
LIVING ARRANGEMENT

REVISED 11/2/2020 - CHANGE NO. 04-20

Current Change Notice: 04-20

- Section II, Types of Institutions/Facilities
 - The types of Juvenile Justice facilities expanded to include: Juvenile Detention Centers, Youth Development Centers, Penal Wilderness Camps and Federal Residential Re-Entry Facilities.
 - Additional methods of verification to determine type of facility/institution were added, including self-attestation for non-state correctional facilities.
- Section III, Medicaid Suspension/Termination for Incarcerated Beneficiaries
 - Beneficiaries who are incarcerated in a federal prison, county or local jail must have their Medicaid eligibility terminated. Policy was revised to add exceptions for beneficiaries under age 21 and MFC who must have Medicaid eligibility suspended.
 - The aid program/categories in which beneficiaries cannot have their eligibility remain in suspension is updated to include Health Coverage for Workers with Disabilities (HCWD) and Medicaid for Qualified Beneficiaries (MQB). Evaluate for all other Medicaid programs before terminating the case. Manual: Family and Children's Medicaid Change No: 04-20 To: County Directors of Social Services
 - Family Planning beneficiaries incarcerated in Department of Public Safety (DPS) facilities who remain otherwise eligible should have their Medicaid suspended.
 - The Special Assistance Product Delivery Case must be closed, and the beneficiary evaluated for continued Medicaid eligibility.
 - The Incarceration Tasks Report Details is located in NC FAST > Reports> O&M Reports>Daily, Monthly and Yearly Reporting Tab> Incarceration and HEARTS Reports. This provides incarceration details for applicants and beneficiaries who are housed in DPS facilities. This report should be monitored daily to ensure appropriate actions are taken.
 - NC FAST will create a task for Incarceration Evidence and create an on-hold decision on the case associated with that beneficiary.
 - Recertifications must be completed during the length of incarceration for:
 - All Medicaid beneficiaries in DPS facilities
 - Beneficiaries under 21 and MFC in DPS and the other facility types included in this change.
- Section IV, Medicaid Suspension for Incarcerated Beneficiaries Under 21 and Former Foster Care (MFC) Under Age 26
 - Medicaid eligibility cannot be terminated for incarcerated beneficiaries under 21 or eligible MFC in DPS facilities, Federal Prisons, Juvenile Justice Facilities, County Jails or Local Jails. They must have their Medicaid suspended, if otherwise eligible.
 - Currently eligible inmates must have their eligibility placed in suspension with the appropriate living arrangement.

- Determine whether the beneficiary remains eligible in their current Medicaid program. If not, they must be evaluated for eligibility in other Medicaid programs and transferred, if otherwise eligible.
- Process applications submitted on behalf of inmates by DPS and other facilities and approve in suspension unless the applicant is going to be released in the first month of eligibility.
- Guidance regarding children awaiting adjudication is revised and updated.
- These beneficiaries who are Safekeepers will have their Medicaid benefits placed in suspension.
- Recertification must be completed during the length of incarceration.
- Section V, Medicaid Suspension/Termination of Beneficiaries Who Enter an Institution of Mental Disease (IMD)
 - To place the beneficiary's Medicaid in suspension, enter the IMD on the evidence dashboard.
 - When a Medicaid beneficiary is discharged from an IMD, the caseworker must confirm the discharge and conduct an ex-parte and to determine Medicaid eligibility.
- Section VI, Living Arrangements
 - Includes a chart of Living Arrangements.
 - Provides instructions on use of following living arrangements:
 - Incarceration – County, City
 - Incarceration - Other, Federal

I. OVERVIEW OF LIVING ARRANGEMENT

A. Introduction

The type of living arrangement that an applicant/beneficiary (a/b) has affects whether the individual is potentially eligible for Medicaid **and** whether **they are** budgeted as private living arrangement (**PLA**) or as long-term care (**LTC**). This is very important because how an individual is budgeted affects county of residence, reserve, and spousal/parental financial responsibility.

The purpose of this section is to provide information to determine the type of living arrangement and whether to budget **PLA** or **LTC**. Use the [DHB-5121](#), Determining Potential Medicaid Eligibility, as a reference.

B. Types of Living Arrangements

For Medicaid purposes there are two types of living arrangements, private living arrangement (**PLA**) and long-term care (**LTC**) living arrangement.

1. Private Living Arrangement (**PLA**)

A private living arrangement is usually thought of as a private residence. However, in the Medicaid program individuals who live in many types of

group living arrangements or institutional settings are also budgeted as PLA. The following types of living arrangements are considered PLA:

- a. Home or apartment,
- b. Commercial boarding house or rooming house,
- c. Adult Care Home (formerly domiciliary care facility),
- d. Residential Treatment facility,
- e. Educational or Vocational facility,
- f. Hotel and Motel,
- g. Group living arrangement or supervised independent living licensed by the Division of Mental Health/Developmental Disabilities/Substance Abuse Services (DMH/DD/SAS),
- h. Homeless or emergency homeless shelter,
- i. An inpatient stay in a general/acute care hospital providing medical, surgical, psychiatric or substance use treatment, a psychiatric residential treatment facility (PRTF), nursing facility or Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF-IID) when:
 - (1) The institutionalization is expected to last 12 months or less and the individual is under 21 years of age; or
 - (2) The institutionalization lasts less than 30 continuous days and the individual is 21 years of age or older; or
 - (3) The institutionalization lasts less than 30 continuous days and the individual is a disabled child under the age of 18.
- j. Correctional Facilities (prisons, jails or federal facilities)

2. Long Term Care Living Arrangement (LTC)

In the Medicaid program, only those individuals who live in a medical facility as defined in [MA-2270/MA-3325](#), Long Term Care Need and Budgeting, are considered to be in a long-term care living arrangement. This includes:

- a. A nursing facility for Skilled Nursing Facility (SNF), Intermediate Care Facility (ICF), Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF-IID), Skilled Nursing Facility (SNF) Rehabilitation, Hospice; or

- b. Nursing level of care in a hospital (usually called a swing bed or inappropriate level of care bed); or
- c. A general/acute care hospital, psychiatric unit of a state mental hospital, or psychiatric residential treatment facility (PRTF) when the length of stay is expected to exceed 12 months or ends with a direct transfer to a nursing facility; or
- d. **When an a/b receives services under a Community Alternative Program (CAP),** refer to [MA-2280/MA-3260](#) Community Alternatives Program for budgeting rules.

II. TYPES OF INSTITUTIONS/FACILITIES

To determine whether an individual is potentially eligible for Medicaid or whether **the individual** is budgeted **PLA** or **LTC**, **the caseworker** must identify the type of **institution in which they reside**. Use the following information to help identify the a/b's living arrangement.

A. Public Institution

A public institution is the responsibility of a governmental unit. Examples of public institutions include prisons, jails, and juvenile justice facilities. **Juvenile justice facilities are only applicable to beneficiaries under 21 years of age and include: Juvenile Detention Centers, Youth Development Centers, Penal Wilderness Camps and Federal Residential Re-Entry Facilities.**

Individuals under the jurisdiction of the court for whom the public authorities are not providing food and shelter are **not** considered inmates of a public institution. These individuals are potentially eligible for Medicaid. Examples of this situation are house arrest, probation, or parole.

B. Medical Institution/Facility

- 1. A medical institution is an institution that **primarily** provides inpatient medical care (not residential care). It can be a general hospital, specialty hospital, nursing facility (SNF, ICF, or ICF-**IID**), rehabilitation facility, Hospice facility, psychiatric hospital, (see C., below), or psychiatric residential treatment facility (PRTF) (see E., below).

2. Inpatients in a medical facility can be budgeted **PLA** or **LTC** depending on the type of medical facility, level of care, length of stay, and age of the beneficiary.
3. Only inpatients in a medical facility who meet the requirements in [MA-2270/MA-3325](#), Long Term Care are budgeted **LTC**. This means Medicaid will pay for the cost of care.

C. Institution for Mental Disease IMD

An Institution for Mental Disease (IMD) is a hospital, nursing facility, or other institution of more than 16 beds that is **primarily** engaged in providing diagnosis, treatment or care of persons with mental diseases. The treatment of alcohol use, substance use or other chemical dependency syndromes are included in this definition. Residential facilities also treat alcohol and substance **use issues**, but they are not considered a **medical** institution. Refer to D **below**.

An IMD may be a private psychiatric hospital or a state mental hospital. There are three state mental hospitals: Broughton, Central Regional, and Cherry.

D. Residential Treatment Facilities

1. A residential treatment facility is an institution **where** individuals are **living** and **receiving** treatment or services appropriate to their needs. However, it is not a medical institution. Treatment facilities provide services other than food and shelter, such as behavioral modification treatment for substance **and alcohol use disorders** or help with personal/**daily** living activities. Incidental medical or remedial care may also be provided **by the facilities**.
2. **Beneficiaries** in a residential treatment facility are always budgeted **PLA**. Medicaid does not pay for cost of care (room and board). Always advise the a/b **they are** responsible for paying for cost of care. Refer **them** to **DMH/DD/SAS** for possible funding.
3. There are many types of residential treatment facilities. Examples include, but are not limited to:
 - a. Non-hospital facilities licensed by **DMH/DD/SAS**
 - b. Rehabilitative facilities for substance **and alcohol use disorders**
 - c. Detoxification facilities
 - d. Therapeutic camps and homes
 - e. Halfway houses

- f. Group homes or supervised living arrangements licensed by **DMH/DD/SAS**
- g. Group homes serving developmentally disabled adults (DDA homes)
- h. Eckerd **Connects, West Care NC Girls Program and Methodist Home for Children**
- i. Wilderness Camps

E. Psychiatric Residential Treatment Facilities (PRTF)

- 1. A Psychiatric Residential Treatment Facility (**PRTF**) provides treatment for individuals with mental illness or substance **and alcohol use disorders** who require services in a non-acute inpatient setting. The individual must require supervision and specialized interventions on a 24-hour basis to attain a level of functioning that allows subsequent treatment in a less restrictive setting.
- 2. PRTF’s are structured psychiatric programs which meet accreditation requirements, and the facility must enroll as a Medicaid PRTF provider to bill for these services.
- 3. Coverage includes room, board and treatment.
- 4. Budgeting procedures **for Medical Assistance to Families for Dependent Children (MAF)** or **Medicaid for Infants and Children (MIC) beneficiaries** in PRTF’s are based on the length of time the **beneficiary** will be out of the home.

Refer to [MA-3305 MAF, MIC, HSF](#) Budgeting, [MA-2270/MA-3325](#), Long Term Care for budgeting procedures [MA-2120](#) Medically Needy Budgeting, and [MA-2270/ MA-3325](#) Long-Term Care Budgeting.

- 5. Only **beneficiaries** under age 21 are eligible for payment of this service. **If a beneficiary is residing** in a PRTF on **their 21st birthday they** continue to be covered until age 22.

F. Verification

Use the following to determine the type of facility/institution:

- 1. **Self-Attestation is accepted for all non-state correctional facilities.**
- 2. **Perform a “Provider” search in NC FAST to verify the facility/institution.**
- 3. **Contact the Local Management Entity-Managed Care Organization (LME-MCO) to verify residential treatment facilities.**

4. Contact the **North Carolina Department of Public Safety, Division of Adult Correction and Juvenile Justice**.
5. Contact the administrator of the facility and ask how the facility is licensed and what is the source of the expected payment for the stay.

III. MEDICAID SUSPENSION/TERMINATION FOR INCARCERATED BENEFICIARIES

A. General Rules Regarding Suspension and Termination

Incarcerated Individuals

1. Beneficiaries who are incarcerated in a federal prison, county or local jail must have their Medicaid eligibility terminated. **The exceptions are beneficiaries under age 21 and MFC must have their Medicaid eligibility suspended.**
2. Inmates who are incarcerated in a **North Carolina Department of Public Safety (DPS) state prison** facility must have their eligibility placed in suspension, provided they remain otherwise eligible for Medicaid.
3. The only services that are covered while a beneficiary's Medicaid is in suspension for incarceration are medical services received during an inpatient stay.

B. Beneficiaries Whose Eligibility Cannot be Placed in Suspension

1. **Beneficiaries** in the **aid program**/categories listed below cannot have their eligibility placed in suspension. They must be evaluated for other **Medicaid programs** and have either their eligibility transferred or adequately terminated if not eligible.
 - a. Refugee Assistance (MRF and RRF),
 - b. NC Health Choice
 - c. Non-qualified aliens or qualified aliens during the five-year ban (any aid program/category)
 - d. Health Coverage for Workers with Disabilities (HCWD)**
 - e. Medicaid for Qualified Beneficiaries (MQB)**
2. Caretakers

Beneficiaries who are incarcerated cannot receive as a caretaker and must be evaluated for other **Medicaid** programs.

C. Suspension of Medicaid Benefits

1. **NC Department of Public Safety (DPS) Information Technology Division (ITD)** receives a daily file of new confinements from the **Department of Public Safety (DPS)**.

When a **beneficiary** appears on this file with an incarcerated date **without a release date**, **NC FAST** will create a task for **Incarceration Evidence** and create an on-hold decision on the case associated with that beneficiary.

The **Incarceration Tasks Report Details** is located in: **NC FAST - Reports > O&M Reports > Daily, Monthly & Yearly Reporting> Incarceration and HEARTS Reports**. This report should be monitored daily to ensure appropriate actions are taken.

The caseworker must accept the on-hold decision to ensure the case is suspended and the appropriate living arrangement code is transmitted to **NCTracks** by **NC FAST**. The caseworker must evaluate the case and the appropriate action to continue suspension or terminate.

The **Medicaid suspension effective date** is the day after the date of incarceration.

2. The **caseworker** should update the address to:

Medicaid Coordinator
NC Department of Public Safety - Division of Prisons
831 W. Morgan Street
Raleigh, NC 27699-4278

For beneficiaries under age 21:

Director of Social Work
NC Department of Public Safety- Juvenile Justice
3010 Hammond Business Place
Raleigh, NC 27603
919-324-6388

Refer to **NC FAST Job Aids: MAGI – Incarceration, or Traditional MA – Incarceration**

3. **Community Alternatives Program (CAP) Beneficiaries**

Recipients who are in suspension status for Medicaid due to incarceration are not eligible for CAP.

When Medicaid is put in suspension status, an end date is entered in the special coverage field for CAP services as the last day of the incarcerated month.

4. Supplemental Security Income (SSI) Beneficiaries

Beneficiaries with an SSI indicator of “Y” cannot be terminated until the Social Security Administration terminates their SSI. When it becomes known to the local agency that an SSI beneficiary has been incarcerated, notify the Social Security Administration of the beneficiary’s status using the [DMA-5049, Referral to Local Social Security Office](#). Complete an ex-parte recertification when SSI stops due to incarceration. These beneficiaries will appear on the SSI Termination Report.

5. Family Planning Program (FPP) Beneficiaries

Family Planning beneficiaries incarcerated in a DPS facility who remain otherwise eligible should have their Medicaid suspended.

6. Special Assistance

The Special Assistance Product Delivery Case (PDC) must be closed, and the beneficiary evaluated for continued Medicaid eligibility. Medicaid is suspended at the same time.

- a. The Living Arrangement code is changed to 16. The Facility code is deleted.
- b. NC FAST will generate a DSS-8110, to include the statement “Your Special Assistance check will stop MMDDYY.” The MMDDYY date is the last day of the incarcerated month.
- c. NC FAST will generate a [DSS-8110](#) to notify the authorized representative(DPS Medicaid Coordinator) when Medicaid is suspended.
- d. The Medicaid effective date is the first day of the ongoing month following the month of incarceration.
- e. A certification period from the first day of the ongoing month through the end of the current ongoing Medicaid certification period.

D. Local Agency Responsibilities

1. **The North Carolina** Department of Public Safety (**DPS**) makes applications on behalf of its inmates under **the following** circumstances:

- The individual has had, or it is anticipated **to** have an inpatient hospitalization, or
- The inmate **will soon** be released back into the community.

a. **Inmates** with Inpatient Hospitalization

DPS takes applications **for** inmates who have inpatient hospitalizations but who will remain incarcerated after release from the hospital. **DPS is the authorized representative for all inmates**. The application along with signed authorizations are forwarded for processing to the inmate's last county of residence prior to incarceration. **Enter the appropriate living arrangement and incarceration evidence to approve the application in suspension status.**

Follow procedures in [MA-2300/3200](#), Application. **If additional information is needed to complete the application contact:**

Medicaid Coordinator
NC Department of Public Safety-Division of Prisons
831 W. Morgan Street
Raleigh, NC **27699-4278**

For beneficiaries under age 21 contact:

Director of Social Work
NC Department of Public Safety- Juvenile Justice
3010 Hammond Business Place
Raleigh, NC 27603
919-324-6388

b. **Inmates Scheduled for Release**

DPS will continue to send applications for **inmates** who are scheduled for release to the county where the **inmate** is expected to live. **DPS is the authorized representative for all inmates until their release**. Follow policy in [MA-2300/3200](#).

After the applicant **is** released, contact **the individual** at the address shown on the application for all needed information.

2. Inmates of Federal Prisons, County Jails or Local Jails

The governing authorities over federal prisons, county and local jails retain third party responsibility for the medical care of inmates in their custody.

When it becomes known to the **local agency** that a **Medicaid** beneficiary is incarcerated in a federal prison, county or local jail, send an adequate [DSS-8110](#) to the **beneficiary's** last known address. Terminate according to instructions in [MA-2352/MA-3410](#), Terminations/Deletions. These living arrangement types will show as Living Arrangement 19 or 20 in Benefit History.

This does not apply to beneficiaries under age 21 and MFC who must have their Medicaid eligibility suspended. Refer to Section IV. below for instructions regarding beneficiaries under age 21 and MFC.

- a. Incarceration – County/City (Living Arrangement 19) should be utilized to suspend individuals age 21 or over and who are not MFC, when incarcerated in a local jail through the end of the month of incarceration. These individuals should be ineligible and terminated.
- b. Incarceration – Other/Federal (Living Arrangement 20) should be utilized to suspend individuals age 21 or over and who are not MFC, when incarcerated in Federal or other facilities through the end of the month of incarceration. These individuals should be ineligible and terminated.
- c. Incarceration – County/City and Incarceration – Other/Federal (Living Arrangements 19 and 20) should only be utilized to suspend ongoing Medicaid for beneficiaries under age 21 and MFC. Other individuals are not eligible for **ongoing** Medicaid with these living arrangements.

Refer to NC FAST Job Aids: MAGI – Incarceration (or) Traditional MA - Incarceration

3. Supplemental Security Income (SSI) Beneficiaries

Beneficiaries with an SSI indicator of “Y” cannot be terminated until the Social Security **Administration** terminates their SSI. When it becomes known to the **local agency** that an SSI beneficiary has been incarcerated, notify the Social Security Administration of the **beneficiary's** status using the [DMA-5049](#), **Referral to Local Social Security Office**. Complete an ex-parte **recertification** when SSI stops due to incarceration. These **beneficiaries** will appear on the SSI Termination Report.

4. Case Head with Other Eligible Family Members

Incarcerated individuals cannot remain as Case Head. If an incarcerated individual is a Case Head, review the case file for other family members or third-party contact information.

- a. Contact the family or third party and find out with whom the children are living. Obtain the information necessary to replace the Case Head.
- b. **Update the PDC with** the name of the new Case Head for the institutionalized Case Head.
- c. Change the address and **telephone** number, if necessary.

5. **Applications/Changes in Situation During the Application Process**

If an applicant on a Medicaid application becomes incarcerated in DPS, evaluate the applicant for all aid/program categories up to the day of incarceration. If otherwise eligible, approve the application in suspension status the date that all eligibility factors are met.

6. **Recertifications for Individuals Incarcerated in DPS**

Recertifications must be conducted during incarceration for beneficiaries. The recertification must be based on the certification period and not based on the date of incarceration.

- a. Complete the recertification using available information, including electronic sources. If there is no change to current aid/program category, authorize the case in suspension. No further action is required.
- b. If there is a change in aid/program category or Medicaid eligibility take the appropriate case actions.
- c. Contact the Medicaid Coordinator for additional information if needed.

Medicaid Coordinator
NC Department of Public Safety - Division of Prisons
831 W. Morgan Street,
Raleigh, NC 27699-4278

- d. If the beneficiary is no longer incarcerated, complete an ex parte review to re-evaluate for Medicaid eligibility. Send the appropriate notice to the beneficiary's last known address according to instructions in [MA-2352/MA-3410](#), Terminations/Deletions and Ex-partes.

7. **Recertifications for Incarcerated Beneficiaries under the age of 21 and MFC**

Recertifications must be completed during incarceration. The recertification must be based on the certification period and not based on the date of incarceration.

- a. Complete the recertification using available information, including electronic sources. If there is no change to current aid/program category, authorize the case in suspension. No further beneficiary action is required.
- b. If there is a change in aid/program category or Medicaid eligibility take the appropriate case actions.
- c. For individuals who are in a multiple-member household, continue to send notices to the last known household mailing address.
- d. If additional information is needed contact:
Medicaid Coordinator
NC Department of Public Safety - Division of Prisons
831 W. Morgan Street,
Raleigh, NC 27699-4278

For beneficiaries under age 21 contact:

Director of Social Work
NC Department of Public Safety- Juvenile Justice
3010 Hammond Business Place
Raleigh, NC 27603
919-324-6388
- e. If the beneficiary is no longer incarcerated, complete an ex parte to re-evaluate for Medicaid eligibility.

E. Termination of Medicaid Benefits for Individuals Suspended Due to Incarceration

NC FAST receives a daily file of individuals who are incarcerated in DPS custody as a Safekeeper or who are deceased. Medicaid benefits for these individuals should terminate.

1. Safekeepers

Safekeepers are county jail inmates who are transferred to DPS custody due to the county's inability to safely maintain the individual in local custody. These individuals are not eligible because they still are considered inmates of the county with the exception of beneficiaries under age 21 and MFC, see

section IV. Medicaid is terminated effective the last day of the month of incarceration.

An adequate DSS-8110 must be sent notifying the beneficiary their benefits are terminated.

For a multi-person case update the appropriate evidence for the individual. The DSS-8110 notifies the case head that Medicaid for this person is terminated.

If the incarcerated individual was the case head, refer to NC FAST Job Aid: Updating the Case Head on a Medical Assistance Product Delivery Case.

Refer to NC FAST Job Aids: MAGI Incarceration (or) Traditional MA Incarceration

2. Deceased Beneficiaries

The date of the beneficiary's death must be entered prior to termination. Update appropriate evidence to terminate the individual. Medicaid is terminated effective the last day of the month of death.

For a multi-person case update appropriate evidence for the individual. The DSS-8110 notifies the case head that Medicaid for this person is terminated.

For keying instructions, refer to NC FAST Job Aid: Death of a Medical Assistance Client.

Refer to NC FAST Job Aids: MAGI - Incarceration (or) Traditional MA - Incarceration

F. Reinstatement of Medicaid Benefits for Individuals Suspended Due to Incarceration

NC FAST receives a daily file from the North Carolina Department of Public Safety (DPS) of beneficiaries newly released from DPS custody. These beneficiaries are listed on the Incarceration Tasks Report Details.

When a beneficiary appears on this file with a release date, the Medicaid must be unsuspended. NC FAST will create a task for Incarceration Evidence and create an on-hold decision on the case associated with that beneficiary.

Once the caseworker accepts the on-hold decision, Medicaid coverage is effective the day of release.

The caseworker will send an adequate notice, DSS-8110, to the release address on file with DPS informing the beneficiary of their Medicaid reinstatement.

IV. MEDICAID SUSPENSION FOR INCARCERATED BENEFICIARIES UNDER 21 AND MFC

Medicaid cannot terminate the Medicaid eligibility for incarcerated beneficiaries under 21 or eligible MFC.

A. Public Institution

Types of Institutions and Facilities:

A public institution is the responsibility of a governmental unit. Examples of public institutions include prisons, jails, and juvenile justice facilities. Juvenile justice facilities include: Juvenile Detention Centers, Youth Development Centers, Penal Wilderness Camps and Federal Residential Re-Entry Facilities.

1. North Carolina Department of Public Safety (DPS)

a. Currently Eligible DPS Inmates

DPS shares information on newly incarcerated individuals with the Division of Health Benefits (DHB). Beneficiaries who have been suspended are included on the NC FAST Incarceration Tasks Report. The beneficiaries identified from this match have their eligibility placed in suspension by NC FAST with a living arrangement code of 16.

The report assists local agencies to determine whether the beneficiary remains eligible in their current Medicaid program or must be transferred to another program category.

b. Applications from DPS

Process applications submitted on behalf of inmates by DPS. These applicants are placed in suspension unless the applicant is going to be released in the first month of eligibility. If otherwise eligible, the local agency can approve the case in suspension status.

2. Inmates of Federal Prisons, Juvenile Justice Facilities, County Jails or Local Jails

The governing authorities over federal prisons, county and local jails retain third party responsibility for the medical care of inmates in their custody. Beneficiaries under age 21 and MFC in these facilities must have their Medicaid suspended, if otherwise eligible.

- a. If they were not a beneficiary upon incarceration Process applications submitted on behalf of these individuals. inmates. These applicants are placed in suspension unless the applicant is going to be released in the first month of eligibility. If otherwise eligible, the local agency can approve the case in suspension status.
- b. Current beneficiaries
 - (1) Evaluate for continued eligibility.
 - (2) If the beneficiary remains eligible in the same program category, suspend the Medicaid in the same program and no further action is needed until recertification.
 - (3) If the beneficiary remains eligible in another aid program/category, make the change but continue eligibility in suspension.

3. Covered Services while Eligibility is In Suspension

The only services that are covered while a beneficiary's Medicaid is in suspension for incarceration are medical services received during an inpatient hospital stay.

4. Children Awaiting Adjudication

- a. A child can be charged with an offense and placed in detention or hospital setting by the court prior to adjudication (the judge's final order in **the** case is the final disposition of the charge). In this situation whether or not the child is considered an inmate of a public institution depends on the final placement.
 - (1) If final placement is a detention or correctional facility, the child is considered an inmate of a public institution beginning with the day **the child** is arrested and detained.
 - (2) If the final placement is any place other than a public institution (placed with a relative, psychiatric hospital, etc.), the child is never considered an inmate of a public institution and may be eligible for Medicaid.
- b. When a child is incarcerated waiting final placement, accept a Medicaid application and authorize, if eligible. Once final placement is determined, evaluate whether the child is considered an inmate of a public institution based on final placement. Take appropriate action on the case to suspend if child is considered an inmate.

B. General Rules Regarding Suspension

1. Incarcerated Beneficiaries under age 21 or MFC
 - a. Beneficiaries who are incarcerated in a federal prison, juvenile justice facility, county or local jail must have their eligibility suspended.
 - b. Inmates who are incarcerated in a DPS facility must have their eligibility placed in suspension, provided they remain otherwise eligible for Medicaid.
 - c. The only services that are covered while a beneficiary's Medicaid is in suspension are medical services received during an inpatient hospital stay.
2. Beneficiaries under age of 21 or MFC Safekeepers

Safekeepers are county inmates who are transferred to DPS custody due to the county's inability to safely maintain the individual in local custody.

- a. Beneficiaries and MFC who are Safekeepers are eligible for Medicaid benefits in suspension. Medicaid is suspended the day after the date of incarceration. An adequate DSS-8110 is sent notifying the beneficiary their benefits are suspended.
- b. For a multi-person case, update the appropriate evidence for the beneficiary. The DSS-8110 notifies the case head that Medicaid for this person is suspended.

For keying instructions refer to [NC FAST Job Aid: Updating the Case Head on a Product Delivery Case.](#)

C. Verification

Use the following methods to determine the type of facility/institution:

1. Self-Attestation is accepted for all non DPS correctional facilities.
2. Perform a "Provider" search in NC FAST to verify the facility/institution.
3. Contact the North Carolina Department of Public Safety, Division of Adult Correction and Juvenile Justice.
4. Contact their Local Management Entity-Managed Care Organization (LME-MCO) to verify residential treatment facilities.

5. Contact the administrator of the facility and ask how the facility is licensed and what is the source of the expected payment for the stay.

D. Local Agency Responsibilities

1. Applications received from North Carolina Department of Public Safety (DPS)

DPS makes applications on behalf of its inmates under the following circumstances:

- The inmate is scheduled for release back into the community;
- The inmate has, or it is anticipated to have an inpatient hospitalization.

a. Inmates with Inpatient Hospitalization

DPS takes applications from inmates who have an inpatient hospitalization but who will remain incarcerated after release from the hospital. The application along with signed authorizations are forwarded for processing to the inmate's last county of residence prior to their incarceration. Enter the appropriate living arrangement and incarceration evidence to approve the application in suspension status.

For information needed to process the application contact:

Medicaid Coordinator
NC Department of Public Safety - Division of Prisons
831 W. Morgan Street
Raleigh, NC 27699-4278

For beneficiaries under age 21 contact:

Director of Social Work
NC Department of Public Safety- Juvenile Justice
3010 Hammond Business Place
Raleigh, NC 27603
919-324-6388

2. Inmates Scheduled for Release

DPS will continue to send applications for inmates who are scheduled for release to the county where the inmate is expected to live. DPS is the authorized representative for all inmates until their release. Follow policy in [MA-2300/3200](#).

After the applicant is released, contact the individual at the address shown on the application for all needed information.

3. Recertifications for Incarcerated Beneficiaries Under the Age of 21 and MFC

Recertifications must be conducted during incarceration. The recertification must be based on the certification period and not based on the date of incarceration.

- a. Complete the recertification using available information, including electronic sources. If there is no change to current aid/program category, authorize the case in suspension. No further beneficiary action is required.
- b. If there is a change in aid/program category or Medicaid eligibility take the appropriate case actions.

If additional information is needed contact
Medicaid Coordinator
NC Department of Public Safety - Division of Prisons
831 W. Morgan Street
Raleigh, NC 27699-4278

For beneficiaries under age 21 contact:

Director of Social Work
NC Department of Public Safety- Juvenile Justice
3010 Hammond Business Place
Raleigh, NC 27603
919-324-6388

V. MEDICAID SUSPENSION/TERMINATION FOR BENEFICIARIES WHO ENTER AN INSTITUTION FOR MENTAL DISEASE (IMD)

A. General Rules Regarding Suspension and Termination

Beneficiaries who are in an IMD cannot remain as a case head. If a beneficiary who is a case head is in an IMD, review the case for other family members or third-party contact information. Contact the family or third party and find out with whom the children are living. Obtain the information necessary to replace the institutionalized case head. Change the address and phone number if necessary, for the new case head.

1. When an individual is an inpatient in a state mental hospital or private psychiatric hospital for only a portion of a month, authorize the individual for the entire month if otherwise eligible.

2. Inpatients in a general/acute hospital on a substance use treatment ward or psychiatric ward may be eligible for Medicaid.
3. An individual **age 21 or over** on convalescent leave, or conditional release, or a trial visit home from a psychiatric hospital is not considered to be an inpatient. Therefore, the individual is potentially eligible for Medicaid.
4. An individual **under age 21** retains their inpatient status until they are **unconditionally** released.
5. An individual who is an inpatient at the time they turn age 21 remains eligible for Medicaid until they are released or turns age 22.

B. Suspension and Termination of Medicaid Benefits for Individuals Who Enter an Institution for Mental Disease (IMD)

1. Individuals age 21 thru 64

Medicaid benefits for beneficiaries who are authorized and are ages 21 thru 64 when they enter an Institution for Mental Disease (IMD) with more than 16 beds are suspended with living arrangement 17. Medicaid suspension is effective the date **after** the individual entered the facility. **To place the beneficiary's Medicaid in suspension, enter the IMD on the evidence dashboard.**

No medical services are covered for a beneficiary age 21 thru 64 in an IMD, however suspension will expedite the process of having Medicaid re-instated if **the individual** is released during the certification period.

2. Aid Program/Categories That Cannot Be Placed in Suspension

Beneficiaries in the aid program/categories listed below cannot have their eligibility placed in suspension. They must be evaluated for other Medicaid programs and have either their eligibility transferred or adequately terminated if not eligible.

- a. Refugee Assistance (MRF and RRF),
- b. NC Health Choice
- c. Non-qualified aliens or qualified aliens during the five-year ban (any aid program/category).
- d. **Health Coverage for Workers with Disabilities (HCWD)**

e. Medicaid for Qualified Beneficiaries (MQB)

3. Beneficiaries Turning Age 65

NC FAST will send a task notifying the local agency when a beneficiary is turning age 65. This task appears the month prior to the birth month. Evaluate for Medicaid eligibility and take the necessary actions based on appropriate program policy.

4. Medicaid Beneficiary Discharged from an IMD

When a Medicaid beneficiary is discharged from an IMD, the caseworker must conduct an ex-parte review. Confirm the discharge, re-evaluate the eligibility and send the appropriate DSS -8110 notice to notify the beneficiary of their eligibility or ineligibility.

5. Death of a Medicaid Beneficiary in an IMD

The date of the beneficiary's death must be entered prior to termination. Update appropriate evidence to terminate the individual. Medicaid is terminated effective the last day of the month of death.

For keying instructions, refer to [NC FAST Job Aid: Death of a Client](#).

VI. LIVING ARRANGEMENTS

CODE	LIVING ARRANGEMENT
10	<i>Private Living Arrangement</i>
11	<i>Private Living Arrangement 1/3 Reduced</i>
14	<i>PACE Living Arrangement (LOC = skilled nursing care)</i>
15	<i>PACE Living with SSI recipients (LOC= skilled nursing care)</i>
16	<i>Incarcerated (includes NC Department of Public Safety)</i>
17	<i>Institution for Mental Disease(IMD)</i>
18	<i>Medicaid Suspended-SA facility for Mental Disease</i>
19	<i>Incarcerated-County/ City (Suspend Only for individuals age<21 or MFC)</i>
20	<i>Incarcerated-Other, Federal (Only individuals age<21 or MFC)</i>
50	<i>Skilled Nursing facility (LOC= skilled nursing care)</i>
51	<i>Domiciliary Care, five or fewer bed</i>
52	<i>Domiciliary Care, six of More beds</i>
57	<i>Specialized communality residential centers. These are referred to as mental health facilities.</i>
53	<i>Foster Care</i>
54	<i>PACE Living in a nursing facility (LOC= skilled nursing care)</i>

56	<i>Adult Group Home</i>
57	<i>Children's Group Home</i>
59	<i>Intermediate Care Facility for Individuals with Intellectual Disability (LOC= Intermediate care facility for ICF IID)</i>
60	<i>Hospital, Over 30 days/Psychiatric Residential treatment Facility</i>
70	<i>Cherry Hospital</i>
73	<i>Broughton Hospital</i>
75	<i>Other Medical Institution</i>
76	<i>Central Region Hospital</i>
80	<i>Adoptive Home (adoptive Home or MAGI case with Adoption evidence present (align start dates of Adoption evidence to the first and end of the respective month)</i>