CHANGE NOTICE FOR MANUAL NO: 04-13, MEDICAID SUSPENSION FOR INCARCERATED BENEFICIARIES

DATE: 07/30/13

Manual: Family and Children’s Medicaid

Change No: 04-13

To: County Directors of Social Services

Effective: 08/01/13

Make the following change(s)

I. BACKGROUND

Administrative Letter 09-08 provided policy and instructions to suspend Medicaid benefits for authorized beneficiaries who are incarcerated or who enter an Institution for Mental Diseases (IMD). 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. An individual in an IMD of more than 16 beds who is over 21 and under 65 years of age is not entitled to Medicaid coverage for any medical service.

Administrative Letter 09-08, Addendum 1, provided instructions for suspending or terminating prisoners listed on a data match between NC Department of Correction (DOC), Division of Prisons (DOP) and EIS. Addendum 1 also addressed processing applications from DOP for prisoners who are about to be released or who have inpatient hospitalizations while incarcerated.

Administrative Letter 09-08, Addendum 2, clarified that the legislation which authorized NC Medicaid to cover inpatient hospitalizations of incarcerated individuals applies only to individuals incarcerated by DOC/DOP. In addition, the agreement between DHHS/DMA and DOC/DOP does not cover individuals confined in NC juvenile justice facilities. Therefore, this Administrative Letter instructed, individuals incarcerated in a federal prison, NC juvenile justice facility or a county or local jail must be terminated.

This Change Notice puts Medicaid policy regarding incarcerated individuals into the policy manual and obsoletes Administrative Letters 09-08, and 09-08 Addendums 1 and 2. In addition, instructions are provided regarding automated suspension/reinstatement of Medicaid benefits for incarcerated individuals.
Note: In accordance with Executive Order 85, Consolidation and Reorganization of Executive Branch Agencies, the Department of Correction is now the “Department of Public Safety, Division of Corrections.” The Division of Prisons is now called “The Department of Public Safety, Division of Prisons.” The new names will be used hereinafter.

Centers for Medicare and Medicaid Services (CMS) and other federal agencies use the term beneficiary instead of recipient, to match their terminology, as policy changes “recipient” and “a/r” will be changed to “beneficiary” and “a/b.”

A. MA-3215, Processing the Application, is revised to:
   1. III.B., Address incarceration as a change in situation.
   2. III.B. Address inpatient status in an institution for mental disease (for those aged 21 to 65) as a change in situation.
   3. IV., New procedures added regarding applications received for incarcerated individuals.

B. MA-3230, Eligibility of Individuals Under Age 21, is revised to:
   1. I.G., VII.A. and X.B., exempt individuals incarcerated by NC Department of Public Safety, Division of Corrections from the eligibility requirement that A/Rs not be inmates of a public institution.
   2. V.B., indicate that a special needs adoption assistance child is ineligible as a “special needs” child if his countable income or resources exceed the allowable limits and must then be evaluated for eligibility in all other programs including NCHC, counting financial responsibility of the adoptive parent(s).

C. MA-3235, Caretaker Relative Eligibility, is revised to:
   1. II.A., Emphasize that inmates of public institutions, including inmates of the NC Department of Public Safety, Division of Corrections, are not eligible as caretakers.
   2. II.A., Remove the statement that individuals age 21 through 65 in a medical/surgical unit of a state mental hospital are eligible for assistance.
   3. V.B., Remove information regarding Children adopted prior to 10/1/94 in North Carolina. Policy no longer applies.
D. MA-3240, Pregnant Woman Coverage, is revised to:

1. II.A. Exempt individuals incarcerated by NC Department of Public Safety, Division of Corrections from the eligibility requirement that A/Rs not be inmates of a public institution.

2. II.A. Remove the statement that individuals age 21 through 65 in a medical/surgical unit of a state mental hospital are eligible for assistance.

E. MA-3250, Breast and Cervical Cancer Medicaid, is revised to:

1. II.D., Exempt individuals incarcerated by NC Department of Public Safety, Division of Corrections from the eligibility requirement that A/Rs not be inmates of a public institution.

2. II.D., Remove the statement that individuals age 21 through 65 in a medical/surgical unit of a state mental hospital are eligible for assistance.

F. MA-3260, Community Alternative Programs (CAP) Medicaid Eligibility, is revised to:

III. A., State that CAP services are terminated when Medicaid is placed in suspension.

G. MA-3335, State Residence, is revised to:

1. II. A., III.A., III.C., Indicate that an inmate who is incarcerated in a North Carolina Department of Public Safety, Division of Corrections facility is deemed to be a resident of the state.

2. II.C.a-c, Define and separately address “medical institutions,” “public institutions,” and “institutions for mental disease.”

H. MA-3360, Living Arrangement, is revised to:

1. I.B., Define private living arrangement to include institutionalizations of 12 months or less for individuals under age 21, and institutionalizations that lasts less than 30 continuous days for individuals 21 years of age or older.

2. II.A., Define public institution as an institution that is the responsibility of a governmental unit and one that includes prisons, jails, and juvenile justice facilities.

3. II.A., State that those under the jurisdiction of the courts for whom authorities are not providing food and shelter are not considered inmates of a public institution.
4. II.A., State that when a beneficiary has been incarcerated in an NC Division of Prisons (DOP) facility, his eligibility is automatically placed in suspension status.

5. II.A., Informs that applications from DOP must be processed and, if the applicant is otherwise eligible, eligibility is automatically suspended.

6. II.A., State that the eligibility of those incarcerated in federal prisons, county jails, juvenile justice facilities, and other non-NC DOP facilities must be terminated.

7. II.A., Explain that the only services covered while an incarcerated individual’s eligibility is in suspension are those received during an inpatient hospital stay.

8. II.A., Make clear that eligibility suspension policy applies to children incarcerated in a DOP facility.

9. II.C., Define an Institution for Mental Disease (IMD) as 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 and states that there are now only three state mental hospitals: Broughton, Central Regional, and Cherry.

10. III.A., Inform that no medical services are covered for a recipient age 21 through 64 in an IMD, however suspension will expedite the process of having Medicaid re-instated if he is released during the certification period.

11. III.B., List those aid program categories for which eligibility cannot be placed in suspension.

12. III.B. State that incarcerated individuals cannot receive as a caretaker and must be evaluated for eligibility on other program categories

13. III.C., Provide instructions for automated suspension when it becomes known that the beneficiary is an inmate of a North Carolina Department of Public Safety, Prisons facility (see EIS-3558, Beneficiaries in Non-Medical Institutions Reports).

14. III.D., Provide county DSS responsibilities for automated suspension when it becomes known that the beneficiary is an inmate of a North Carolina Department of Public Safety,

15. III.D., State that incarcerated individuals and those over 21 and under 65 in an IMD cannot remain as caseheads.

16. III.D., State that CAP services must be terminated when an individual’s eligibility is placed in suspension.
17. III.D., Explain that SSI beneficiaries cannot have a living arrangement code of “16” (incarcerated) and that an exparte review must be performed when an individual loses SSI due to incarceration.

18. III.D., Provide instructions for terminating beneficiaries in federal prisons, juvenile justice facilities, and county and local jails.

19. III.E., Provide instructions for suspending the Medicaid eligibility of recipients ages 22 through 64 who are in an institution for mental disease (IMD) provided they remain otherwise eligible.

I. MA-3410, Terminations/Deletions/Ex Partes, is revised to:

III.A., Add incarceration in a federal prison, state juvenile justice facility or county jail to the exceptions to the obligation to perform an ex parte review when Medicaid terminates.

III. EFFECTIVE DATE AND IMPLEMENTATION

This is policy is effective August 1, 2013. Apply this policy to all applications taken or in progress and exparte reviews begun or in process on or after August 1, 2013.

IV. MAINTENANCE OF MANUAL


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

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Director

(This material was researched and written by Ena Lightbourne, Policy Consultant, Medicaid Eligibility Unit.)