

# CHANGE NOTICE FOR MANUAL NO. 10-03, Application Processing

**DATE: AUGUST 8, 2002**

**Manual:** Family and Children's Medicaid  
**Change No:** 10-03  
**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. He approved an Exit Plan that the Centers for Medicare and Medicaid Services and Legal Services had approved. The State had worked with a group of county representatives in developing this plan.

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 make all the changes 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 meet the goals of providing accurate benefits in a timely manner.

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. Now EIS can support all the changes in the Exit Plan.

The Exit Plan, based on federal regulations, changed the following application processing procedures.

- 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 10-10 rule became the 12-12 rule.

## **II. OTHER CHANGES DUE TO THE EXIT PLAN**

- A. Elimination of the MAD 60 aid program/category on the Report Card

Cases in which disability has already been established will now be included in the MAD 90 aid program category. The MAD 60 category had been difficult for smaller counties to pass due to the small number of cases.

- B. The AFDC aid program/category on the Report Card will now be included under the Other Medicaid aid program/category.
- C. There will now be two Report Cards. The Report Cards are called the Actual Time Report Card and the Adjusted Application Report Card. To pass the report cards, Level I counties must have a 45/90 day average processing time (apt) and an 85 percent processed timely (ppt). Level II and III counties must have a 45/90 day APT and a 90 PPT.
- D. Based on the Adjusted Application Report Card failures, a county may be monitored yearly or every other year.
- E. The Adjusted Application Report Card will adjust the 45/90<sup>th</sup> day to the next workday when the 45/90<sup>th</sup> day falls on a Saturday/Sunday or a State/county holiday. The Adjusted Application Report Card will also allow more reasons for excluding time. Time has always been excluded when a case has pended for a deductible. Now when the following items are the last piece of information needed to process the application, time can be excluded for:
  - 1. Receipt of a Disability Determination decision, or
  - 2. Receipt of medical records requested from provider sources for determining eligibility for non-qualified aliens, or
  - 3. Receipt of FL2 or MR2, or
  - 4. Receipt of a CAP Plan of Care.
- F. Since many of the forms for the Consent Order were DSS forms (DMA shared the cost of the printing), the forms and form numbers changed to reflect the changes in the Exit Plan.

1. The DSS-1295 becomes the DMA-5094, Notice of Your Right to Apply for Benefits.
2. The DSS-8191I becomes the DMA-5095, Medicaid/Work First Notice of Inquiry.
3. The DMA-8146M becomes the DMA-5097, Request for Information. This form must be sent twice with at least 12 days between the requests for that piece of information.
4. The DMA-5025 becomes the DMA-5099, Your Application For Medicaid is Pending for a Deductible.
5. A new form to notify the applicant when his application can not be completed due to the reasons stated in E. is the DMA-5098, Your Application for Medicaid is Pending.
6. A new form to document evaluation of potential programs for which an applicant may be eligible is the DMA-5096, Documentation of Need.
7. The reception log becomes the DMA-5093, Daily Application Reception Log for Medical and Financial Assistance. Persons coming into the county department of social services seeking financial and/or medical assistance must still be listed on a log.

G. The DSS-8109 will now be used as the automated notice for withdrawal. The DMA-8191W is no longer needed. However, if you have a supply, you may wish to continue to use it as documentation for explaining options and alternatives to withdrawal.

H. The Division of Medical Assistance will still have Application Monitors. The counties who fail the Adjusted Application Report Card in at least 3 months in any aid program/category will be monitored yearly. The sample sizes will be higher and the applications to be monitored will be from the 12 months prior to the month of monitoring.

I. There will still be Local and State Corrective Action Teams if a county continues to disregard the Exit Plan and application processing requirements.

### **III. CHANGES TO OTHER MANUAL SECTIONS**

A. The following manual sections contain changes.

Table of Contents
MA-3110 Definitions
MA-3120 SSI Medicaid
MA-3220 Retroactive Coverage
MA-3230 Eligibility of Individuals Under 21
MA-3235 Caretaker Relative Eligibility
MA-3250 Breast and Cervical Cancer Medicaid
MA-3255 NC Health Choice
MA-3300 Income
MA-3305 M-AF, M-IC, H-SF Budgeting
MA-3310 MPW Budgeting
MA-3315 Medicaid Deductible
MA-3405 Extended Medicaid for Working Families
MA-3320 Resources

MA-3330 Citizen/Alien Requirement  
MA-3335 State Residence  
MA-3340 County Residence  
MA-3355 Enumeration Procedures  
MA-3365 Child Support  
MA-3410 Terminations and Deletions  
MA-3425 Certification and Authorization  
MA-3500 Confidentiality  
MA-3510 Third Party Recovery  
MA-3515 Automated Inquiry and Match Procedures

B. General Changes throughout the manual.

References to the Application sections have been updated to reflect the new section numbers and names.

References to Alexander and/or the consent order have been deleted.

The timeframe for allowing applicants and recipients to return requested information and/or verifications is extended from 10 to 12 calendar days.

References to forms that have been revised and renumbered have been updated. For example, all references to the DMA-8146M have been changed to the DMA-5097.

When the new F&C Manual was published, it contained various errors such as incorrect manual references unrelated to the Exit Plan. These have been corrected.

c. Specific Changes

1. MA-3255 NC Health Choice

Instructions on mail-in applications have been deleted. They are included in MA-3207, Receiving Mail-in Applications

2. MA-3300 Income

Client's statement is no longer acceptable as verification at application or redetermination. There is an exception allowed.

Earned income deposited to a TANF funded IDA is countable.

Ricky Ray Hemophilia Relief Funds are not countable.

The phone number for the VA Regional Office Claims Division is changed.

The verification source for Railroad Retirement benefits has been included. There is now one central location for verifying these benefits. MA-5600 is obsolete.

3. MA-3320 Resources

Policy clarifies that for medically needy cases only, the value of vehicles that are income producing is excluded.

#### IV. EFFECTIVE DATE

These policy changes are effective October 1, 2002.

#### V. IMPLEMENTATION PROCEDURES

##### 1. Applications Dated Prior to October 1, 2002

For those applications dated prior to October 1, 2002, follow the policies and procedures in effect prior to October 1. This means an application taken prior to October 1 can only exclude time while waiting for bills to meet a deductible.

Applications dated prior to October 1 with a disposition date on or after October 1 will not display on any Report Card. The three existing report cards, Alexander, QI, and NCHC, will run for the last time on October 7.

These applications will continue to appear on the Application Management Report and Qualifying Individuals Management Report. These reports will continue to run daily until all pending applications on the reports are disposed. Monitor these reports to ensure all applications are disposed in the appropriate timeframe

##### 2. Applications Dated On or After October 1, 2002

Apply these manual changes to any applications taken on or after October 1, 2002, and to redeterminations scheduled on or after October 1, 2002.F & C Change No. 10-03

#### VI. MAINTENANCE OF MANUAL

Section	Remove Pages	Insert Pages	Online Manual
<a href="#">Table of Contents</a>	1-2	1-2	Entire section
<a href="#">MA-3110</a>	1-4, 7-14, 17-22	1-4, 7-14, 17-22	I., II. and III.
<a href="#">MA-3120</a>	3-12, 15-16	3-12, 15-16	II.D., III.B. and C., IV.C. and D., V. and VI.D.
<a href="#">MA-3220</a>	3	3	III.B.
<a href="#">MA-3230</a>	7-10, 27	7-10, 27	III.E., VII.C.
<a href="#">MA-3235</a>	1-2	1-2	II.A. and III.A.
<a href="#">MA-3250</a>	3-4, 11-16	3-4, 11-16	V.C. and E., VI.A.
<a href="#">MA-3255</a>	5-47	5-46	II.C., III.D.-H., IV.B. and D., VI. H. and J.
<a href="#">MA-3300</a>	1-4, 9-12, 15-16, 27-28, 35-38, 49-58, 75-76, 81-82	1-4, 9-12, 15-16, 27-28, 35-38, 49-58, 75-76, 81-82	III.A., C. and D., V.D. and E., VI.E. and F., IX.B., X.C., XI.A., C., D., G. and AA., XII.G.

<a href="#">MA-3305</a>	9-10, 13-14, 17-20, 23-24	9-10, 13-14, 17-20, 23-24	IV.D. and F., V.C., VI.C.
<a href="#">MA-3310</a>	3-4	3-4	III.C.
<a href="#">MA-3315</a>	17-18	17-18	IV.B.
<a href="#">MA-3320</a>	1-2, 5-8, 11-12	1-2, 5-8, 11-12	I., IV.A.
<a href="#">MA-3330</a>	11-12	11-12	IV.C. and D.
<a href="#">MA-3335</a>	5-10	5-10	III.D. and F.
<a href="#">MA-3340</a>	5-6	5-6	IV.B.
<a href="#">MA-3355</a>	1-2	1-2	I.B., D. and G.
<a href="#">MA-3365</a>	1-14	1-12	Entire section
<a href="#">MA-3405</a>	7-8	7-8	II.C.
<a href="#">MA-3410</a>	3-16	3-16	III.A., E. and I., IV.D., V.B. and C.
<a href="#">MA-3425</a>	1-2, 5-7	1-2, 5-7	I.A., VI.A., VII.C.
<a href="#">MA-3500</a>	5-6	5-6	VI.A.
<a href="#">MA-3510</a>	1-2	1-2	II.A.
<a href="#">MA-3515</a>	1-8	1-8	I.D., II.C., F. and G.

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

Nina Yeager  
Director

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