

CHANGE NOTICE FOR MANUAL NO. 07-03, Application Processing, MA-2303, Verification Requirements for Applications

DATE: AUGUST 12, 2002

Manual: Aged, Blind, and Disabled Medicaid MA-2303

Change No: 07-03

To: County Directors of Social Services

Effective: October 1, 2002

I. BACKGROUND

On February 5, 2002, Judge Graham C. Mullen, Chief Judge, U.S. District Court for the Western District of North Carolina, dismissed the Alexander Consent Order. The February 1992 version of the Consent Order required payment of penalties or remedial fines if the counties did not process applications according to federal regulations and State rules.

Judge Mullen approved a "Plan to Assure Timely and Quality Services to Applicants for Medicaid, otherwise known as the Exit Plan". The Centers for Medicare and Medicaid Services and Legal Services had approved this Exit Plan. The State had worked with a group of county representatives in developing this plan.

The persons from the following counties who worked on this plan were:

Brenda Davis of Catawba County

Millie Brown and Elva Quinn of Duplin County

Dave Bradshaw and Dale Moorefield of Forsyth County

Betty Barnes of Johnston County

Jean Biggs and Vicki Lewis of Martin County

Sarah Bradshaw and Alvinia Parker of Sampson County

While this Exit Plan does not change all that the counties might have wanted, it did result in the dismissal of the Consent Order. The Exit Plan reflects the commitment of both the State and the counties to continue to provide accurate benefits to our citizens in a timely manner. Each county in the State deserves recognition for its efforts. It is critical that counties continue to provide accurate benefits in a timely manner.

While Work First (WF) applications are not under the Exit Plan, a Work First application is considered an application for Medicaid. If a person comes to the agency to ask for financial assistance, he must be given the opportunity to apply for Medicaid that same day. This applies even if the county requires the person to go to the Employment Security Commission or to the Child Support Enforcement office before taking a WF application.

Due to changes needed in the Eligibility Information System, all aspects of the Exit Plan could not be implemented until EIS was ready. In DMA Administrative Letter No. 19-02, some policy changes were made without EIS support. They were:

- A. The requirement to pend applications for three months ended.**
- B. Penalty checks are no longer issued.**
- C. DDS is no longer required to pend applications.**
- D. The requirement to complete an interview unless the client arrives at the agency within 30 minutes of closing changed to 60 minutes.**
- E. The requirement to send out two requests for information 10 calendar days apart changed to sending out two requests for information 12 calendar days apart. (The 10-10 rule became the 12-12 rule.)**

As a result of enhancement to EIS, all of the aspects of the Exit Plan can now be implemented.

II. CONTENT OF CHANGE

MA-2302, Application Processing, Verification Requirements, has been rewritten and renamed MA-2303, Verification Requirements For Applications.

- A. This section contains procedures for verifying certain eligibility requirements during the application-processing period.**
- B. Except for self-employment income, the applicant's statement can no longer be accepted as verification of income. Third party verification is now required for earned and unearned income in all aid/program categories. Income deductions such as rental and self-employment operational expenses must also be verified.**
- C. The IMC must make at least two written requests for information from the applicant or third party with at least 12 calendar days between requests. This is referred to as the 12-12 rule.**
- D. The following forms have been added to MA-2303.**
 - 1. The DMA-5025, Notice of Binding Decision, has been revised and renamed DMA-5099/DMA-5099S, Your Application For Medicaid Is Pending For A Deductible.

2. The DMA-5098/DMA-5098S, Your Application For Medicaid Is Pending, is a new form to be used when an application is pending solely for receipt of the:
 - a. Disability determination,
 - b. Medical records to determine a medical emergency for non-qualified aliens,
 - c. FL2/MR2,
 - d. CAP Plan of Care.

As with applications pending solely for medical bills to meet a deductible, the days an application pends solely for one of the reasons listed above are excluded from application processing times. The exclusion of time begins the day after the DMA-5098/DMA-5098S, Your Application For Medicaid Is Pending, is mailed and ends on the day the information is received or the case is disposed of, whichever occurs first.

III. EFFECTIVE DATE

This policy change is effective October 1, 2002.

IV. IMPLEMENTATION PROCEDURES

Apply these changes to any applications taken on or after October 1, 2002. For applications dated prior to October 1, 2002, follow the policies and procedures in effect prior to October 1, 2002.

V. MAINTENANCE OF MANUAL

Remove: MA-2302, Application Processing, Verification Requirements
Insert: MA-2303, Verification Requirements For Applications and Figures 1A, 1B, 2A, and 2B.

Online Manual: Entire Section Revised with hyperlinks to forms.

Remove: MA-5000, Figure and Instructions for the following form:

DMA-5025, Notice Of Binding Decision For Medicaid Deductible

Insert: Nothing to insert.

Online Manual: This form has been added to the policy section.

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

Nina Yeager
Director

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

[MA-2303](#)

[MA-2303, Fig. 1A, DMA-5099](#)

[MA-2303, Fig. 1B, DMA-5099S](#)

[MA-2303, Fig. 2A, DMA-5098](#)

[MA-2303, Fig. 2B, DMA-5098S](#)