



North Carolina Department of Health and Human Services
DIVISION OF MEDICAL ASSISTANCE

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Beverly Eaves Perdue, Governor
Albert A. Delia, Acting Secretary

Craig L. Gray, MD, MBA, JD, Director

March 8, 2012

Subject: Instructions regarding the 2012 Poverty Level Income Limits

Dear County Director of Social Services:

The purpose of this letter is to provide implementation instructions for pending applications, new applications and ongoing cases as related to the new poverty level income limits effective April 1, 2012. Please refer to attachments. Due to system restraints, a Change Notice regarding these changes will be posted to the DMA website later in March.

Income limits for Adult Medicaid cases, MAABD-N, MQB-Q, MQB-B, MQB-E, MWD, HCWD and Family and Children Medicaid cases, MPW, MIC, NCHC and Transitional Medicaid are revised effective April 1, 2012 to reflect the increase in the federal poverty level. The income limits were updated in EIS effective February 27, 2012. You may enter the new limits on or after that date.

The income limit chart was sent via ListServ on February 22, 2012. Use the new income limits to determine eligibility beginning April 1, 2012. Use the 2011 income limits to determine eligibility for months prior to April 2012.

The exclusion of the RSDI cost of living allowance (COLA) for MAABD-N, MQB-Q, MQB-B, MQB-E, and MWD ends with the implementation of the new income limits. Effective April 1, 2012, begin counting the full RSDI amount, including the 2012 COLA. Continue to disregard the COLA FOR January, February and March 2012. Please note: the COLA disregard does not apply to medically needy or Family and Children's cases.

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

Sincerely,

Craig L. Gray, MD, MBA, JD
Director

I. IMPLEMENTATION INSTRUCTIONS FOR ADULT MEDICAID (MAABD-N, F, Q, & B, MQB-Q, B & E CASES)

A. Pending applications

Pending MAABD PLA Applications Dated Prior to April 1, 2012:

1. For the months prior to April 2012, use the income limits and countable income for those months. For months April 2012 and later, use the income limits effective April 1, 2012 and the countable income effective for those months.
2. If the budget unit's countable income is within the MAABD-N limit for months in the certification period prior to April 2012 and for months April 2012 and later approve the application effective the first month of eligibility through the end of the certification period. Enter April 1, 2012, income limits and countable income.
3. If the budget unit's countable income prior to April 1, 2012 exceeded the MAABD-N income limit and it still exceeds the increased N limit, evaluate the case for medically needy. Use RSDI amount effective 01/12. Medically needy limits did not change. If it is established that the deductible can be met or projected expenses are within \$300.00, pend in deductible status. If it is determined that the deductible cannot be met, deny the application.
4. If the budget unit's countable income prior to April 1, 2012 is within the MAABD-N limit for months in the certification period prior to April 2012 but exceeds the MAABD limit and exceeds for April 1, 2012 or later, approve as an open/shut for months prior to April 1, 2012. If eligible approve the case for MQB-Q, B or E or evaluate for medically needy and place in deductible status beginning the month of eligibility. The certification period is based on the month of application.

Pending MQB applications Dated Prior to April, 2012:

1. If the classification effective April 1, 2012 is different than that prior to April 1, 2012 and all other criteria are met, approve effective April 1, 2012 in the new classification. Enter the income limit effective April 1, 2012 in EIS. The certification from date must equal the first day of the month of application. Authorize months prior to April 1, 2012 on the DB/PML screen. This may mean that MQB-E case is now MQB-B or an MQB-B case is now MQB-E.
2. If the applicant is eligible for MQB prior to April 1, 2012 and eligible for MAABD effective April 1, 2012:
 - a. Approve the MQB as open/shut for the months prior to April 1, 2012. Complete a Manual DMA-5004, Buy-In Clerical Action, for the open/shut case.
 - b. Enter a new administrative MAABD application and approve as MAABD effective April 1, 2012. Enter in EIS the income limit effective April 1, 2012. The certification from date must equal the first day of the month of application.

EXAMPLE: Applicant applies for Medicaid on March 1, 2012. His countable income is \$930. The application is processed on March 15, 2012. You determined he is eligible for MAABD-Q effective April, 1 2012, based on the new income limits and he is eligible for MQB-B for March. Approve the MQB-B application open/shut, for March 2012. Enter a new administrative MAABD and approve as MAABD effective April 1, 2012. Authorization for Q classification always begins the month following the month of disposition.

Applications Dated April 1, 2012 or Later:

1. Apply the new income limits to establish eligibility for the ongoing certification period.
2. Use the old income limits to establish eligibility for the months prior to April 1, 2012.

B. Ongoing Cases

For April 1, 2012 or later, apply the new income limits and 2012 RSDI amounts to establish eligibility for the ongoing certification period.

A report will display in NCXPTR. The title of the report is Poverty Potential Eligibility for Program Review. To view the report in XPTR, type: 'DHREJA POV POT ELIG FOR PROG REV'. This report compares the New Countable Income to the New Poverty Level for the Aid Program/Category and Medicaid classification. For MQB-B and MQB-E cases, it also compares the New Countable Income Limit for their current aid program/category. The Minimum Income column lists the new "minimum" amount of the federal poverty level for the recipient's current aid program/category.

EIS will not automatically update the cases on this report. You must pull these cases. Take appropriate action and send a timely notice, if appropriate. React to the change in the case by the pull cutoff date in April (04/25/12).

1. For each case listed on the report, complete an Online Verification (OLV) to verify the RSDI amount.
 - a. If there is no amount in the RSDI field in EIS, the increase could not be calculated correctly. These cases will show on the report with zeroes in the EIS RSDI field.
 - (1) Calculate the new countable income.
 - (2) Compare the New Countable Monthly Income with the New Poverty Level.
 - (3) If income is greater than the new poverty level limit, evaluate eligibility under other aid program/categories, including medically needy.

- b. For cases with no amount listed in the Minimum Income Limit column, do the following:
 - (1) Compare the New Countable Monthly Income with the New Poverty Level.
 - (2) If the poverty level increase causes a recipient's income to be greater than the New Poverty amount, evaluate for Medicaid under other aid program/categories, including medically needy.
- c. For cases with an amount listed in the Minimum Income Limit column (current MQB-B and MQB-E recipients), do the following:
 - (1) Compare the New Countable Monthly Income with the New Poverty Level.
 - (a) If the poverty level increase causes a recipient's income to be greater than the New Poverty Level amount, evaluate for Medicaid under other aid program/categories.
 - (b) Take appropriate action and send a timely notice. React to the change in the case by the pull cutoff date in April (4/25/12).
 - (2) Compare the New Countable Monthly Income with the Minimum Income Limit.
 - (a) If the poverty level increase causes a recipient's income to be equal to or less than the Minimum Income Limit, evaluate for greater benefit aid program/categories.
 - (b) Transfer the case to the appropriate program/category and send an adequate notice.
2. If an individual who is dually eligible (MAABD with Medicaid class Q) now has a deductible, he must be transferred to MQB-Q or B. Refer to MA-2355, MAABD/MQB Program Transfers.
3. If the individual is not entitled to Medicare, transfer to deductible status if it is established that the deductible can be met or projected expenses are within \$300.00 of meeting the deductible. If the deductible cannot be met, send a timely notice to terminate the case.

If the budget unit's countable income is within the MAABD-N income limit prior to April 1, 2012 and all other criteria are met, approve effective the first month of eligibility.

Use the April 1, 2012 income limits and the current RSDI COLA amount for any certification period that includes April 1, 2012 or later, regardless of the begin date. Please note that to enter the case in EIS, when months April 2012 or later are covered, you must enter the income limits effective April 1, 2012.

EXAMPLE: You are completing a February 2012 review. The total countable income is \$840.00, due to disregard of the RSDI COLA. You determine he is eligible for MAABD for March 2012 using the 2011 income limits. For April 2012 and later, you must include the RSDI COLA as countable income. Therefore, the new total countable income is \$889.00. You determine he remains eligible for MAABD effective April 1, 2012, based on the new income limits. The new certification period is March 2012 – August 2012. To enter April 2012 and later months into EIS, you must enter the income limits effective April 1, 2012.

II. IMPLEMENTATION INSTRUCTIONS FOR FAMILY & CHILDREN'S MEDICAID (MPW, MIC, NCHC, AND TRANSITIONAL MEDICAID CASES)

A. Applications

1. MPW applications that are Pending On or Taken On or After April 1, 2012:

- a. Determine eligibility prior to 04/01/12 using the income limits in effect prior to 04/01/12. If income does not exceed the income limits and all other eligibility requirements are met, approve the application. Authorize from the first month of eligibility through the end of the post-partum period, refer to MA-3310, MPW Budgeting.
- b. If ineligible for months prior to 04/01/12 due to excess income, determine eligibility effective 04/01/12 using new income limits.

If eligible using the new income limits and all other eligibility factors are met, approve the application and authorize effective 04/01/2012. Authorize through the end of the 60 day post-partum period. Refer to MA-3310, MPW Budgeting. Evaluate months prior to 04/01/12 in other Medicaid aid programs/categories.

- c. If ineligible using the new income limits, evaluate for medically needy coverage.

2. Applications for MIC-N, MIC-1, and NCHC (MIC-J, K, S, or A) Pending on April 1, 2012:

Always evaluate for eligibility under any other aid/program category (including MAF-M) prior to evaluating for NCHC. When a child is potentially eligible for MAF-M and NCHC, authorize him for MAF-M if medical expenses to meet the deductible have been incurred as of the date of application.

- a. Determine eligibility prior to 04/01/12 using the income limits in effect prior to 04/01/12. If the Medicaid effective date is prior to 04/01/12 and the income does not exceed the income limit in effect prior to 04/01/12 and all other eligibility requirements are met, approve the application using the income limit prior to 04/01/12. The 12-month certification/authorization begins with the first month of eligibility.
 - b. If ineligible using the income limits in effect prior to 04/01/12, determine eligibility using the income limit that is effective for 04/01/12.
 - (1) If eligible:
 - (a) Authorize the case effective 04/01/12 through the end of the 12-month period. The certification period begins with the month of application.

Enter the new income limits in EIS if the Medicaid effective date is 04/01/12 or later.
 - (b) Evaluate the case for medically needy coverage for months prior to 04/01/12.
 - (2) If ineligible:
 - (a) For MIC-N application using income limits effective 04/01/12. evaluate as MIC-1, NCHC or MAF-M.
 - (b) For MIC-1 application using income limits effective 04/01/12. evaluate as MAF-M.
 - (c) For NCHC applications, deny the case due to excess income and evaluate for MAF-M.
3. Applications for MIC-N, MIC-1 or NCHC Taken On or After April 1, 2012:
 - a. Determine eligibility for MIC-N and MIC-1 for months in the retroactive period that are prior to 04/01/12 using the income limits in effect prior to 04/01/12. Use the income limits effective 04/01/12 for April or later.
 - b. Determine ongoing eligibility for MIC-N and MIC-1 or NCHC using the income limits that are effective 04/01/12.
 - c. If eligible for MIC/NCHC, authorize beginning the first month of eligibility through the end of the 12-month period. Refer to MA-3425, Certification and Authorization, for MIC authorizations.
 4. Applications for MAF-M Pending On April 1, 2012:

For MAF applications pending with a deductible or for reserve verifications, evaluate eligibility effective 04/01/12 using the new income limits. For individuals age 0 through 5, evaluated for MIC-N or MIC-1. For individuals age 6 through 18, evaluate for MIC-N and NCHC. Evaluate pregnant women for MPW.

a. For MAF applicants ages 0 through 5 eligible for MIC-N or MIC-1 and ages 6 through 18 eligible for MIC-N effective 04/01/12

- (1) Enter an administrative DSS-8124 to create a new application. The application date is the date of the original MAF application.
- (2) Enter a certification period of 12 months from the month of application.
- (3) Authorize the MIC-N or MIC-1 case effective 04/01/12, provided all eligibility requirements are met.
- (4) Do not delete the child(ren) from the pending MAF application. The children remain on the MAF application until they are determined ineligible for MAF or are approved for MIC-N or MIC-1.

b. For MAF applicants age 6 through 18 eligible for NCHC effective 04/01/12:

- (1) Enter an administrative DSS-8124 to create a new application. The application date is the date of the original MAF application.
- (2) Enter a certification period of 12 months from the month of application.
- (3) Authorize the NCHC case effective 04/01/12, provided all eligibility requirements are met.
- (4) Do not delete the child(ren) from the pending MAF application. The children remain on the MAF application until they are determined ineligible for MAF or are approved for NCHC.

c. For MAF applicants now eligible for MPW:

- (1) Enter an administrative DSS-8124 to create an MPW application. The application date is the same date as the MAF application.
- (2) Authorize the MPW case effective 04/01/12, provided all eligibility requirements are met.
- (3) Certify through the end of the 60-day post-partum period. See MA-3240, Pregnant Women Coverage.

- (4) Do not delete the pregnant woman from the pending MAF application until she is determined ineligible for MAF or is approved for MPW for the period prior to 04/01/2012.
- d. Continue to process the MAF application for months prior to 04/01/12:
- (1) Recalculate the deductible for months prior to 04/01/12 if all individuals on the MAF application are eligible effective 04/01/12 under MIC, MPW, or NCHC. Approve an open/shut MAF case for any months prior to 04/01/12 for which eligibility is determined. If ineligible for MAF for the months prior to 04/01/12, deny the application following policy in MA-3215, Processing the Application.
 - (2) Recalculate the deductible for case members who remain in MAF only if an individual who has his own income is deleted from the MAF application and moved to a MIC-N, MIC-1, NCHC or MPW application.
 - (3) At the point MAF is approved delete the individuals eligible as MIC-N, MIC-1, MCHC or MPW from the MAF application.
 - (4) For individuals who have eligibility under MAF prior to 04/01/12, the individual termination date is 03/31/12 since MIC-N, MIC-1, NCHC or MPW is authorized 04/01/12.

B. Ongoing Cases

1. MAF Cases

Apply these changes at the next redetermination. If the case is ineligible for MAF or has a deductible, evaluate eligibility for children 0 through 18.

2. MIC-N and MIC-1 Cases

Apply these changes at the next redetermination. If the Medicaid effective date is prior to April 1, 2012, use the old limits. See MA-3305, MAF, MIC, HSF Budgeting, for instructions regarding changes that affect MIC.

3. NCHC Cases

Apply these changes at the next reenrollment.

C. Transitional Medicaid

Use the new 185% poverty limit for Transitional Medicaid for months beginning April 1, 2012.