I. INTRODUCTION
There are 6 aid program categories and 6 classification codes for cases receiving Medicaid under a Family and Children aid/program category. Cases classified as “C,” “N,” “D,” or “W” have eligibility determined based on the categorically needy income limit or one of the poverty income limits. Cases classified as “M” have eligibility determined based on the medically needy income limits. This limit is lower than the categorically needy or poverty income limits. Cases classified as “MIC-1” have eligibility based on income limits above 133% or 185%, depending upon the age of the child, up to 200% federal poverty level.

Classification in EIS is critical to accurately report eligible groups to the federal Medicaid agency and in obtaining federal financial participation (ffp).

II. PROCEDURES
A. Categorically Needy (C)
1. Categorically Needy is a mandatory coverage group.
2. The classification code in EIS is C.
3. The following cases are classified as AAF-C:
   a. Individuals/families who receive a Work First money payment, and
   b. Cases authorized for 4 month Transitional Medicaid due to increased child support. Refer to MA-3400, Four Months Transitional Medicaid.
4. The following cases are classified as MAF-C:
   a. Cases which include a child(ren) under age 19, and/or a parent/specified relative of a child under 19, who would meet the categorically needy income and asset requirements for Work First.

   NOTE: MAF-C does not include pregnant women who have no other eligible children in the home nor independently living children under age 19.
   b. Denied or terminated Work First cases which continue to include a child under age 19 and/or a parent/specified relative of a child under 19, and meet the categorically needy income and asset requirements. Refer to MA-3410, Terminations and Deletions.

Examples include:
(II.A.4.b.)

(1) Expiration of the 24 month or 60 month Work First time limit, or

(2) Failure to sign the Mutual Responsibility Contract Employment

5. The following cases are classified as **IAS-C**: Children receiving cash assistance under Title IV-E (Adoption Assistance or Foster Care).

**B. Categorically Needy - (N)**

1. Categorically Needy is a mandatory coverage group.
2. The classification in EIS is N or 1 for MIC-1.
3. The following cases are classified as **MAF-N**:
   a. Individuals age 19 or 20, who are not a parent/specifed relative of a child, and who meet the MAF categorically needy income and asset requirements.
   b. Independently living children under age 19.
   c. A pregnant woman as defined in MA-3240, Pregnant Woman Coverage.

   **NOTE:** Cases classified as MAF-N are ineligible for the Job Bonus or the 27.5% earned income exclusion.

4. The following cases are classified as **MIC-N**:

   Children through age 18 who are receiving Medicaid under a poverty level coverage group.

5. The following cases are classified as **MIC-1**, also known as Expanded Medicaid:
   a. Children birth through age 1 with income greater than 185% and equal to or less than 200% fpl.
   b. Children age 1 through age 5 with income greater than 133% and equal to or less than 200% fpl.

6. The following cases are classified as **MPW-N**:

   Pregnant women who are receiving Medicaid under a poverty level coverage group.
7. The following cases are classified as HSF-N:

Children in county custody or for whom the county has placement responsibility who meet the categorically needy income and asset requirements.

8. Medicaid Family Planning Waiver (FPW) cases are classified as MAF-D.

9. Breast and Cervical Cancer Medicaid cases are classified as MAF-W.

C. Medically Needy (M)

1. Medically needy is an optional coverage group. North Carolina elected the medically needy option at the time Medicaid was adopted in North Carolina in January 1970. Individuals and families whose income or assets exceed the categorically needy income limits are classified as medically needy.

2. The classification in EIS is M.

3. The following cases are classified as MAF-M:

a. Individuals under 21 and caretakers of dependent children under 19 whose income and/or assets exceed the categorically needy income and asset requirements or exceed the poverty income limit.

b. A pregnant woman as defined in MA-3240, Pregnant Woman Coverage.

4. The following cases are classified as HSF-M:

Children in county custody whose income and/or resources exceed the categorically needy income and asset requirements or exceed the poverty income limit.

D. Aliens have special classification codes indicating their status. See EIS-4000, Codes Appendix.

III. REQUIREMENTS

A. Deductible

1. Categorically Needy and MIC-1: Do not have a deductible. If the income exceeds the categorically needy or poverty income limit, the case is ineligible under Categorically Needy or MIC-1. Evaluate as Medically Needy.

2. Medically Needy: Cases with excess income must meet a deductible to become eligible for Medicaid.
(III)

B. Buy-in

1. Categorically Needy: The buy-in effective date is the first day of the first month the recipient is authorized for Medicaid. Categorically Needy (C) Federal Financial Participation (FFP) is available for the Part B Medicare buy-in. Categorically Needy (N) FFP is not available for the Part B Medicare buy-in. The Part B premium is paid solely with State and county funds.

2. Medically Needy: The buy-in effective date is the first day of the second month following authorization for Medicaid. Medically Needy (M) FFP is not available for the Part B Medicare buy-in. The Part B premium is paid solely with State and county funds.