

# CHANGE NOTICE FOR MANUAL NO. 03-03, NC Health Choice Freeze

**DATE: JULY 23, 2007**

**Manual:** Family and Children's Medicaid  
**To:** County Directors of Social Services  
**Effective:** September 1, 2002

## **I. BACKGROUND**

The federal Budget Act of 1997 established Title XXI of the Social Security Act providing health insurance for uninsured children with income up to 200% of the federal poverty level. North Carolina insures these children through the NC Health Choice for Children program. Unlike Medicaid, NC Health Choice is not an entitlement program. Federal and State funds must be available to cover the number of eligible children.

The amount of annual appropriations by the North Carolina General Assembly determines the maximum number of children who may enroll in NC Health Choice. When that number is reached, the only state option is to freeze new enrollment into the program. Coverage continues for children already enrolled in the program; however, children newly enrolled are placed on the waiting list.

The purpose of this change is to add implementation freeze instructions to MA-3255, NC Health Choice. Effective September 1, 2002, an enrollment freeze will be implemented for NCHC. This means any NCHC application with a date of application prior to September 1, 2002, can be processed for NCHC. If the date of application is September 1, 2002, or later and the family is eligible for NCHC, the family will be placed on a waiting list.

## **II. POLICY ADDITIONS TO MA-3255**

Implementation instructions have been added. When a child is denied with a C4 code in the Eligibility Information System (EIS), a letter will be mailed to the casehead. The letter will explain that when the application can be reactivated, the casehead (see attachment 9) will receive a letter that must be completed and returned to the county department of social services.

The policy outlines steps to follow when a freeze is implemented. The policy also outlines further instructions on the reactivation procedures.

A. The state mails a reactivation notice to caseheads. See attachment 8. The casehead has 12 calendar days to return the notice. The notice asks the casehead if there has been a change in income since he applied. The casehead's statement of income on the letter is acceptable if he indicates a change in income.

B. Instructions have been added for steps to follow to reactivate children. Prior to taking action, counties are instructed to research reactivated applications to determine if any child on the original application has been subsequently approved in another aid program/category or if the child or casehead's name appears multiple times in the reactivated applications.

C. EIS Instructions to Add Children to an Active NCHC Case

There may be instances when a casehead with an active NCHC case applies for other children. These children must be placed on a waiting list. The application to add these children must be registered as an application type 6.

1. If the application to add the children was entered on the waiting list as type 1 or 2, the application must be denied.
2. Another application must be registered as a type 6. Contact EIS at (919) 857-4019 for assistance with these cases.

D. MIC-N Re-enrollments Prior to September 1, 2002

1. At re-enrollment, if a Medicaid child is determined to no longer be Medicaid eligible, but is eligible for NCHC, an application must be registered in the system prior to September 1, 2002. If an application is not registered by that date, the child's name must be placed on the waiting list.
2. If a family does not return the DMA-5063R at re-enrollment for a Medicaid child, but it is received within the first ten days of September and the child is now eligible for NCHC, the child must be placed on the waiting list.

E. When children's names are placed on the waiting list, counties will need to advise caseheads who have children with comprehensive health insurance not to drop their insurance until their NCHC case is reactivated.

F. Caseheads whose children's names are placed on the waiting list are not required to pay the enrollment fee until the NCHC case is reactivated.

G. Children who become eligible for Optional Extended Coverage (classification L) are not affected by the freeze. The children can be transferred to "L".

H. Additional procedures have been added for steps to take when a family who has Optional Extended Coverage reapplies for Medicaid and is eligible for NC Health Choice "J", "K" and "S".

I. Procedures have been added to check SOLQ to ensure the correct Social Security Numbers are keyed in EIS when registering and dispositioning an NC Health Choice application.

### III. EFFECTIVE DATE

Apply this policy effective September 1, 2002.

Please note that included in this policy are changes that will be effective October 1, 2002, as a result of application processing requirements. These changes include:

- A. The casehead will have 12 calendar days to return the reactivation form. This is a change from the last enrollment freeze that allowed the casehead payee 10 calendar days to return the form.
- B. A new form, DMA-5097, Request for Information, replaces the DMA-8146M.

### IV. MAINTENANCE OF MANUAL

- A. Remove: **MA-3255 pages 21-39**  
Insert: MA-3255 pages 21-47

Online Manual: Revised items V-VIII.E.

- B. Add Attachment 8, Re-activation Form  
Add Attachment 9, Letter to Casehead

If you have questions regarding this material, please contact your Medicaid Program Representative.

Nina Yeager  
Director

(This policy was researched and written by Dora Boissy, Policy Consultant, Medicaid Eligibility Unit).

[MA-3255](#)  
[MA-3255, Attachment 8](#)  
[MA-3255, Attachment 9](#)