

DHB ADMINISTRATIVE LETTER NO: 04-25, RETURNING TO REGULAR MEDICAID POLICY AFTER THE CONTINUOUS COVERAGE UNWINDING (CCU) PERIOD ENDS

DATE: March 28, 2025

SUBJECT: Returning to Regular Medicaid Policy after the Continuous Coverage Unwinding (CCU) Period Ends

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

I. BACKGROUND

The Consolidated Appropriations Act (CAA), 2023, was enacted on December 29, 2022, and separated the continuous coverage requirement from the Public Health Emergency and provided March 31, 2023, as the last day of the continuous coverage requirement for Medicaid beneficiaries. On April 1, 2023, the Continuous Coverage Unwinding (CCU) period began and The Center for Medicare and Medicaid (CMS) proposed flexibilities in order to address accelerating automation improvements, policy changes, and financial support.

The Centers for Medicare and Medicaid (CMS) have extended the e14 waiver flexibilities through **June 30, 2025**. The flexibilities that were issued during the CCU period will become either obsolete or continue under other regulations or waivers as the states continue their unwinding efforts.

The purpose of this letter is to provide updated policy guidance for applications, recertifications, and changes of circumstance for those flexibilities that were allowable during the CCU period. This letter also contains reminders for returning to regular policy.

II. MEDICAID ADMINISTRATIVE LETTERS UPDATES

A. DHB Administrative Letters Issued During the CCU- Obsolete beginning July 1, 2025

1. DHB Administrative Letter 13-23, Child Support Cooperation and Applying for Other Monetary Benefits Post Eligibility Benefits During the Continuous Coverage Unwinding
2. DHB Administrative Letter 05-23, United States Postal Services (USPS) National Change of Address (NCOA) and United State Postal Services Returned Mail
3. DHB Administrative Letter 06-23, Continuous Coverage Unwinding (CCU) Period After COVID-19 Public Health Emergency (PHE): Medicaid Procedures Amended 2
4. DHB Administrative Letter 01-24, Continuous Coverage Unwinding (CCU) Period After Covid-19 Public Health Emergency (PHE): Medicaid Procedures For the e-14/100% Income Strategy Waiver
5. DHB Administrative Letter 01-25, Medicaid Updated Procedures and Flexibilities for Asset Verification System (AVS) During the Continuous Coverage Unwinding (CCU) Period

B. New Location for PHE and CCU Obsolete Administrative Letters

All obsolete PHE and CCU Administrative Letters are now located in the DHHS Online Medicaid Manual for the Aged, Blind, and Disabled (ABD) and the Medicaid Manual for Family and Children (F&C). Both manuals have a new folder entitled [All Obsolete CCU/PHE Administrative Letters](#).

III. MEDICAID FLEXIBILITIES ENDING JUNE 30, 2025

A. Child Support Cooperation Flexibility

1. The requirement to cooperate with child support was suspended during the PHE and the CCU.
2. Beginning July 1, 2025, the requirement for cooperation with child support resumes.
3. Refer to policy [MA-2375/MA-3365](#), Child Support.

B. 12-month Extension for Children Under Age 19

1. During the CCU, Medicaid benefits for all children under the age of 19 were extended for 12 months without requiring a new recertification.
2. This CCU flexibility will end on June 30, 2025.
3. Refer to the upcoming DHB Administrative Letter 05-25, Continuous Eligibility for Children for guidance regarding continuous eligibility for

children who are eligible for a full Medicaid program under MAGI and who are under age 19.

IV. MEDICAID FLEXIBILITIES BEGINNING OR CONTINUING JULY 1, 2025

A. Recertification Using Food and Nutrition Services (FNS) Income (SNAP e14)

1. Verified FNS gross income data can be used to determine MAGI eligibility for children and adults.
2. At recertification, NC FAST will continue to check the FNS case for recent gross income during the straight through process (STP).
3. If the MAGI beneficiary's verified FNS gross income results in continued eligibility, NC FAST will recertify the case for a full 12-month certification period.
4. NC FAST will complete the recertification process for beneficiaries who meet the SNAP e14 Waiver criteria prior to other STP batches.

B. \$0/100% FPL Income Flexibility

NC FAST will complete an ex-parte recertification for individuals receiving Medicaid as a parent/caretaker (MAF-C) without requesting further income verification, if the following requirements below are met:

1. The most recent **active** income verification on the evidence dashboard is at or below 100% of the FPL.
2. The most recent active income verification included on the evidence dashboard at either application or recertification was verified no earlier than March 1, 2019 (12 months prior to the beginning of PHE).
3. Electronic sources (OVS, TWN) returned **no** income hits (Zero income was returned via electronic sources).
4. NC FAST will continue to complete these recertifications through the STP when all criteria are met.
 - a. If the recertification is marked as "incomplete" on the NC FAST MAGI Pending Recertification Details report, the caseworker must complete the recertification.
 - b. The following steps should be followed by the caseworker:
 - (1) Determine the "fallout" reason that stopped the STP process.

Refer to NC FAST Job Aid: MAGI Recertification Straight Through Processing.

- (2) If STP ended because of reasons unrelated to income (i.e., person mismatch, immigration status change, etc., this is not an exhaustive list), **AND** there are no income results in either OVS or TWN, the case is eligible to be evaluated under the 100% e-14 waiver rules:
 - (a) The caseworker should review and resolve the non-financial and/or system issue that caused STP to end.
 - (b) Once the non-financial and/or system issue has been resolved if the individual continues to meet all non-financial requirements, recertify the case for 12 months
 - (c) If the individual does not continue to meet all non-financial eligibility requirements, follow the policy for the applicable non-financial requirement.
 - (d) If the individual is no longer eligible due to the non-financial reason (i.e., the individual no longer resides in North Carolina), refer to [MA-3430](#), Notice and Hearings Process, to determine if timely or adequate notice is required.
- (3) If STP ends for any reason and new/additional income is reported in electronic sources (OVS, TWN), the case is not eligible to be evaluated using the 100% e-14 waiver rules.
 - (a) The caseworker must follow regular recertification procedures to complete the recertification process, including income verification when the electronic source causes the individual to be eligible for a lesser Medicaid program, or results in ineligibility.
 - (b) Refer to [MA-3421, MAGI Recertification](#)

5. Refer to **Straight-Through Recertification Automated Case Selection and Processing** Job Aid in NC FAST Help.

C. AVS

1. Verifying Resources at Application
 - a. Caseworkers should continue to request AVS and other electronic data sources (OVS, Register of Deeds, etc.) when completing applications for Adult, Blind, and Disabled (ABD) and Medicaid for Qualified Medicare Beneficiaries (MQB) programs.

- b. Caseworkers must wait at least 7 calendar days to ensure that AVS results have had adequate time to be returned.
- c. If the applicant provides a complete attestation of resources (Bank name(s), account number(s), and balance(s)) or states no resources at application, caseworker will wait 7 calendar days for AVS results.
- d. If AVS does not return any results, the caseworker can use the applicant's complete attestation as verification.
 - (1) If attestation results in the applicant being eligible, continue processing the application.
 - (2) If attestation results in ineligibility due to excess resources, follow policy in MA-2300, Application.
 - (a) Provide the applicant with the opportunity to rebut or reduce resources.
 - (b) Allow two DHB-5097 Request for Information, if applicable.
- e. If AVS does return results, follow policy in [MA-2251](#), Reasonable Compatibility, and [MA-2300](#), Application, and continue processing the application utilizing the AVS results and/or the applicant's attestation for any resources not verified via AVS.
- f. Incomplete self-attestation of resources
 - (1) If AVS does not return any results, the caseworker should follow policy in [MA-2300](#), Application, and request verification of resources using the DHB-5097, Request for Information.
 - (2) If AVS does return results:
 - (a) If AVS results in the eligibility of the applicant, process the application and send the appropriate notice.
 - (b) If the AVS results in ineligibility due to excess resources, follow policy in [MA-2300](#), Application, providing the applicant with the opportunity to rebut or reduce resources allowing two DHB-5097 Request for Information.
 - (3) Caseworkers must also consider results from all other available electronic data sources and agency records.

D. Address Changes/Returned Mail

When mail is returned to the local agency, caseworkers are expected to ensure that the mail was sent to the intended address by comparing the completeness and accuracy of the address on the returned mail against information in the applicant/beneficiary's record.

1. If returned mail has a yellow sticker with an **in-state** forwarding address, the local agency will update the address in NC FAST without additional verification and send the original mailing to the forwarding address. If the original document required response, allow an additional 30 calendar days from the date of remailing, for the beneficiary to respond.
2. If the address contains errors or missing information, such as Apt #, the local agency will correct the address and must resend the returned mail to a completed address. If the original document required response, allow an additional 30 calendar days from the date of remailing, for the beneficiary to respond.
3. If subsequent mailing to beneficiary's correct address is not returned, the local agency is not required to take additional steps.
4. If subsequent mailing to a corrected address is returned, the local agency must check internal agency records and electronic sources to determine if there is another address on file.
5. When the local agency has returned mail for a beneficiary but has been unable to locate following the guidance in this subsection, the caseworker should refer to MA-3421 MAGI Recertification/MA-2320 Recertification policy, or MA-2300/MA-3200, Application policy for further guidance.

E. Requirement to Apply for Other Benefits

1. Applicants/Beneficiaries who may be eligible for other **monetary** benefits are not required to apply for those benefits at application (post-eligibility), renewal, or change in circumstances.
2. After the a/b is determined Medicaid eligible, **DO NOT** request the individual to:

Apply for annuities, pensions, retirement, and disability monetary benefits to which they are entitled such as:

- o Veterans' compensation and pensions
- o Old-Age, Survivors and Disability Insurance (OASDI) benefits
- o Railroad retirement benefits

- o Unemployment compensation.
- 3. **DO NOT** send a NCFAS-20020 for MAGI recertification or a DHB-5097 for application or non-MAGI recertification for the a/b to apply for other benefits.
- 4. Medicare is **not** a monetary benefit.
 - a. When an individual turns 65, policy regarding applying for Medicare is still applicable. Follow normal policy procedures.
 - b. If the individual begins receiving RSDI as a result of applying for Medicare, the RSDI is countable income.
 - c. When the RSDI is added to the case, the caseworker must send the appropriate notice.
 - (1) If no reduction in benefits, an adequate notice is required.
 - (2) If the income results in ineligibility, or reduction of benefits, a timely notice is required.

V. REMINDERS AND RETURNING TO CURRENT POLICY

A. Change in Circumstance (CIC) Procedures

When a beneficiary reports a CIC during a certification period, the caseworker must take the following steps:

- 1. Determine if the case has been recertified, or an application processed in the 12 months prior to the CIC being reported.
 - a. If no recertification (or application) has been completed in the last 12 months, a recertification must be completed.
 - b. If the case has a recertification or application completed during the last 12 months, follow applicable policy related to the CIC reported.
 - Is the beneficiary under the age of 19? If so, continuous coverage for 12 months applies
 - Is the beneficiary eligible for MPW, if so continuous eligibility applies through the 12-month postpartum period.
 - Will the CIC result in an increase or a decrease in eligibility? Timely notice requirements must be followed.
- 2. Ensure that the appropriate timely or adequate notification policies are followed. Refer to MA-2420/MA-3430, Notice and Hearings Process.

B. Self-Attestation for Eligibility Criteria

1. Caseworkers must review the applicable policy for verification requirements at application, recertification, and changes in circumstance.
2. On a case-by-case basis, a complete self-attestation from the beneficiary **may** be allowable for eligibility requirements. Accept self-attestation when:
 - a. Documentation does not exist.
 - b. Documentation is not reasonably available, such as for individuals who are homeless, victims of domestic violence, or due to a natural disaster.
3. Refer to the [Self-Attestation for Eligibility Criteria](#) desk reference to determine if the self-attestation is complete.
4. As a reminder, self-attestation is not allowable for some eligibility criteria.
 - a. Citizenship and/or immigration status
 - b. Reserve reduction
 - c. Transfer of assets evaluation

C. Pandemic UIB & Stimulus Funds

During the COVID-19 PHE, additional types of income were provided by the federal and state governments. These include unemployment insurance benefits (UIB), and stimulus checks. They were temporary during the PHE. While these sources of income have ended, any amount remaining as available resources/assets to the applicant/beneficiary must be evaluated based on the program type to determine whether the remaining balance is countable as a resource or is excluded.

1. Guidance for Aged, Blind and Disabled Cases
 - a. These funds are permanently excluded from resource calculations.
 - b. In addition to being non-countable resources, these funds should not be included in transfer of assets evaluations.
2. Guidance for Family and Children's Medically Needy Cases
 - a. These funds are excluded for 12-months after receipt of the funds.
 - b. Any amount remaining after 12 months is countable as a resource.

D. Reports

Counties must continue to work all required reports. The list below is not a complete list. Please review the desk reference for more reports and their location.

- Change in Circumstance Reports (CIC)
- Returned Mail Report
- COVID Extension Detail Report
- SDX Reports
 - SSI Termination/Alert Report
- Incarceration Reports
- Death Match Reports
- PARIS Reports
- Bendex Report
- FRR/BEER Reports
- Critical Age Reports

E. Generating Notices in NC FAST

Effective April 1, 2023, all NC FAST system available forms must be generated via Pro Forma and mailed. It is required that caseworkers utilize NC FAST to generate forms. Of particular importance is the DSS-8110, Notice of Change, Termination, or Continuation of Public Assistance.

1. DHB recognizes all Medicaid forms are not available in NC FAST and must be accessed via the Medicaid online forms library. When any Medicaid form is not available in NC FAST or there is an issue with generating the form in NC Fast, caseworkers:
 - a. Must complete the manual form from the online Medicaid forms library **ONLY**.
 - b. **Do not generate any Medicaid forms from any internal county systems.**
 - c. Must upload the form into NC FAST.
 - d. If there is an issue or question about a Medicaid form in the online Medicaid forms library, please report it to your Medicaid Operational Support Team Representative (OST). An NC FAST Help Desk ticket is not required to be submitted.
2. DSS-8110 Notice of Change, Termination or Continuation
 - a. This form **IS** available in NC FAST and **must be generated in NC FAST**. Refer to NC FAST job aid Forms Reference Guide for a list of NC FAST available forms.

- b. When the caseworker encounters an issue with generating the DSS-8110 Notice of Change, Termination or Continuation of Public Assistance in NC FAST, the county NC FAST POC is required to submit an NC FAST help desk ticket. Do not generate the DSS-8110 form outside of NC FAST without NC FAST/DHB guidance.
- c. The DHB-DSS-8110 Desk Reference Tool provides guidance and instructions for exceptions to the requirement to submit an NC FAST Help Desk ticket. The caseworker:
 - (1) Is not required to submit an NC FAST Help Desk ticket if this is the reason the case is terminating.
 - (2) Must access the DSS-8110 from the MEDICAID forms library ONLY and include the approved “reason and outcome” language in the DHB-DSS 8110 Desk Reference Tool.

Failure to use the appropriate DSS-8110 template and approved language will result in error findings.

- d. Failure to follow this procedure will result in Internal Control/eligibility error citing AND the local agency will be required to reopen/reinstate terminated/reduced cases with DSS-8110 Notice of Change, Termination or Continuation of Public Assistance notices generated outside of NC FAST, without DHB instructions.
- e. The county may also be financially responsible for the benefits issued as a result of the case reopening.
- f. When a case terminates for the reason “Failure to Provide Information” and all of the necessary information is provided within the 90-day reconsideration period (the caseworker sent the DSS-8110 Termination notice TIMELY), the subsequent DSS-8110 is an ADEQUATE notice. The Desk Reference Tool provides instructions for generating the adequate DSS-8110 Notice.

F. Straight Through Processing (STP) - Recertification

- 1. The STP batch will run after SNAP e14 Waiver determinations have been made.
- 2. STP is available for MAGI and non-MAGI programs. NC FAST will run the STP batch for recertifications that were not completed during the SNAP (e)14 Waiver batch.

3. When the recertification is completed during the SNAP (e)14 Waiver batch or the STP batch, NC FAST will generate and mail the appropriate notice to the beneficiary.
4. NC FAST will complete electronic verification data source requests (OVS, TWN, AVS) during the first step of the STP. Caseworkers must not request again unless there is a discrepancy or an error.
5. NC FAST will begin the STP for all MAGI and most non-MAGI cases.
 - a. NC FAST will not request AVS for MAF Medically Needy cases.
 - b. When an ABD case has a Special Assistance case associated with it, NC FAST will not select the case for STP. Caseworkers must request electronic data sources.
 - c. Non-MAGI forced eligibility cases will not be selected for STP.
 - d. Medically Needy cases that are authorized but not active because the deductible was not met will not be selected for STP.
 - e. Non-MAGI cases not selected for STP will not have any data in the STP field on the pending recertification report in NC FAST.

G. STP – Applications

1. All MAGI applications will be evaluated for eligibility using the STP Application process by NC FAST.
2. This includes applications submitted electronically via ePASS and the FFM, and applications keyed into NC FAST by the caseworker.
3. If NC FAST is able to determine the applicant eligible based on the information entered during the application process, the application will be approved, and the case will be activated.
4. NC FAST will automatically generate and mail DHB-8030, Notice of Application Determination to the beneficiary. The notice will be visible in NC FAST.

H. Automatic Extensions

1. Automatic Extension Batch Exclusion Process

Generation of DSS-8110 in NC FAST **will exclude** the cases from Data Fix extension.

- a. Requests for data fix exclusions should only be submitted for beneficiaries whose benefits are ending in the current month and **do not have** a DSS-8110 generated in NC FAST.
- b. Counties should submit the NC FAST Batch Exclusion Template each Monday. Please submit no more than two templates per county each week. All requests should be sent by email to:

Medicaid.OST.SpecialProjects@dhhs.nc.gov and should include the subject line: NC FAST Batch Exclusion/[County Name].

See NC FAST Weekly Communications for information regarding the date the first data fix will run. Reminder: the first data fix is run on the same weekend as the COVID Batch Extension.

- c. All requests to exclude beneficiaries from the data fix must be submitted no later than noon on the last workday prior to the data fix.
- d. Requests to exclude beneficiaries from the second data fix must be submitted no later than noon on the last workday prior to the second data fix. This request would include beneficiaries in which changes were made after the first data fix or beneficiaries who were missed in the first data fix exclusion.
- e. When it is necessary to request exclusion from the second data fix, counties must ensure that a DHB-8020 has been submitted and benefits for the following month have been removed.
- f. Beneficiaries cannot be excluded from the COVID-19 Batch Extension or the Hawkins Batch Extension. These extensions happen if the recertification is incomplete. To ensure that beneficiaries are not extended due to the batch extensions, ensure that the recertification process is completed timely, and the appropriate notice is generated in NC FAST.

2. COVID Extension Batch

The COVID-19 Extension Batch will continue to run monthly. When a case is extended by the COVID-19 batch, the extension will be for three months.

3. Hawkins Extension Batch

The Hawkins Extension Batch will continue to run monthly with no change to the process. Cases extended by the Hawkins batch will be extended three months at a time until the recertification is completed. This batch will run after all other extension batches at the end of the month.

VI. EFFECTIVE DATE OF CHANGE AND IMPLEMENTATION

Information and policy in this administrative letter are effective for all applications, changes in circumstances and recertifications with certification periods beginning July 1, 2025, or later.

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

DocuSigned by:

06565C1C2A8F4C8...

Jay Ludlam
Deputy Secretary, NC Medicaid