

DMA ADMINISTRATIVE LETTER NO. 16-01,

Addendum 2, NC Health Choice Enrollment Freeze

DATE: JUNE 26, 2001

Subject: NC Health Choice Enrollment Freeze

**Distribution: County Director of Social Services
Medicaid Income Maintenance Directors
NCHC/F&C Medicaid Supervisors
NCHC/F&C Medicaid Caseworkers**

I. CONTENT

The purpose of this letter is to notify counties that additional funding has been approved for the NC Health Choice for Children program. Applications for children on the waiting list will be reopened. Counties will be notified of the number of affected children and the date of reactivation via a terminal message.

Children who are not on the waiting list and who are subsequently determined eligible for NCHC will continue to be added to the waiting list. DMA will evaluate enrollment and funding. When funding can support additional enrollment, counties will be notified. Until then, continue to follow current procedures found in DMA Administrative Letter No. 16-01 to place children found eligible for NC Health Choice on the waiting list.

Instructions are provided for processing children who are reactivated from the waiting list.

II. REACTIVATING APPLICATIONS IN EIS

A. Selecting Applications

The applications to be reactivated are identified using the waiting list database (see DMA Administrative Letter 16-01). EIS reactivates the applications using the information in that database.

B. Reactivating Applications

1. The reactivated application contains the same individuals who were listed on the original "C4" denied application.
2. Applications originally keyed as type 6 add-on applications will be reactivated as type 6 add-on applications using the same case ID number that was used on the original "C4" denied application. All other reactivated applications will be opened as new applications and will have a new case ID number.
3. Reactivated applications have an indicator for identification purposes that is invisible to the county. The indicator will allow the identified cases to be approved at the county level once eligibility is established.
4. These applications appear on the county application management report but are administrative applications. The processing time is not included in the county's Alexander or NC Health Choice Report Cards.
5. [A Notice of Reactivation \(Attachment 1\)](#) is mailed by the State to each casehead in a reactivated application. See III.A.
6. A report titled DHREJ NCHC APPLICATIONS REACTIVATED found in NCXPTR lists the reactivated application by county. Each county will receive two paper copies of the report. The report is sorted alphabetically by casehead, not by the order the child appeared on the waiting list.

III. NOTIFYING CLIENTS AND REQUESTING INFORMATION

Because eligibility for the program was previously established, do not make another complete determination of eligibility. However, income and other basic information must be re-evaluated for all reactivated applications.

A. Mailing Reactivation Notice

1. The State mails to each casehead a [Notice of Reactivation letter \(Attachment 1\)](#). This letter notifies families about the reactivation of the application. It asks them to confirm their current address and the child's health insurance status. The letter also asks each family if there has been a change in income since they applied. The family's statement of income on the letter is acceptable if they indicate a change in income. Verification of income is not required in this situation.
2. The family has ten calendar days to return the letter. Counties will be notified via terminal message when the letters are mailed.

If the family does not respond by the deadline:

- a. Research agency records, both paper and computer, to ensure the letter was mailed to the most current address.
 - b. Mail a second letter ([attachment 1](#)). Mark "Second Request" at the top of the letter. Attach a DMA-8146M to the letter.
 - c. Allow ten calendar days from the date mailed for return of the second letter.
3. If the letter is returned to the agency because the family no longer lives at the address:
- a. If a forwarding address is provided, mail the notice to that address.
 - b. If no forwarding address is provided, check the original application for a phone number. Attempt to contact the family by phone to verify the current address.
 - c. If no forwarding address or phone number is available, search all agency records, both paper and computer, for a current address. See MA-3355, IV.A.5.b. for the definition of current address.
 - d. If no current address or phone number can be located, document all attempts to locate the family and deny the application.

B. Reactivation Notice Returned Complete

When the letter is returned complete (all questions, except date, are answered, income statements are complete and not questionable and the form is signed), process the reactivated application.

1. If the family reports no change in income, process the application using the income on file.
2. If the family reports a change in income and has included a complete statement regarding the changed income, use that statement to process the reactivated application.
 - a. If the child is eligible for Medicaid using the changed income, approve the application under the appropriate Medicaid program.
 - b. If the child is eligible for NCHC using the changed income, approve for NCHC.

- c. If the child is ineligible for NCHC based on the changed income, deny the reactivated application using the appropriate denial code.
3. Because families may have moved since the original application was filed, you may have reactivated applications for families who no longer reside in your county. The county on whose report the casehead appears is responsible for dispositioning the reactivated application. After approving the case, follow transfer procedures in MA-3225, VI., E., and MA-3231, V.

C. Reactivation Notice Returned Incomplete

If the Notification of Reactivation letter is returned but is incomplete (not all questions, are answered, income statement is incomplete or questionable or the form is not signed), use the DMA-8146M to request the missing information. Make at least two requests with at least 10 calendar days between the requests.

D. Notice of Reactivation Lists Children Not Included on the Original Application

1. Mail or give the family a DMA-5063 to apply for the other child. Inform the family that they must apply for this child.
2. When the family returns the DMA-5063 for the additional child, process that application following policy in MA-3300 through MA-3304 and DMA Administrative Letter No. 16-01. The child, if eligible for NCHC, will be added to the waiting list.

E. Notice of Reactivation Indicates Child Moved to Another Household

It is possible that a child has moved into another household since the original application was made. If the Notice of Reactivation indicates that the child has moved into another household:

1. Research the case per IV., below.
2. If the same child appears in multiple reactivated applications, follow instructions in IV.C.
3. If the child does not appear in another reactivated application with the new casehead:
 - a. Request income from any financially responsible person in the new household using the DMA-8146M.

- b. Based on the new household's income, evaluate eligibility first for Medicaid. If ineligible for Medicaid, the child must be evaluated for Health Choice. Because this income was never verified, a statement of income is not acceptable to process these Health Choice cases. Income in these cases must be verified following policy in MA-3225.
- c. Before disposing of the case, change the address on the DSS-8124 to the current address for the child. If the child is eligible with the new casehead, follow instructions in EIS 3101 to change the casehead once the case is approved.

IV. RESEARCHING CASES

Due to automation constraints, prior to reactivating the applications, no match will be done to determine the child's current status in EIS. Also, the "C4" denial database will not be searched for children or caseheads who appear multiple times in the database.

Using the information from the NCXPTR report and information in EIS, research the reactivated applications prior to disposition to determine if any child on the original application has been subsequently approved in another aid program/category or if the child or casehead appears multiple times in the reactivated applications.

A. Reactivated Child in Ongoing Case

If the child on a reactivated application has already been approved and is active in an ongoing case:

1. Deny the application if all children on the reactivated application are now authorized in an ongoing case, or
2. Delete the active child from the reactivated application if there are children on the reactivated application who are not authorized in an ongoing case. Delete the active child on the DSS-8125 at the time the reactivated application is approved for the other children. The individual termination date is the same as the date of the reactivated application.

B. Reactivated Child in Another Pending Application (Not A Reactivated Application)

1. Children in Pending NCHC Application
 - a. If the reactivated application is approved prior to the 45th day of the pending application, deny the pending application.

- b. If the reactivated application is denied prior to the 45th day of the pending application, process the pending application.
- c. If the reactivated application is not processed by the 45th day of the pending application, process the pending application. Continue to process the reactivated application.

2. Children in Pending Medicaid or Work First Application

Unless ineligibility is established, do not dispose of the reactivated NCHC application until the pending Medicaid or Work First application has been dispositioned. Reactivated applications may pend for more than 45 days in these situations.

- a. If the pending Medicaid or Work First application is approved, deny the reactivated NCHC application.
- b. If the pending Medicaid or Work First application is denied, process the reactivated NCHC application.

C. Same Reactivated Child in Multiple Reactivated Applications

A family may have applied for the same child more than once during the freeze. Counties were directed to disposition each application and, if appropriate, deny each using the "C4" denial code. This means that the same child could appear in multiple reactivated applications and the family could receive more than one Notice of Reactivation.

- 1. Use the information from the most recent application on record and the Notice of Reactivation to process the reactivated application.
- 2. If the same children appear together in multiple reactivated applications, deny all but one of the reactivated applications.

For example, Sue Smith applied January 3 for her children, John, Jane and Jimmy. She applied again on March 1 for the same children. Ms. Smith will have two reactivated applications. Deny one application. Use information from the March 1 application to process the reactivated application.

- 3. If a child appears in multiple reactivated applications but with different children and casehead:
 - a. Determine where the child is currently living.

- b. Include the child on the payee's case where he currently lives. Use information from that payee's application to process the case.
- c. Delete the child from the other reactivated applications. Key the individual termination date on the DSS-8125 at the time the remaining children on the reactivated application are approved. The individual termination date is the date of the reactivated application.

For example, Jill Johnson applied January 5 for her children, Barry, Sara and Will. Barry left the household and went to live with his father, Sam. Sam Johnson applied for Barry on March 1. Barry will appear on both reactivated applications. Barry is still living with his father. Process the reactivated application for Barry based on information from the March 1 application. When NCHC is approved for Sara and Will, delete Barry from that application.

D. Same Casehead in Multiple Reactivated Applications

It is also possible that a family applied more than once during the freeze but for different children. This means that the same casehead could appear multiple times on the report with different children. The casehead can have only one NCHC case in EIS.

1. Deny all reactivated applications with the same casehead.
2. Key a DSS-8124 administrative application to reopen the reactivated application. The application type is 1. The application date is the same as the denied reactivated application.
3. This reopened application includes all the children for whom the casehead applied and whose application has been reactivated.

For example, Beth White applied for her child, Ben, on January 11. On February 15, she applied for another child, Jessica. Both applications are reactivated by EIS. Deny both applications and key one DSS-8124 that includes Ben and Jessica.

4. Key the DSS-8125 for approval. An on-line error message will appear stating that the application cannot be approved. Put the form on hold. Contact Medicaid EIS at (919)857-4019 and provide the form numbers of the DSS-8124 and DSS-8125 as well as the county number. These cases will be processed at the state level. Do not take any further action on the forms or they will not process.

E. Add-on Applications

Some cases on the waiting list were keyed as add-on applications to existing NCHC cases. These cases have been reactivated as type 6, add-on applications.

Research these cases to ensure the existing NCHC case is still active.

1. If the NCHC case to which the child was being added is still active, process the reactivated application as an add-on.
2. If the NCHC case to which the child was being added has been closed:
 - a. Deny the reactivated application.
 - b. Key a DSS-8124 administrative application. The date of application is the same as the denied reactivated application. The application type is 1.
3. If the case ID of the NCHC case to which the child was being added is now linked to a non-NCHC case:
 - a. Deny the reactivated application.
 - b. Key a DSS-8124 administrative application. The date of application is the same as the date of the denied reactivated application. The application type is 1.
4. Anytime the county denies the reactivated application and keys the administrative DSS-8124, the state must process the case. Follow directions in IV.D.4. to have the case processed.

V. PROCESSING THE NCHC REACTIVATED APPLICATION

A. Children with Special Health Care Needs

Each case on the waiting list should already have on file the DMA-5069 and, if appropriate, the DMA-5068.

1. When the Notice of Reactivation letter is returned, research the case to determine if the application included children previously identified and certified as having special health care needs. For these cases, mail [the Notice of Special Health Care Needs letter \(attachment 2\)](#) to inform the family that, if they still have insurance on the child with special health care needs, they must inform the insurance company of their wish to drop the insurance on the child. Instruct the family to complete and return the form within ten calendar days.

2. If the letter is not returned in ten calendar days, send another letter. Mark "Second Request" at the top of the notice. Give ten calendar days for return. Attach a DMA-8146M to the letter.
3. Upon receipt of the Notification of Special Health Care Needs letter verifying that the insurance has been dropped, authorize the case effective the first of the month following the month the coverage ends. The certification period will begin the same month the case is authorized and will be twelve months. Authorize these cases even if the insurance coverage does not end until after the month of the 45th day. For reactivated applications only, do not follow instructions in DMA Administrative Letter Number 09-01 III.B.2. for processing timeframes.
4. If the second Notice of Special Health Care Needs is not returned by the 45th day, deny the reactivated application or delete the insured child, whichever is appropriate.

B. Enrollment Fee

If the Notice of Reactivation letter is returned and it is determined that the child is still eligible for NCHC, determine if the family must pay a fee. If there has been no change in income, use the information already in the record to make this determination. If the income has changed, use the family's statement on the reactivation letter to make this determination. Follow current policy and county procedures to notify the family of the fee and to collect the fee.

C. Possible Application Outcomes

There are three possible outcomes for the reactivated NCHC applications.

1. Withdrawal

Withdraw the application if the casehead contacts the DSS and states he/she no longer wants the assistance. The caseworker must document the reason for withdrawal and the alternatives to withdrawal that were discussed with the client. Follow instructions in MA-3304, III., D.

2. Denial

- a. Deny any time ineligibility is established (for example, changed income exceeds the income limit).

- b. Deny when the family fails to provide information on:
 - (1) The 45th day when two DMA-8146Ms were sent with at least ten calendar days between them and the 10th day of the second DMA-8146M is prior to the 45 day processing standard, or
 - (2) The first work day after the 10th calendar day when the second DMA-8146M is sent requesting the information and the 10th calendar day exceeds the 45 day processing standard.
- c. Failure to provide information includes:
 - (1) The family fails to return the Notice of Reactivation,
 - (2) The family reports a change in income but has not provided a complete statement of the changed income,
 - (3) The family does not report on the status of health insurance for all of the children originally included on the application.
 - (a) Delete children for whom the status of health insurance is not reported when the family does not respond to the requests for information.
 - (b) If the status of health insurance is not reported for any of the children and the family does not respond, deny the application.
 - (4) The family does not list all of the children who were included on the original application.
 - (a) Delete children not listed when the family does not respond to the requests for information.
 - (b) If none of the children are listed on the Notice of Reactivation and the family does not respond, deny the reactivated case.
 - (5) The family fails to sign the letter.
- d. Follow current policy in MA-3225 for denying cases due to failure to pay the enrollment fee or when the child has comprehensive health insurance.
- e. If the Notice of Reactivation letter or any other information requested is returned after the case is denied, send a DMA-5063. Advise the family that the child has been dropped from the waiting list and that they must reapply.

3. Approval

Approve the case if the family returns the Notice of Reactivation letter, remains eligible, pays the enrollment fee, if applicable, and does not have health insurance on the child (see A. for instructions for children with special health care needs with insurance).

Authorize the case when the family meets all eligibility requirements but no earlier than the first of the month of the reactivated application. The certification period will begin the same month the case is authorized and will be twelve months. If the child was covered under another insurance, authorize according to current policy.

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

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Director

(This material was researched and written by Renee Boston, Policy Consultant, Medicaid Eligibility Unit.)