie Bush  
Deputy Secretary, NC Medicaid