CHANGE NOTICE FOR MANUAL NO: 05-13, MEDICAID SUSPENSION FOR INCARCERATED BENEFICIARIES

DATE: 07/30/13

Manual: Aged, Blind, and Disabled Medicaid

Change No: 05-13

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 21 and thru 64 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 Addenda 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.”

II. CONTENT OF CHANGE

A. MA-2000, Non-SSI Eligibility Regulations, is revised to:

1. III.D., Indicate that inmates of North Carolina Department of Public Safety, Division of Corrections facilities are an exception to the rule of ineligibility for inmates of public institutions.

2. III.E., Eliminate the eligibility exception for inmates of Institutions for Mental Diseases who are age 21 thru 64 and in the medical/surgical unit of the institution.

B. MA-2130, Qualified Medicare Beneficiaries-Q

II.B., Add “Inmates of public institutions are not eligible for Medicare.”

C. MA-2140, Qualified Medicare Beneficiaries-B

II.B., Add “Inmates of public institutions are not eligible for Medicare.”

D. MA-2160, Qualifying Individuals 1

II.B., Add “Inmates of public institutions are not eligible for Medicare.”

E. MA-2220, State Residence, is revised to:

1. II. A., II.C., III.A., III.C., IV.A., 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. A. 7., Add knowledge that an applicant is residing in North Carolina to seek employment or has a job commitment may be attested to on the DMA-5152, North Carolina Residency Declaration.
3. II.C.a-c, Define and separately address “medical institutions,” “public institutions,” and “institutions for mental disease.”

F. MA-2280, Community Alternative Programs, is revised to:

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

2. III. H., Remind that the CAP Plan of Care needs to be updated yearly by the case manager for SSI as well as other CAP beneficiaries.

G. MA-2304, 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 thru 64) as a change in situation.

3. IV., Added procedures regarding applications for inpatient hospitalization.

H. MA-2340, II.B., Change in Situation, is revised to include going from PLA/LTC to incarceration in a penal institution or to an IMD as a change in living arrangement.

I. MA-2352, Terminations/Deletions/Ex Partes, is revised to:

1. I., Eliminate the statement that a full redetermination must be completed at the end of a Medicaid certification period. The obligation to evaluate for ongoing Medicaid eligibility is covered in the opening paragraph of this section.

2. 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.

J. MA-2510, 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., Instruct that when the county learns that a beneficiary has been incarcerated in an NC Division of Prisons (DOP) facility, his eligibility must be placed in suspension.

5. 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.

6. II.A., Informs that applications from DOP must be processed and, if the applicant is otherwise eligible, must be authorized in suspended status.

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., Makes 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. II.C., Inform that 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 he is released during the certification period.

11. III.A., Provide general rules regarding suspension and termination of incarcerated individuals and beneficiaries who enter an Institution for Mental Disease (IMD).

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

13. III.C., Explain automated suspension process when it becomes known that the beneficiary is an inmate of a North Carolina Division of Prisons (DOP) facility (see EIS-3558, Beneficiary in Non-Medical Institutions Reports).

14. III.C., State that CAP services must be terminated when an individual’s eligibility is placed in suspension.

15. III.C., 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.

16. III.C. Explain automated process for Special Assistance cases.
17. III.D. Provide instructions for applications received from DOP regarding inpatient hospitalization and newly released individuals.

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

19. III.D., State that incarcerated individuals and those age 21 thru 64 in an IMD cannot remain as caseheads.

20. III.D., Explain the process for applications and redeterminations for incarcerated individuals.

21. III.E., Provide instructions for suspending the Medicaid eligibility of beneficiaries ages 21 thru 64 who are in an institution for mental disease (IMD) provided they remain otherwise eligible.

22. III.F. Explain the automated termination process for incarcerated individuals who are deceased or newly released to the custody of the county sheriff.

23. III.G. Explain automated reinstatement process for incarcerated individuals who are newly released with a release date.

III. EFFECTIVE DATE

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

IV. MAINTENANCE OF MANUAL


B. Remove: MA-2130, Qualified Medicare Beneficiaries-Q, pages 1-2.
   Insert: MA-2130, Qualified Medicare Beneficiaries-Q, pages 1-2

C. Remove: MA-2140, Qualified Medicare Beneficiaries-B, pages 1-2.
   Insert: MA-2140, Qualifying Medicare Beneficiaries-B, pages 1-2.

D. Remove: MA-2160, Qualifying Individuals 1, pages 1-2.
Insert: **MA-2160**, Qualifying Individuals 1, pages 1-2.


H. Remove: MA-2340, Change in Situation, pages 1-10.


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

Carol H. Steckel, MPH
Director

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