

DMA CHANGE NOTICE FOR MANUAL

DATE: 4/21/09

Manual: Aged, Blind, and Disabled Medicaid

Change No: 07-09

To: County Directors of Social Services

Effective: 05/01/09

Make the following change(s)

I. INTRODUCTION

- A. The initial phase of Health Coverage for Workers with Disabilities (HCWD), which was implemented in November of 2008, covered disabled workers with incomes at or below 150% of the federal poverty level. The second phase, which will provide coverage for workers with incomes from 151% through 200% of the federal poverty level (FPL), is effective 5/1/2009. Eligibility for those in the second phase of implementation will require payment of an enrollment fee of \$25 per certification period. All other HCWD eligibility criteria are also applicable to those at the higher income level.**
- B. The Social Security Act defines disability in part as the inability to engage in any substantial gainful activity (SGA). SGA is measured by the amount of earned income, with the standard set by SSA on a yearly basis. Earnings cannot exceed the SGA standard. Disability Determination Services (DDS) had been making SGA determinations on all Medicaid referrals, but was not required to do so for SSI and RSDI referrals. In making SGA determinations for Medicaid, DDS was duplicating the income evaluations that were being made by the counties when determining financial eligibility. SGA determinations are now the responsibility of the counties. DDS will continue to make a medical determination of disability on referred individuals.**
- C. HCWD policy is clarified in response to questions and feedback received from the counties following the implementation of the initial phase.**

II. CONTENT OF CHANGE

A. MA-2180, Health Coverage for Workers with Disabilities, is revised as follows:

1. Eligibility for those over 150% but at or below 200% of the federal poverty level (FPL) has been added to both the basic and medically improved groups. Those in this income range must pay an enrollment fee in order to be eligible. In addition, those in this income range must have unearned income at or below 150% of FPL.
2. Provisions related to enrollment fees have been added. Enrollment fees are to be collected and retained by the counties to offset the administrative costs of the program. Instructions for calculating when an enrollment fee is due and for sending enrollment fee notices are included. In addition, policy requires the counties to designate an individual or office which will be responsible for the collection of enrollment fees and to establish procedures to ensure communication between the IMCs and the fee collector. The revised policy also includes instructions for authorizing or denying eligibility following payment or nonpayment of an enrollment fee. This process is similar to the collection of North Carolina Health Choice enrollment fees.

B. MA-2525, Disability, is revised as follows:

1. Instructions on how to calculate Substantial Gainful Activity (SGA) have been added. SGA for blind individuals is higher than SGA for non-blind individuals. An individual must have earned income at or below the applicable SGA level in order to be eligible for regular MAD/MAB. If an individual has earned income above the SGA limit, he is to be evaluated for HCWD eligibility. An SGA determination is not required for individuals who receive RSDI based on disability. Because DDS is no longer making SGA determinations, the HCWD disability referral form (DMA-4037A) is no longer necessary and has been eliminated. An SGA flow chart is included with this change notice. The flow chart is a tool to be used by the IMC and is not part of policy (see [Attachment 1](#) to this Change Notice).
2. Policy has been revised to clarify when and under what circumstances an individual is to be referred to DDS for a disability determination. When the IMC learns that an active Medicaid individual has been denied, or terminated from, SSI or RSDI for non-medical reasons, the IMC is to complete an exparte review for eligibility in all programs, including HCWD. If the individual is working and meets all other HCWD criteria, the disability requirement is met. At the six month eligibility review, submit the DMA-4037 to DDS and note on the form that it is a "SPECIAL REVIEW." Indicate in the "Remarks" the reason for the review.

C. Additional sections of the manual have been changed to add those with income from 151% through 200% of FPL as HCWD eligible, to include the enrollment fee requirement for this group, and to remove references to the DMA-4037A HCWD Disability Transmittal form (see IV. Below).

D. EIS Revisions

The special use indicators for HCWD are being eliminated and replaced with sub-programs. Refer to EIS Change Notice 03-09 effective May 1, 2009.

III. EFFECTIVE DATE AND IMPLEMENTATION

This policy is effective May 1, 2009. Apply this policy to applications taken on or after May 1, 2009 and to redeterminations started on or after May 1, 2009. Retroactive eligibility for the second phase of HCWD cannot begin earlier than May 1, 2009.

IV. MAINTENANCE OF MANUAL

- A. Remove:** MA-500, Classification, pages 1-4, 7-9 and figure 1.
Insert: [MA-500](#), Classification, pages 1-4, 7-9 and [figure 1](#).
- B. Remove:** MA-2000, Non-SSI Eligibility Regulations, pages 3-4.
Insert: [MA-2000](#), Non-SSI Eligibility Regulations, pages 3-4.
- C. Remove:** MA-2100, Categorically Needy No Money Payment, page 1.
Insert: [MA-2100](#), Categorically Needy No Money Payment, page 1.
- D. Remove:** MA-2180, Health Coverage for Workers with Disabilities, pages 1-9 and figure 1.
Insert: [MA-2180](#), Health Coverage for Workers with Disabilities, pages 1-12 and [figure 1](#).
- E. Remove:** MA-2260, Financial Eligibility Regulations – PLA, pages 14-15.
Insert: [MA-2260](#), Financial Eligibility Regulations – PLA, pages 14-15.
- F. Remove:** MA-2302, Receiving Mail-in Applications, page 5.
Insert: [MA-2302](#), Receiving Mail-in Applications, page 5.
- G. Remove:** MA-2304, Processing the Application, pages 3-16 and 19-20.
Insert: [MA-2304](#), Processing the Application, pages 3-16 and 19-20.

H. Remove: MA-2525, Disability, pages 3-6, 11-30 and figure 3A.

Insert: [MA-2525](#), Disability, pages 3-6 and 11-33.

For information regarding Medicaid, please contact your Medicaid Program Representative. For any Medicaid issues that cannot be handled through that venue, Angela Floyd, Assistant Director for Recipient and Provider Services, will be your point of contact and can be reached at (919) 855-4000.

Tara R. Larson, Acting Director

(This material was researched and written by William Appel, Policy Consultant, Medicaid Eligibility Unit)