

DHB ADMINISTRATIVE LETTER NO: 11-23, REQUEST FOR NC INNOVATIONS WAIVER INDICATOR ACTION NEEDED

DATE: July 21, 2023

SUBJECT: Request for NC Innovations Waiver Indicator Action Needed

DISTRIBUTION: County Departments of Social Services
Directors
Adult Medicaid Program Administrators
Medicaid Supervisors
Medicaid Eligibility Staff

Alamance, Ashe, Beaufort, Bladen, Buncombe, Cabarrus, Caldwell, Carteret, Chatham, Columbus, Cumberland, Currituck, Davidson, Durham, Forsyth, Franklin, Granville, Guilford, Halifax, Harnett, Hertford, Hoke, Jackson, Johnston, Lenoir, Martin, Mecklenburg, Moore, Nash, New Hanover, Orange, Pasquotank, Pender, Perquimans, Pitt, Richmond, Rockingham, Rowan, Stanly, Union, Wake, Wilkes, Wilson, Yancey

I. BACKGROUND

This letter provides guidance regarding beneficiaries who were receiving (b)(3) Deinstitutionalization services. **This letter is addressed only to the counties listed above.** Approvals for these services was completed through the LME MCOs, via the utilization management authorization process. The local agency was not involved in this process. The funding for (b)(3) Deinstitutionalization services ended on March 31, 2023. It was critical that there not be an interruption of services for these beneficiaries, therefore an immediate transition was necessary.

II. CONTENT OF CHANGE

On April 1, 2023, NC Medicaid and CMS approved individuals who had been receiving the (b)(3) Deinstitutionalization services (which are Innovations look-a-like services) to transition to the NC Innovations waiver **without** an eligibility determination **prior** to the transition. The (b)(3) Deinstitutionalization services have the same Level of Care (LOC)

as Innovations, and all the individuals receiving the (b)(3) Deinstitutionalization Medicaid Services should have active Medicaid.

The Division of Health Benefits (DHB) took the action to enter the “IN” indicators and relevant evidence, verified and applied changes for those beneficiaries currently receiving in a P26 MAD Medicaid case in NC FAST, due to the tight timeline of (b)(3) services funding ending. **The local agency is only required to complete a transfer of asset evaluation for these beneficiaries.**

Indicators were unable to be entered for beneficiaries receiving in a MAGI program. For these individuals, the local agency will need to:

- Key a P26 administrative application and authorize the MAD Medicaid case and,
- Enter the Innovations Indicator in both the Level of Care evidence and the Medical Institution evidence with an **effective date of 4/1/2023**.
- Enter the disability evidence with an effective date of 4/1/2023
- **After** authorizing the P26 case, close the MAGI case

A DDS determination is **not** required for these MAGI beneficiaries **prior** to approving the MAD eligibility. **After** activation of these cases, for those beneficiaries that currently do not have a disability determination, a DDS determination is required. The caseworker will need to:

- Complete the assessment information and submit the package to DDS according to policy, requesting a disability determination effective 4/1/2023.
- Complete an eligibility determination and an evaluation of transfer of assets, according to relevant policy.
- Once DDS returns the disability decision, the caseworker will need to update the disability evidence with the disability effective date, **if** the disability effective date is **prior to 4/1/2023**.
 - If for any reason, DDS returns a disability effective date, any later than 4/1/2023, **DO NOT** change the disability effective date. Leave the disability effective date as 4/1/2023 and document the case well and reference this administrative letter in the narrative, regarding why the effective date was not changed and for auditing purposes.

Once the evaluations have been completed, **it is imperative to notify DHB**, if there are any beneficiaries that are not eligible for the Innovations waiver. Reporting these beneficiaries is necessary so that the LME MCO can find alternate means to continue to provide necessary services to these beneficiaries. If the beneficiary is not eligible or would be eligible for a reduced benefit, timely notice is required. To report ineligible

beneficiaries or if you have any questions regarding these (b)(3) cases please contact Sandy Danner at sandy.danner@dhhs.nc.gov.

DHB uploaded a copy of the Memorandum of Approval (MOA) notice for all beneficiaries. The MOA document was uploaded to the person page, contact, attachments folder.

The report which identifies the affected individuals can be located on [FAST Help at Home>Medicaid Reports>b\(3\) Waiver Report](#)>. The report is password protected with the normal NCF password. This report includes both Non-Magi and Magi beneficiaries which require an evaluation outlined above.


For the ongoing process, the local agency will receive any additional indicator requests/evaluations or documentation related to beneficiaries who require an Innovations evaluation, from their LME/MCO. The local agency will follow current policy and evaluate these beneficiaries for the Innovations Waiver.

The Office of Compliance and Program Integrity will follow the guidance outlined in the letter as it relates to these identified beneficiaries, to avoid county errors due to the “IN” indicator being entered by DHB and the guidance/actions required by the local agency for the individuals listed on the report. **DHB is requesting these evaluations be completed within 60 days from the date of this letter.** Any beneficiaries who are determined to not be eligible for the Innovation Waiver services effective 4/1/2023 through the month the local agency makes an eligibility determination and sends timely notice, the local agency will not be responsible for the incorrect authorization.

III. EFFECTIVE DATE OF CHANGE AND IMPLEMENTATION

This letter is effective upon receipt.

If you have any questions regarding this material, please contact Sandy Danner at sandy.danner@dhhs.nc.gov.

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Jay Ludlam
Deputy Secretary, NC Medicaid