

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

The agency does not apply the trust provisions in any case in which the agency determines that such application would work an undue hardship.

The following criteria will be used to determine whether the agency will not count assets transferred because doing so would work an undue hardship:

When application of trust provisions would deprive an individual of medical care such that his health or life would be endangered or deprive the individual of food, clothing, shelter, or other necessities of life.

Under the agency's undue hardship provisions, the agency exempts the funds in an irrevocable burial trust.

The agency does not impose a limit as long as the burial contract itemizes each burial item and or service.

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TN No. 95-06  
Supersedes  
TN No. 86-19

Approval Date 6-14-95

Effective Date 4-1-95

State/Territory: North Carolina

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Citation	Condition or Requirement
	COST EFFECTIVENESS METHODOLOGY FOR COBRA CONTINUATION BENEFICIARIES
1902(u) of the Act	Premium payments are made by the agency only if such payments are likely to be cost effective. The agency specifies the guidelines used in determining cost effectiveness by selecting one of the following methods:  _____ The methodology as described in SMM section 3598.  _____ Another cost-effective methodology as described below.

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TN No. 92-27  
Supersedes  
TN No. NEW

Approval Date 1-31-94

Effective Date 7/1/92

HCFA ID: 7985E

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

ELIGIBILITY UNDER SECTION 1931 OF THE ACT

The State covers low-income families and children under section 1931 of the Act.

The following groups were included in the AFDC State plan effective July 16, 1996:

x Pregnant women with no other eligible children.

x AFDC children age 18 who are full-time students in a secondary school or in the equivalent level of vocational or technical training.

     In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, without modification.

     In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, with the following modifications:

         The agency applies lower income standards which are no lower than the AFDC standards in effect on May 1, 1988, as follows:

         The agency applies higher income standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

         The agency applies higher resource standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

x The agency uses less restrictive income and/or resource methodologies than those in effect as of July 16, 1996, as follows:

1. Disregards the first \$2,000.00 of otherwise countable resources for applicants and recipients.
2. Disregards the value of one motor vehicle per adult in addition to disregard of \$2,000.00 of otherwise countable resources.
3. Disregards the value of real property,
4. Disregards trust funds, burial contracts and retirement accounts.
5. For budgeting purposes, prorates contract income over the period of time the contract is intended to cover. In cases where this methodology gives a more restrictive outcome than the July 16, 1996 methodology, the July 16, 1996 methodology is used.
6. Exclude all cash assistance payments made under the State TANF plan.
7. Disregards 100% of earnings for 3 months, for applicants and recipients who begin a permanent job where they will work at least 20 hours per week.
8. Disregards 27.5% of the caretaker relative's earned income. If this disregard results in a more restrictive outcome than the July 1, 1996 methodology, the July 1996 methodology will be applied.
9. Disregards the value of food not eaten by a case member who is temporarily absent from the home.
10. Excludes all wages paid by the Census Bureau for temporary employment related to Census activities.

The income and/or resource methodologies that the less restrictive methodologies replace are as follows:

1. Resource limit of \$1000.00 regardless of family size. No otherwise countable resources may be disregarded.
2. Disregards \$1,500.00 equity value of one vehicle.
3. Counts the value of real property.
4. Counts the value of trust funds, revocable burial contracts and retirement accounts if the retirement funds can be withdrawn in an lump sum.
5. Contract income budgeted using base period of one month.
6. Item 8, above, replaces a methodology that disregards \$90 from the earned income of any member of the case plus costs for child/incapacitated adult care up to \$200 for child under 2 and \$175 for each child age 2 and over and incapacitated adult.
7. Item 9, above, replaces a methodology that counts as income the value of food not eaten by a case member who is temporarily absent from the home.

The agency terminates medical assistance (except for certain pregnant women and children) for individuals who fail to meet TANF work requirements.

  x   The agency continues to apply the following waivers of provisions of Part A of Title IC in effect as of July 16, 1996, or submitted prior to August 22, 1996 and approval by the Secretary on or before July 1, 1997.

Waiver of sections 402(a)(41), 45 CFR 233.100 and 45 CFR 233.100(c) through which the State eliminated the 100 hour rule when determining the eligibility of two parent families. This allows the deprivation requirement to be met even if the principal earner is employed more than the 100 hours.

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TN No. 99-28  
Supercedes  
TN No. new

Approval Date 1/28/00

Effective Date 11-01-99

State Plan Under Title XIX of the Social Security Act

State: North Carolina

ELIGIBILITY UNDER SECTION 1931 OF THE ACT

The State covers low-income families and children under Section 1931 of the Act.

X The agency used less restrictive income and/or resource methodologies than those in effect as of July 16, 1996, as follows:

All wages paid by the Census Bureau for temporary employment related to Census 2000 activities are excluded.

— The income and/or resource methodologies that the less restrictive methodologies replace are as follows:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

VARIATIONS FROM THE BASIC PERSONAL NEEDS ALLOWANCE

SPECIAL PERSONAL NEEDS ALLOWANCE FOR PERSONS WITH GREATER NEED:

In addition to the standard personal needs allowance, the sum of the following, not to exceed the income maintenance level provided by North Carolina statute for a single individual (or a couple, if in the same LTC room) in a private living arrangement.

1. Mandatory non-discretionary deductions from income.
2. An incentive allowance for individual who are regularly engaged in work activities as a part of a development plan and for whom retention of additional income contributes to their achievement of independence. The formula for the incentive is as follows:

<u>Monthly Net Wages</u>	<u>Monthly Incentive Allowance</u>
\$1 to \$100	All up to \$50
\$101 to \$200	\$80
\$201 to \$300	\$130
\$301 to greater	\$212

3. Individuals, for whom a guardian of the estate has been named by the court, shall be allowed, for payment of guardianship fees whichever of the following amounts is less:
  - a. 10% of total monthly income from all sources, both earned and unearned;
  - OR
  - b. \$25 per month

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December 1997

SUPPLEMENT 12A TO ATTACHMENT 2.6-A

Page 2  
OMB No.: 0938-0673

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

VARIATIONS FROM THE BASIC PERSONAL NEEDS ALLOWANCE- Continued

1924 of the SSA II  
CFR 435.725  
CFR 435.733  
CFR 435.832

4. In addition to the basic personal needs allowance, the personal needs allowance is increased by the amount of compensation paid to the individual from the Eugenics Asexualization and Sterilization Compensation Fund.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

ASSET VERIFICATION SYSTEM

1940(a) 1.  
of the Act

The agency will provide for the verification of assets for purposes of determining or redetermining Medicaid eligibility for aged, blind and disabled Medicaid applicants and recipients using an Asset Verification System (AVS) that meets the following minimum requirements.

- A. The request and response system must be electronic:
  - (1) Verification inquiries must be sent electronically via the internet or similar means from the agency to the financial institution (FI).
  - (2) The system cannot be based on mailing paper-based requests.
  - (3) The system must have the capability to accept responses electronically.
- B. The system must be secure, based on a recognized industry standard of security (e.g., as defined by the U.S. Commerce Department's National Institute of Standards and Technology, or NIST).
- C. The system must establish and maintain a database of FIs that participate in the agency's AVS.
- D. Verification requests also must be sent to FIs other than those identified by applicants and recipients, based on some logic such as geographic proximity to the applicant's home address, or other reasonable factors whenever the agency determines that such requests are needed to determine or redetermine the individual's eligibility.
- E. The verification requests must include a request for information on both open and closed accounts, going back up to 5 years as determined by the State.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

ASSET VERIFICATION SYSTEM

2. System Development

A. The agency itself will develop an AVS.

In 3 below, provide any additional information the agency wants to include.

B. The agency will hire a contractor to develop an AVS.

In 3 below provide any additional information the agency wants to include.

C. The agency will be joining a consortium to develop an AVS.

In 3 below, identify the States participating in the consortium. Also, provide any other information the agency wants to include pertaining to how the consortium will implement the AVS requirements.

D. The agency already has a system in place that meets the requirements for an acceptable AVS.

In 3 below, describe how the existing system meets the requirements in Section 1.

E. Other alternative not included in A. – D. above.

In 3 below, describe this alternative approach and how it will meet the requirements in Section 1.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

ASSET VERIFICATION SYSTEM

3. Provide the AVS implementation information requested for the implementation approach checked in Section 2, and any other information the agency may want to include.

The contractor will have the capacity, requisite experience, and expertise to provide AVS services for NCDHHS, in accordance with the provisions and requirements set forth. The contractor will meet the asset verification system requirements set forth in Section 1040 of P.L. 110-252. The contractor will ensure the quality of services provided and immediately take necessary and corrective steps upon identification of inappropriate, undesirable, or otherwise poor service or upon notification by representatives of NCDHHS. The contractor will meet or exceed specific and measurable performance standards as outlined in the RFP. The contractor will have an independent auditor, approved by NCDHHS, perform a Level II SAS 70 audit biennially. The system will comply with the national standards prescribed by the Health Insurance Portability and Accountability Act of 1996 and the Balanced Budget Act of 1997, and will be kept in compliance with new and modified requirements.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

DISQUALIFICATION FOR LONG-TERM CARE ASSISTANCE FOR INDIVIDUALS WITH SUBSTANTIAL HOME EQUITY

1917(f) The State agency denies reimbursement for nursing facility services and other long-term care services covered under the State plan for an individual who does not have a spouse, child under 21 or adult disabled child residing in the individual's home, when the individual's equity interest in the home exceeds the following amount:

\$500,000 (increased by the annual percentage increase in the urban component of the consumer price index beginning with 2011, rounded to the nearest \$1,000).

An amount that exceeds \$500,000 but does not exceed \$750,000 (increased by the annual percentage increase in the urban component of the consumer price index beginning with 2011, rounded to the nearest \$1,000).

The amount chosen by the State is \_\_\_\_\_.

This higher standard applies statewide.

This higher standard does not apply statewide. It only applies in the following areas of the State:

This higher standard applies to all eligibility groups.

This higher standard only applies to the following eligibility groups:

The State has a process under which this limitation will be waived in cases of undue hardship.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State North Carolina

ELIGIBILITY CONDITIONS AND REQUIREMENTS FOR THE MEDICALLY NEEDY

I. Non-financial eligibility

For families and children, and aged, blind, and disabled individuals, the non-financial eligibility conditions are the same as those applicable to the categorically needy as described in Section II of ATTACHMENT 2.6-A, except with respect to blind and disabled individuals as described in Section C of ATTACHMENT 2.2-A.

II Financial eligibility

A. Treatment of income

1. Income levels by family size

a. The minimum net income level for maintenance is as described below and as indicated in the table below:

X 1. The higher of the payment standards generally used as a measure of financial eligibility in the money payment programs, as specified in 45 CFR 248.3(c)(1)(ii).

X This level does not exceed 133 1/3 percent of the highest amount ordinarily paid to an AFDC family of comparable size, as specified in 45 CFR 248.4(b)(4).

       This level exceeds 133 1/3 percent of the highest amount ordinarily paid to an AFDC family of comparable size, as specified in 45 CFR 248.4(b)(4). The State agency has methods for excluding from its claim for Federal financial participation payments of amounts equivalent to those in columns (3) and (5) in the table below.

Rec'd \_\_\_\_\_

OPC 11# 74-66

Dated \_\_\_\_\_

R.O. Action 3/12/75

EFF. Date 1/1/74

Obsoleted by \_\_\_\_\_

Dated \_\_\_\_\_

State North Carolina

     ii. A level higher than that specified in Item  
i above.

         This level does not exceed 133 1/3  
Percent of the highest amount ordinarily paid to an  
AFDC family of comparable size, as specified in 45 CFR  
248.4(b)(4).

         This level exceeds 133 1/3 percent of  
the highest amount ordinarily paid to an AFDC family  
of comparable size, as specified in 45 CFR  
248.4(b)(4). The State agency has methods for  
excluding from its claim for Federal financial  
participation payments of amounts equivalent to those  
in columns (3) and (5) in the table below.

     iii. A level lower than that specified in Item I  
above, but no lower than 133 1/3 percent of the highest  
amount ordinarily paid to an AFDC family of comparable size,  
as specified in 45 CFR 248.4(b)(4).

a. The State agency uses urban and rural differentials in establishing the  
amounts of net income protected for maintenance.

     Yes. These amounts are indicated in columns (2)  
and (4) of the table below.

  x   No. The net income levels for all medically  
needy individuals are as stated in column 2 of the table below.

Rec'd \_\_\_\_\_ OPC-11 # 74-66 Dated \_\_\_\_\_

R.O. Action 3/12/75 Eff. Date 1/1/74

Obsoleted by \_\_\_\_\_ Dated \_\_\_\_\_

State North Carolina

The income levels for the medically needy are specified below:

Family Size	Semi-Annual Net income level protected for maintenance  <input type="checkbox"/> Urban only  <input checked="" type="checkbox"/> urban only	Semi-Annual Amount by which Column (2) exceeds limits specified in 45 CFR 248.4	Net income level for person living in rural areas	Amount by which Column (4) exceeds limits specified in 45 CFR 248.4
(1)	(2)	(3)	(4)	(5)
1	\$ 1050	\$	\$	\$
2	\$ 1350	\$	\$	\$
3	\$ 1550	\$	\$	\$
4	\$ 1700	\$	\$	\$
5	\$ 1850	\$	\$	\$
6	\$ 2000	\$	\$	\$
7	\$ 2150	\$	\$	\$
8	\$ 2250	\$	\$	\$
9	\$ 2350	\$	\$	\$
10	\$ 2450	\$	\$	\$
For each additional Add:	\$ 100	\$	\$	\$

SENT BY OPC-11 # 79-18 DATED 8-7-79

R.O. ACTION DATE 10-15-79 EFF. DATE 7-1-79

OBSOLETE BY \_\_\_\_\_ DATED \_\_\_\_\_

State North Carolina

2. Income disregards

a. In determining net income for families and children, the disregards and set-asides and exemption of work-related expenses in the State's approved AFDC plan are applied.

b. In determining net income for aged individuals, the following disregards are applied

The disregards of the SSI program.

The disregards of the State supplementary payment program

The disregards of the SSI program, except for the restrictions specified in section II B-1 of ATTACHMENT 2.6-A

c. In determining net income for blind individuals, the following disregards are applied:.

The disregards of the SSI program.

The disregards of the State supplementary payment program.

The disregards of the SSI program, except for the restrictions specified in section II-B-2 of ATTACHMENT 2.6-A.

d. In determining net income for disabled individuals, the following disregards are applied:

The disregards of the SSI program.

The disregards of the State supplementary payment program

The disregards of the SSI program, except for the restrictions specified in section II-B-3 of ATTACHMENT 2.6-A.

Rec'd \_\_\_\_\_ OPC-11 # 74-66 Dated \_\_\_\_\_

R.O. Action 3/12/75 Eff. Date 1/1/74

Obsoleted by \_\_\_\_\_ Dated \_\_\_\_\_

State North Carolina

3. Handling of Excess Income

a. Income in excess of the amount protected for maintenance, as specified in the table on page 3 of this ATTACHMENT is considered as available for payment of medical care and services. The State agency measures available income for the following period to determine the amount of excess income applicable to the cost of medical care and services:

6 months

b. Excess income may be applied to medical and remedial care and services not encompassed in the plan:

X Without limitation or exceptions

\_\_\_ With the exception of the care and service specified below:

B. Treatment of resources

1. The resource levels:

\_\_\_ Are the same as the level specified in the State's approved AFDC plan or the SSI program whichever is higher for a family of a particular size.

\_\_\_ Exceed the level specified in the State's approved AFDC plan or the SSI program, whichever is higher for a family of a particular size.

X A supplement to this ATTACHMENT describes the limitations imposed on resources for the medically needy.

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DATED \_\_\_\_\_

State: North Carolina

2. The method(s) checked below is used in handling resources in excess of those specified above:

Excess non-income producing property  
(except the home) must be disposed of

Any excess resources render the individual ineligible

Other described as follows:

Resource Levels

<u>Number of Persons</u>	<u>Resources Allowed Held in Reserve</u>
1	\$1,000
2	\$1,100
3	\$1,150
4	\$1,200
5	\$1,250
6	\$1,300
7	\$1,350
8	\$1,400

For each additional person add \$50 up to maximum of \$2,000.

Items Counted in Reserve

1. Cash
2. Liquid assets - savings, checking accounts, stocks and bonds, cash value of life insurance policies when total face value of policies in possession of the person exceeds \$1,500, and other investments.
3. Equity in real property not used as a home or not producing income.
4. Equity in the loan value of non-essential motor vehicles
5. Equity value of \$1,000 or less in essential motor vehicles.

Items Exempt from the Reserve

1. Real property used as a home- No maximum established.
2. Real property producing income.
3. Personal clothing and effects.
4. Essential household furnishings and appliances.
5. Equity value of \$1,000 or less in essential motor vehicles.
6. Cash value of life insurance policies when the total face value of all policies does not exceed \$1,500.

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August 20, 1974

Supplement to Attachment 2.6-C  
Page 5

State North Carolina

The resource limitations are the same for the medically needy as for the categorically needy except that burial plots are excluded as a resource for the medically needy and any property producing any income is excluded.

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