MA-2525 DISABILITY
REVISED 11/01/08- CHANGE NO. 24-08

I. INTRODUCTION

Individuals under age 65 may be eligible for Medicaid if they are disabled according to the Social Security definition of disability. The aid program/category is MAD (Medicaid Aid to the Disabled).

Under Title II and Title XVI of the Social Security Act, disability is defined as the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment or combination of impairments that is expected to result in death or which has lasted or is expected to last for a continuous period of not less than 12 months.

The working disabled may be eligible for Medicaid under the Health Coverage for Workers with Disabilities Program (HCWD). See MA-2180, Health Coverage for Workers with Disabilities. To be eligible under this program, the individual must meet the Social Security definition of disability except for the substantial gainful activity requirement.

Individuals who receive Social Security (RSDI) or Supplemental Security Income (SSI) because they are disabled are considered to meet the disability requirement for Medicaid. All other individuals who apply for MAD must have a determination of disability (refer to V.D. below for exceptions). In addition, if an RSDI/SSI recipient requests MAD coverage for a period prior to the disability onset date established by Social Security, he must have a disability determination for that period of time.

North Carolina Disability Determination Services (DDS) determines disability for North Carolina residents who apply for RSDI, SSI and Medicaid.

This section provides instructions on whether a disability determination is required and how to request it, processing Medicaid cases reopened due to appeal reversals or Social Security approvals, reacting to changes in disability status, protected status for children and periodic reviews of disability.

A. SSI Recipients

A person under age 65 who receives SSI disability is automatically eligible for Medicaid as MAD without a separate application or a disability determination. If the SSI recipient requests Medicaid for a period prior to his authorization for SSI, he must apply for MAD for that period and be determined disabled. Refer to MA-1000, SSI Medicaid - Automated Process and to MA-1100, SSI Medicaid - County Responsibility and to IV. below.

(I.)

B. Social Security Disability Recipients (RSDI)

A person who receives Social Security based on disability meets the disability requirement for Medicaid. However, he is not automatically eligible for Medicaid. He must apply for Medicaid and must meet all other eligibility requirements. If the Social Security disability recipient requests Medicaid for a period prior to his onset date for disability, he must apply for that period and be determined disabled.

C. Persons Not Receiving Social Security Disability or SSI

A person who wishes to apply for Medicaid based on disability and who is not receiving Social Security Disability or SSI must be determined disabled by DDS (Refer to V.D. below for exceptions).

II. DEFINITIONS

A. Disability

The Social Security Administration (SSA) defines disability as the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment or combination of impairments that is expected to result in death or which has lasted or is expected to last for a continuous period of not less than 12 months. A disability determination for HCWD is made without regards to Substantial Gainful Activity. A disability determination for HCWD is made without regard to Substantial Gainful Activity.

B. Social Security Administration (SSA)

SSA is the agency of the federal government that issues regulations for the RSDI and SSI programs, as well as Medicare and Medicaid, under the Social Security Act.

C. Retirement, Survivors, Disability Insurance (RSDI)

RSDI is a program administered under Title II of the Social Security Act through the SSA that pays benefits to persons who have contributed enough quarters to the Social Security system, or who are the dependents of one who has contributed to the system, when they are aged or retired, are a surviving spouse or dependent child, or are disabled.

An individual under age 65 may be receiving RSDI as a retired person. and must be determined disabled to be eligible under MAD. Receipt of early retirement benefits does not establish disability, unless the individual actually received a disability benefit and then switched to early retirement benefits at age 62. For an individual under age 65 receiving RSDI, verify with SSA whether he has been determined disabled.

(II.)

D. Supplemental Security Income (SSI)

SSI is a program administered under Title XVI of the Social Security Act through the SSA. It is an assistance program based on need that guarantees a minimum level of income for aged, blind, and disabled persons. SSI recipients have not contributed enough to the Social Security system to be able to receive benefits on their own wage accounts. Effective January 1, 1995, SSI recipients in North Carolina automatically receive Medicaid.

E. Disability Determination Services (DDS)

This is the section of the North Carolina Department of Health and Human Services (DHHS) which is responsible for making determinations of disability for RSDI, SSI, and Medicaid.

F. Disability Onset Date

This is the date that the disability began. The onset date is established by DDS as part of the disability determination for SSI, RSDI or Medicaid. Eligibility for Medicaid can begin no earlier than the first day of the month of the onset date. If the person applies for Medicaid for a period prior to an established onset date, disability must be determined for that period.

G. Diary/Re-Exam Date

This is the date when a continuing disability review (CDR) is due as established by DDS and is found on the DMA-4037, Disability Determination Transmittal or the DMA-4037A HCWD Disability Determination Transmittal. If the approval was the result of an appeal decision, the "Diary/Re-Exam Date" is found in the body of the decision letter.

H. Health Coverage for Workers with Disabilities (HCWD)

A program which allows individuals with disabilities to work and maintain Medicaid benefits through a higher resource and income limit.

G. Protected Medicaid Status For Children Terminated From SSI

Children who lost SSI solely because of a change in the definition of childhood disability in August 1996 have protected Medicaid status. Protected status means their disability continues to be determined by DDS using the pre-August 1996 definition of childhood disability. Protected status must be clearly indicated and tracked in the child's case record.

Protected status continues until the child turns age 18 and has an adult disability review, or until the child is determined by DDS to be no longer disabled. Children who have protected status must be covered as MAD-N if they meet all other non-disability eligibility requirements for MAD-N. Refer to X. below.

Protected status does not apply to any child who applied for SSI and was determined disabled with a disability effective date of August 1, 1996 or later.

III. POLICY PRINCIPLES

A. When A Disability Determination by DDS Is Required

(See MA-2525, Figure 7 for a guide in deciding which disability application policy applies.)

A disability determination by DDS is required in the following situations:

1. The person requesting Medicaid is ineligible in any other aid program category, and he:

   a. States that he is disabled, and

   b. His disability has not already been established.

2. The person requesting Medicaid may be eligible in another category but policies in MAD are more favorable to him, and he

   a. States that he is disabled, and

   b. His disability has not already been established.

3. The person is working and states that he is disabled but:

   a. Has not had a disability determination; or

   b. Has not received disability in the twelve months prior to the date of application; or

   c. Exceeds regular Medicaid income and resource limits.

   NOTE: If an HCWD applicant has been found disabled within the twelve months prior to the month of application he is considered disabled for HCWD purposes.

(III.A.)

4. The person requesting Medicaid has been determined disabled, but an earlier onset date must be established to cover dates prior to the established onset date.

5. Ongoing Cases: Some MAD recipients require a periodic continuing disability review (CDR). The date when a CDR is due is called a "Diary/Re-Exam Date" which is established by DDS or by the Hearing Officer in the hearing decision. If a Diary/Re-exam date is established, enter the date in the Special Review Code to flag the case for a disability review at the scheduled time.

B. Applicants who are Working

When an applicant alleges he is disabled and is working request a disability determination from DDS using the DMA-4037A, HCWD Disability Determination Transmittal.

C. Application Time Standards

For all applications involving disability, the time standard for processing the application is 90 days. Register the MAD application on the 8124. Enter in the DIS/DET field a “Y” for “Yes”, when disability must be determined, or “N” for “No”, when the disability determination is not needed.

D. Verification of Disability Status

Verify whether an individual has applied for or been determined disabled for RSDI/SSI through SOLQ, TPQY, BENDEX, or SDX inquiry. For individuals receiving RSDI who are under age 65, the county must verify with SSA whether the individual has been determined disabled in order to be eligible under MAD.

E. Continue Eligibility Determination

For applications, continue to determine eligibility while disability is being determined by DDS.

IV. APPLICATIONS/REAPPLICATIONS - DISABILITY NOT ESTABLISHED

A. Complete a disability referral under the following circumstances:

1. The individual is applying for ongoing and/or retroactive Medicaid, or

2. The individual is requesting Medicaid for a period of time prior to an established onset date, or

3. The individual has applied for RSDI/SSI but no decision has been rendered. DDS will "piggy back" the Medicaid determination with the SSA case.

B. A complete disability referral includes the following forms that MUST be completed by the IMC and submitted to DDS:

DDS will not make a decision if all of the forms below are not submitted or the information is incomplete. They will return the transmittal.

1. Complete the DMA-4037, (MA-2525, Figure 1) Disability Determination Transmittal for individuals who are not working. Complete the DMA-4037A, (MA-2525, Figure 3A) HCWD Determination Transmittal for individuals who are working.

   a. Complete the top portion, **making sure that all fields are completed.**

   b. Indicate in the "Remarks" block of the DMA-4037:

      (1) Whether there is need for a retroactive onset date.

      (2) The date of application and where an out-of-state application for RSDI/SSI was filed, if any.

      (3) The date of death if the applicant is deceased at the time of application. Complete all other material listed below.

2. DMA-5009, (MA-2525, Figure 8) Social History Summary for the Disabled

   (NOTE: Refer to the Income Maintenance Caseworker's Guide to the Disability Determination Process for instructions on completing the DMA-5009.)

   a. The IMC must document all activities thoroughly. Do not allow the a/r to complete the DMA-5009. DDS will not accept the DMA-5009 that is incomplete, has blank spaces, or has "N/A" entered in any spaces.

   b. List the complete names, addresses, and dates of all treating sources for the past 12 months. (See DMA-5009 Section IV. for possible sources.)

   c. For all children, and for adults who are alleging mental disability, include in the listing of treatment sources the current or most recent school attended.

   d. If the applicant cannot give the complete name and address of treating sources or school, provide at least the city/town for each. Provide complete addresses for out-of-state providers.

(IV.B.)

3. DMA-5028, (MA-2525, Figure 9) Authorization To Disclose Information

a. The DMA-5028 must be submitted as a one page document, front and back with signature.

b. Submit a signed copy for each treating source and school listed on the DMA-5009c. Submit at least one signed DMA-5028, if there is no treating source/school.

d. Include one extra signed copy for a possible additional source.

e. If an a/r has an objection with any source listed on the DMA-5028 he may choose not to release records from that source. If there is an objection, follow these procedures:

(1) Under the section "From Whom" on the front page of the DMA-5028, there is a list of sources that authorization is given to release information. If the a/r does not want records released from a particular source, a line should be drawn through the source

(2) If there is a specific source, the a/r can list the source to the left of the "From Whom" section, line through it and initial.

Example: MAD application is taken for John Doe. He does not want records released from Dr. David Smith or any mental health provider. On the DMA-5028, he would draw a line through mental health listed under medical source and list Dr. David Smith with a line through his name in the left hand margin. He would also place his initials next to both strikethroughs.

f. If the disability is a mental impairment, DDS may request that the county DSS obtain witnessed DMA-5028's.

(1) If the individual is incompetent or comatose, and there is a power of attorney (POA) or legal guardian, obtain the signature of the power of attorney or legal guardian. Submit a copy of the power of attorney or guardianship documents.

(2) If there is no POA or guardian, contact the provider to determine how to obtain medical records (i.e. release form signed by spouse). If necessary, contact a Medicaid supervisor at DDS by telephone for assistance.

g. **An electronic signature for a DMA-5028 will NOT be accepted**. The County DSS worker must always sign in the "Witness" section of the DMA-5028. If a/r signs with an "X", the signatures of two witnesses are also needed or a Power of Attorney (POA) document is required.

4. Any county dss file copies of medical evidence and DMA-4037's previously reviewed by DDS for the 12 months prior to the current application, reapplication, appeal, or review, including prior files on other applications as well.

5. Send these materials, stapled together in the order listed, to the address listed below. Mark envelopes "Medicaid Unit" or "MAO" in a prominent place.

Disability Determination Services
P. O. Box 243
Raleigh, North Carolina 27602

6. File one copy of all forms in the case record, including a control copy of the DMA-4037 and an extra DMA-5028. There must be at least one DMA-5028 in the case record AND one sent to DDS, even if there are no medical sources or schools listed.

7. Send or call in to DDS the following additional information which could affect the application:

   a. Names and addresses of additional treating sources

   b. Any new medical or work information

   c. Application for RSDI/SSI

   d. Death of applicant

   e. Change of address of applicant

8. If the contact with DDS is by telephone, document the date of the contact and the name of the person contacted in the case record. The Medicaid Unit numbers are 09, 42, and 44. Ask for any of these units or ask for the Medicaid Unit. The toll free numbers below are all Medicaid Unit numbers.

9. If the contact is by mail, use a copy of the original DMA-4037. DO NOT SEND A SECOND ORIGINAL DMA-4037. Document clearly the individual's name and correct Social Security number. Check the box marked "Additional Information" in the "Remarks" section and list the new or changed information.

(IV.B.)

10. If the applicant is found ineligible based on a non-disability related requirement, deny the application without waiting for the disability decision. Notify the Medicaid unit at DDS by means of a telephone call or a facsimile (FAX) to any one of the following numbers:

Telephone Numbers	Fax Numbers
888/847-4547	888/237-9339
800/662-9741	800/213-8254
800/634-2986	800/213-8256

C. Referrals for Individuals Entitled to RSDI (Title II) Benefits

Explain to the applicant that it is an eligibility requirement to apply for all benefits to which he may be entitled. Refer the applicant to the local SSA office to apply for RSDI and suggest that the applicant also apply for SSI if he has not already done so. (See MA-2250, Income, II.A.) An SSI application is not a requirement.

D. Disability Decision

Verify whether a disability decision has been made by checking the DDS Data Screen daily and by reviewing the application management report.

1. DDS will return the DMA-4037 to the county agency. (Refer to the sample figures at the end of this section to recognize what kind of documents to expect. The figures are marked with the type of decision at the bottom and show what fields are completed.)

   DDS will also return all medical evidence used to make the disability decision on all Medicaid only applications. The county must retain this evidence in the record in accordance with the North Carolina Department of Health and Human Services Office of the Controller's Record Retention and Disposition Schedule/Medicaid Records Alert.

   a. The following responses indicate an MAD disability decision by DDS:

      (1) Disability Approval: DMA-4037 with disability onset date indicated in the section "Under a disability since...," and "Diagnosis," "Diary/Re-Exam," and "Reg. Basis Code" completed. (See MA-2525, Figure 1.)

      D- Under a disability

      (2) Disability Denial: DMA-4037 with "Not under a disability," "Diagnosis," "Reg. Basis Code," and "Rationale" completed and including one or more of the attachments. (See MA-2525, Figure 2.)

(IV.D.1.a.(2))

(a) N- Not under disability

(b) I- Denial Decision. This means there was insufficient medical evidence or failure to attend consultative exam

b. The following response indicates that an SSA decision was adopted:

(1) Disability Approval: DMA-4037 with "Under a disability since..." and "Rationale" marked, an attachment indicating whether the application is RSDI or SSI adoption, and the Medical Assistance Disability Allowance form. (See MA-2525, Figure 3.)

D-Under a disability

(2) Disability Denial: DMA-4037 with "Not under a disability" and "Rationale" marked, an attachment indicating whether the application is RSDI or SSI, and the Medical Assistance Disability Denial form with one of the codes indicated. (See MA-2525, Figure 4.)

(a) N- Not under a disability

(b) I- Denial Decision. This means there was insufficient medical evidence or failure to attend consultative exam

2. Unable to locate. This means DDS has exhausted all means of trying to locate an applicant by mail or phone, and the attempts were unsuccessful or the applicant's whereabouts were unknown. The county DSS must assist DDS in locating the individual. To dispose of the application, the county must follow procedures for unable to locate outlined in MA-2304, Processing the Application.

3. Upon receipt of the disability decision, approve or deny the application, or place in deductible status, as appropriate. If the application is approved, check the DMA-4037 for a "Diary/Re-Exam Date" to enter in the Special Review Code. Refer to the EIS Manual, Section 4000, Codes Appendix, for the special review codes for disability reviews.

NOTE: Not all Medicaid allowances are required to have an established Diary/Re-Exam date. When a Medicaid Disability allowance is an adoption of a federal SSA or SSI disability decision, there will not be a Diary/Re-Exam date on the DMA-4037. Continued medical entitlement to Medicaid is based upon continued entitlement to SSA/SSI. All disability adoption decisions will have an attachment which designates the claim as an SSA/SSI adoption decision. All other independent Medicaid determination should have an established Diary/Re-Exam date on the DMA-4037. If there is not a Diary/Re-Exam date and there is not an attachment that indicates the disability decision was an adoption of a SSA/SSI decision, then contact DDS to obtain a Diary/Re-Exam date. (See IV.B.10. above for contact numbers)

V. APPLICATIONS/REAPPLICATIONS - DISABILITY ALREADY ESTABLISHED

A. Procedures to Follow When Disability Has Been Established:

1. Disability is already established due to receipt of RSDI/SSI and there are no prior denials/terminations of MAD. (Refer to B. and C., below.) or

2. Disability is already established and MAD was previously denied/ terminated for reasons not related to disability. (Refer to D., below.)

B. Disability Already Established - Receives SSI

SSI recipients are automatically eligible for ongoing Medicaid without a separate Medicaid application. Refer to MA-1000, SSI Medicaid-Automated Process.

SSI recipients may request retroactive Medicaid for the three months prior to the SSI application date. Since the SSI disability onset date is established beginning with the month of SSI application or later, DDS must make a determination of disability if an earlier onset date must be established for retroactive coverage. Refer to MA-1100, SSI Medicaid - County DSS Responsibility for procedures to establish eligibility. Follow procedures in IV.B. above to submit to DDS to establish an earlier disability onset date for retroactive SSI Medicaid.

C. Disability Already Established - Receives RSDI

An RSDI recipient who is receiving RSDI based on a determination of disability by SSA is considered disabled for Medicaid. Medicaid adopts the SSA decision on disability. No additional disability determination is needed. Determine whether other eligibility factors are met.

D. Disability Already Established - MAD Was Previously Terminated or Denied for Reasons Unrelated to Disability

1. If an MAD applicant who does not receive RSDI/SSI was previously determined to be disabled by SSA, DDS or a Hearing Officer, but MAD was terminated or denied for reasons unrelated to disability (such as income or resources), do not submit to DDS for a determination of disability if the following conditions are met:

   a. There is no indication of medical improvement or there has been no SSA disability denial or termination during the closed period. An example of medical improvement would be the applicant is working or is receiving Unemployment Insurance.

(V.D.1.)

b. There has been no review of disability previously scheduled (diary/re-exam date), or if there is a diary/re-exam date it has not yet occurred.

2. If an HCWD applicant is not receiving RSDI/SSI but was previously determined to be disabled by SSA, DDS or a Hearing Officer he still may be considered disabled for HCWD purposes. The IMC must consider the length of time between termination of RSDI or SSI benefits, the DDS decision, or the Hearing Officer's decision and application for HCWD.

   If the termination of RSDI or SSI benefits, or the DDS decision or the Hearing Officer's decision occurred 12 months or less prior to the date of application, a DDS determination of disability is not necessary.

   Example: The month of application for HCWD is November 2008. The last month of SSI was November 2007. This is 12 months prior to the date of application and therefore the requirement is met (November 1, 2007 – October 31, 2008).

3. If the conditions in either 1 or 2 are not met, or if the applicant requests coverage prior to the previously established disability onset date, follow instructions in IV.B, above, to submit to DDS.

VI. APPLICATIONS/REAPPLICATIONS - DISABILITY ESTABLISHED BY SSA - PRIOR MAD DISABILITY DENIAL

When SSA determines that an individual is disabled but a MAD application was previously denied due to disability, the original MAD application must be reopened IF the onset date of disability is the same as or prior to the date of the previous MAD denial. Follow procedures in this section to reopen the denied MAD and determine eligibility.

Remember, if the onset date of disability is after the date of the previous MAD denial, no action is required on the previously denied MAD application. Follow procedures in V.A. thru C. above to determine eligibility for ongoing coverage.

A. RSDI/SSI Disability Approval on SSA Appeal, MAD Denial Was An Adoption of RSDI/SSI Decision

SSI - If an application for SSI disability was denied by SSA but the denial is reversed on SSA appeal, the individual will receive MAD effective the month SSI is effective.

No action is required by the county dss unless the individual requests retroactive coverage. Refer to MA-1100, SSI Medicaid - County DSS Responsibility for procedures to establish eligibility. Also refer to IV., above, if you must establish an earlier disability onset date for retroactive SSI Medicaid.

(VI.A.)

RSDI - If an application for RSDI was denied by SSA but the denial is reversed on SSA appeal, the reversal of the SSA disability decision is considered a reversal of the MAD disability decision.

1. Reopen the application. This should be treated as a new application. Follow instructions in MA-2303, Verification Requirements for Applications. Complete a date screen in the field "RSDI or SSI Appeal Reversal/SSI Appl."(See EIS 2400: Application Processing.) if:

   a. Medicaid was denied as the result of an RSDI disability denial, and

   b. RSDI disability was subsequently approved as the result of an SSA reconsideration, Administrative Law Judge's (ALJ) ruling, or other appeal decision (verify by viewing the decision or other Social Security documentation), and

   c. The onset date is the same as or is prior to the date of the denial of a Medicaid application which was the adoption of an RSDI disability denial (Verify by reviewing original DMA 4037), and

   d. There is documentation that medical need still exists, that is, a medical expense which Medicaid can cover.

2. The application date is the date the county dss learns of the RSDI appeal reversal by means of:

   a. An award letter,

   b. SDX/BENDEX, TPQY or SOLQ, or

   c. Letter from Administrative Law Judge (ALJ) or Appeals Council.

3. Authorize assistance based on the original date of application if all other eligibility factors are met, and there is documentation that there is an unpaid medical expense that Medicaid can cover, including bills which may already have been used to meet a deductible for a later certification period. Accept the a/r's statement of the names of the providers of the services and dates of service.

4. Request For Override

   At the same time the application is dispositioned, request an override of the 12 months claims processing time limit if services were provided more than 12 months prior to disposition.

(VI.A.4.)

Follow instructions in MA-2395, Corrective Actions and Responsibility for Errors, to complete the Request For Claims Override. Include all requested information. Send the Request for Claims Override to the Claims Analysis Unit at the following address. Claims Analysis will notify the county dss by copy of the letter to the provider or by memo whether or not the override is approved.

Division of Medical Assistance
Claims Analysis Unit
2501 Mail Service Center, #19
Raleigh, NC 27699-2501

5. Begin authorization on the date all eligibility factors are met, but no earlier than the later of:

   a. The first day of the month of onset of disability, or

   b. Three months retroactive to the application date of the denied Medicaid application.

B. RSDI Disability Approval - MAD Denial Was Not An Adoption of RSDI Denial

In this situation, the MAD application was denied due to no disability but was not an adoption of an SSA decision. If the individual later applies and is approved for RSDI (with or without an SSA appeal), and the disability onset date is the same as or prior to the MAD denial, the original denied MAD application must be reopened.

1. Register an MAD application for ongoing and/or retroactive coverage on the date the applicant requests assistance. No additional determination of eligibility is required because disability has been established by SSA.

2. The date of application is the date the individual requests assistance.

3. If the applicant requests coverage prior to the retroactive period of the current application, register a second application as "ADMINISTRATIVE." This is a new application. The date of this application is the application date of the original denied MAD application.

4. The Administrative application date will not be tracked for the report card. Do not enter a DSS-8124 Date Screen. This application is not recorded on the DDS data base.

5. Eligibility is limited to the 12 months allowed for correction of administrative error.

(VI.B.)

6. Be aware that SSA can revise an earlier SSA decision regardless of whether the applicant has filed an appeal. This often happens when SSA is approving a current application and there is a previously denied application in the file.

7. Authorization Date

The authorization date can be no earlier than the month of the latest of the following dates:

a. The SSA established date of onset of disability, or

b. The third month retroactive to the original date of the denied application (the first month of the retroactive period), or

c. The 12th month prior to the month in which the county learns of the RSDI/SSI approval.

EXAMPLES for Establishing Authorization Date:

On 1/25/02, applicant requests Medicaid and shows a letter from SSA stating he is approved for RSDI. He had previously been denied MAD as not disabled, and the MAD denial was not an SSA adoption. The date of application for the ongoing case is 1/25/02, and administrative applications are dated with the original date of application in each case.

- Date of original denied MAD application: 5/15/01
  Onset date: 3/10/01
  3rd month retro to original application: 2/01
  12th month prior to month county learned of RSDI approval: 1/01
- Authorization date: 3/1/01, month of onset

- Date of original denied MAD application: 7/15/01
  Onset date: 3/10/01
  3rd month retro to original application: 4/01
  12th month prior to month county learned of RSDI approval: 1/01

- Authorization date: 4/1/01, 1st month of retro period in original application

- Date of original denied MAD application: 2/15/01
  Onset date: 12/10/00
  3rd month of retro period in original application: 11/00
  12th month prior to month county learned of RSDI approval: 1/01

- Authorization date: 1/1/01, 12th month prior to the month county learned of RSDI approval

8. Certification Periods

   a. The certification periods for the ongoing/retroactive periods are determined by the new application date established in B.2., above.

   b. The certification periods for the corrective action period begin with the first month of the original MAD application.

   c. If there is no deductible for the corrective action period, authorize the recipient through the last month prior to the first month of the retroactive period established by the current application.

   d. If there is a deductible, use a 6 month certification period for the first 6 months and for each full 6 month period after that. Then use a shortened certification period for the months remaining, ending with the last month prior to the month of the retroactive period for the current application. Calculate the deductible for the shortened c.p. using the number of months in the c.p.

      EXAMPLE for Establishing Certification Period:

      Current Medicaid application date 2/25/02. Approved for ongoing for 2/02-7/02 and retro for 11/01-1/02. SSA approved back to 2/01, earliest date of authorization is 2/1/01. The c.p. for the corrective action period is:

      - If there is no deductible, the c.p. is 2/01-10/01.

      - If there is a deductible, the c.p.'s are 2/01-07/01 and 8/01-10/01.

9. Dispose of the corrective action application as a case approved in terminated status (open/shut).

10. If the a/r requests coverage for and has a medical need in a period prior to the SSA disability onset date, but not earlier than 12 months prior to the date of the current application, request a determination of disability to establish an earlier onset date.

    Follow instructions in IV.B., above to submit information to DDS. On the new DMA-4037 in the "Remarks" section, state:

    a. This is an ‘administrative reopen’ and it is not counted for application processing nor is it on the "DDS Data Base," and

    b. The original date of application, and

(VI.B.10.)

c. "RSDI has been approved, but the individual needs to be evaluated for an earlier onset date."

11. Request for Override

At the same time the application is dispositioned, request an override of the 12 months claims processing time limit if services were provided more than 12 months prior to disposition. Accept client's statement of the names of the providers of the services and dates of service.

Follow instructions in MA-2395, Corrective Actions and Responsibility for Errors, to complete the Request For Claims Override. Include all requested information. Send the Request for Claims Override to the Claims Analysis Unit at the following address. Claims Analysis will notify the county dss by copy of the letter to the provider or by memo whether or not the override is approved.

Division of Medical Assistance
Claims Analysis Unit
2501 Mail Service Center, #19
Raleigh, NC 27699-2501

12. These procedures may require more than one "administrative action." Follow EIS instructions for authorizing multiple certification periods when there are breaks in the periods of coverage.

C. MAD Denial Was An Adoption of SSA Decision - RSDI Approved Without an SSA Appeal

In this situation, the MAD application was denied based on an adoption of an SSA denial of disability. The individual later applies and is approved for RSDI (not based on an appeal reversal), and the onset date of disability is prior to the MAD denial. The original denied MAD application must be reopened. Eligibility is limited to the 12 months allowed for correction of administrative error.

The procedures are the same as VI. B. immediately above.

VII. APPEAL REVERSAL OF MAD DISABILITY DENIAL

A. When an MAD application was denied by DDS but was subsequently approved as the result of a state appeal that reversed the DDS decision:

1. Reopen the original application within 5 work days of the date the Notice of Decision is final. Process the reversed decision. Refer to MA-2304, Processing the Application, for instructions for state appeal reversals.

(VII.A.)

2. Verify RSDI status through BENDEX, SDX, SOLQ and/or TPQY.

3. Open an MAD application but do not require a disability determination. A signed application is not required.

4. The date of application is the date the application is reopened (the current date).

5. Complete Date Screen as "State/County Appeal Reversal."(Refer to EIS 2400: Application Processing.)

B. Check the Notice of Decision for a Diary/Re-exam date.

1. If there is one, enter the "Diary/Re-Exam Date" in the Special Review Code. Refer to the EIS Manual, Section 4000, Codes Appendix, for the special review codes for disability reviews. A "Diary/Re-Exam Date" will only be listed for cases in which an adoption of a federal SSA /SSI disability allowance is not involved.

2. If the "Diary/Re-Exam Date" is not listed on the Notice of Decision for a case that was not an adoption of a federal SSA/SSI disability allowance, contact the Hearing Officer for this information.

The Hearing Officer will also return all medical evidence used to make the disability decision on cases without a SSA/SSI disability allowance. The county must retain this evidence in the record. These records must be used to determine if the recipient's condition has improved during the re-exam review. If records are not available for the re-exam, DDS cannot document the recipient's improvement; therefore, Medicaid must be continued until the next review or county reports recipient has returned to work

VIII. ACTIVE MAD RECIPIENT WITH SSA/SSI TERMINATION OR DENIAL

A. Certain MAD recipients may have Medicaid continued when RSDI/SSI has been denied or terminated and the recipient is appealing the disability decision. (See X. below for HCWD cases).

The MAD recipient has to also meet other Medicaid non-disability criteria. The following conditions must be met for Medicaid to be continued throughout the RSDI/SSI appeal process:

1. The individual is an active (non-HCWD) MAD recipient and is denied or terminated from RSDI/SSI, due to no longer being disabled. Refer to MA-1100, SSI Medicaid/Automated Process for ex parte procedures.

(VIII.A.1.)

An ex parte review means to review information available to the agency to make a determination of eligibility, without requiring the recipient to come into the agency or make a separate application. The county must explore and exhaust all possible avenues of eligibility in all Medicaid coverage groups. If information is not available to make a determination of eligibility, the county must provide the recipient reasonable opportunity to provide the necessary information.

2. He requests the RSDI/SSI appeal timely within 65 days of the RSDI/SSI denial or termination or he appeals after the 65 day deadline and SSA accepts the appeal as late with good cause. If the county DSS learns that SSA accepted the appeal request, reinstate and continue MAD while the SSA appeal process continues.

B. When you learn from the recipient, SSA, DDS, BENDEX, SDX, SOLQ, or TPQY, or from any other source that SSA/SSI has denied or terminated due to no longer being disabled, take the following actions in non-HCWD cases (for HCWD cases see X. below):

1. Continue the disability status for the MAD recipient assuming all other eligibility factors continue to be met, until either:

   a. The last day of the month in which falls the 65 day deadline for requesting or initiating an RSDI/SSI disability appeal through SSA. The four month ex parte period begins the month of the SSI termination. Refer to MA-1000, SSI Medicaid/Automated Process. The 65 day period begins with the date of the RSDI or SSI denial or termination, or

   b. Until a final decision is rendered by the Appeals Council with no right to further administrative appeal.

2. Do not continue Medicaid beyond the Appeals Council level, even if the recipient appeals to federal court or reapplies for RSDI/SSI.

3. Flag the case for 65 days from the date of the notice of denial or termination from SSA.

4. Advise the recipient to notify the county dss if/when he appeals and if/when he receives a decision from SSA.

5. Encourage the recipient to keep all correspondence from SSA. Ask the recipient if he is receiving Medicare. If receiving Medicare contact your local SSA representative to determine if the Medicare Part B will continue while recipient is in appeal status.

6. No later than the flagged date, contact the recipient to ask if he has appealed the denial. If no appeal is filed, he is no longer eligible for MAD.

(VIII.B.6.)

Evaluate for coverage in other aid program/categories following procedures in MA-2352, Terminations/Deletions and MA-1000, SSI Medicaid-Automated Process.

7. If he states he has appealed, verify his statement by:

   a. Written acknowledgment of appeal by SSA, or

   b. SDX, or

   c. Established county dss procedures to communicate with the SSA District Office.

8. If the appeal request is verified, continue MAD.

   a. Advise the recipient to notify the agency within 5 days of receipt of a decision on his appeal from SSA.

   b. Flag the case a second time for 65 days from the date of the appeal request in order to verify the status.

   c. If the recipient has not contacted the county dss regarding the status of his appeal by the second flagged date, contact the recipient or the SSA District Office again to verify the status.

      (1) If no decision has been made, continue MAD.

      (2) If a favorable decision has been made, verify and continue Medicaid.

      (3) If the appeal is denied, continue Medicaid for 65 days from the date of decision to allow the recipient time to exercise his further appeal rights.

   d. If the recipient fails to appeal timely, or later with good cause he is no longer eligible for MAD. Conduct an ex parte review to evaluate for coverage in other categories, following procedures in MA-2352, Terminations/Deletions and MA-1000, SSI Medicaid - Automated Process. If ineligible, send a timely notice to propose termination. Refer to IX. below for state hearing appeal rights and the right to continued benefits after such a termination. Explain these rights to the recipient.

9. Continue the process described above until a final decision is made, either through the appeals council or at any point the recipient fails to continue the appeals process.

10. If the regular "Diary/Re-Exam Date" falls during this process, do not submit to DDS for a disability review. The SSA denial/hearing decision takes precedence over this Diary/Re-Exam date. If the RSDI/SSI denial or termination is overturned and ongoing benefits are approved, a new re-exam date will be established by SSA.

IX. ACTIVE MAD RECIPIENT APPEALS MEDICAID TERMINATION OF DISABILITY THROUGH THE STATE HEARING PROCESS

When an active MAD recipient is terminated for failure to pursue an SSA appeal or completion of the SSA appeal process, the recipient still has the right to appeal the Medicaid termination to a state hearing officer. If the terminated MAD recipient requests an appeal through the county dss on his Medicaid termination based on an allegation of disability, the appeal is a State level hearing.

A. The State Hearing Officer will hear the appeal. The Hearing Officer will conduct a hearing to determine if the recipient meets one of the conditions in 1, 2, or 3 below:

1. Has a disabling condition different from, or in addition to the conditions considered in the original SSA disability decision, or

2. Alleges more than 12 months after the most recent SSA termination for not being disabled that his condition has changed or deteriorated and his period of disability meets the 12 month durational requirement, and he has not reapplied at SSA based on those new allegations, or

3. Alleges less than 12 months after the most recent SSA termination for not being disabled, that his condition has changed or deteriorated, and his period of disability meets the 12 month durational requirement, and

   a. He has applied to SSA for reconsideration or reopening and SSA refuses to consider the changes, and /or

   b. He does not meet other SSI eligibility requirements e.g., reserve, but may meet the state's Medicaid eligibility requirements for MAD.

B. If the State Hearing Officer determines that A.1, 2, or 3 above apply, then the State Hearing Officer will determine if the recipient meets the disability requirements. If the Hearing Officer determines the recipient is still disabled, MAD is continued or reinstated. A continuing SSA appeal is not a requirement if the hearing officer determines that A. 1, 2, or 3 apply and that the a/r is disabled. Refer the applicant to the local SSA office to apply for RSDI and suggest that the applicant also apply for SSI if he has not already done so. (See MA-2250, Income, II.A.) An SSI application is not a requirement.

If the a/r requests the appeal prior to the end of the timely notice period, the a/r has a right to have Medicaid benefits continued through the decision on the State level hearing. Refer to MA-2420, Notice and Hearings Process.

X. RECIPIENTS WHO ARE WORKING AND TERMINATED FROM RSDI/SSI

If the IMC learns from the recipient, SSA, DDS, BENDEX, SDX, SOLQ, OR TPQY, or from any other source that RSDI/SSI has been denied or terminated due to no longer being disabled, a special redetermination of eligibility may be requested. Submit to DDS and write "SPECIAL REVIEW" on the DMA-4037A, HCWD Disability Transmittal. Indicate in the "Remarks" the reason for the review.

A. Individuals who were not HCWD

1. If the review results in a determination of disabled and the individual is employed, evaluate for eligibility in the HCWD Basic Coverage Group.

2. If the review results in a determination of not disabled, evaluate for eligibility in all other Medicaid programs.

B. Individuals who were eligible in HCWD Basic Coverage Group

If the review results in a determination of not-disabled and the individual is employed, evaluate for eligibility in the HCWD Medically Improved Group (Refer to MA-2180, Health Coverage for Workers with Disabilities, IV.C.

XI. PROTECTED MEDICAID STATUS FOR NON-SSI CHILDREN

A. Criteria for Protected Medicaid Status

Based on a master list provided to counties in August 2000, each child with protected Medicaid status must be identified in his case record. The Protected Status Tracking Sheet is used to document and track protected status. Use the Protected Status Tracking Sheet (MA-2525, Figure 6).

The county dss does not have to determine protected status. However, the following description of protected status is provided to assist in understanding protected Medicaid status.

The child must have met the following requirements to have protected Medicaid status:

1. Be eligible for and receiving SSI on August 22, 1996.

   There were some children with protected status who were in non-pay ("N01") status in August 1996 or changed to non-pay status briefly between August 1996 and the SSI termination. These are children whose family incomes fluctuated due to five weeks wages or other temporary fluctuations in income.

(XI.A.1.)

They were considered by SSA to be temporarily in non-pay or suspension status and were expected to return to pay status. Therefore, these children did meet the criteria for protected status if they met all other requirements. The same rule applied to children who went into "S08" status, Payee Development Pending.

2. SSI termination effective date was on or after July 1, 1997. This was the earliest date that SSI terminated because of this change.

3. SSI termination was due solely to no longer meeting the new definition of childhood disability.

4. Would have continued to receive SSI except for the change in definition of disability.

B. Coverage Group Requirement

Children with protected status must be covered in the MAD-N coverage group if they meet the non-disability eligibility requirements for MAD-N.

1. Continue to evaluate protected status children for MAD-N eligibility at each review or change in situation.

2. Parental financial responsibility applies. All other eligibility requirements apply, such as residence.

3. If the child continues to meet the MAD-N eligibility criteria, continue to authorize as MAD-N.

4. If the child ceases to be eligible for MAD-N, evaluate the child's eligibility in all other Medicaid categories. If the child is eligible in another category, authorize coverage in that category. At each subsequent review, the child's eligibility must be determined for MAD-N. Continue coverage in another category only if the child is ineligible as MAD-N.

C. Documenting Protected Status

1. Protected status must be clearly documented and easily identifiable in the child's case record. Use the Protected Status Tracking Sheet. (MA-2525, Figure 6.)

2. If the child receives in a category other than MAD-N, document at each review or change in situation that MAD-N was evaluated and why the child's eligibility continues in another category.

3. Continue to track the child's protected status even if he is financially ineligible for MAD-N and receives Medicaid in another Medicaid category. Do not submit a child with protected status who receives in a category other than MAD to DDS for a disability review until age 18, as required in XI. C.

4. Do not terminate Medicaid in any aid program/category without evaluating the child's eligibility as MAD-N with protected Medicaid status. At any time that Medicaid is terminated, document the tracking sheet to indicate that protected status was considered and the outcome.

D. End of Protected Status

Protected status continues until one of the following conditions is met:

1. The child turns age 18. Protected status continues even when there are breaks in coverage, such as periods of financial ineligibility. At age 18, submit the child's information to DDS to request a disability review using adult standards to determine if he is eligible for ongoing MAD as an adult. This applies even if the child receives in a Family & Children's Medicaid category. Do not terminate Medicaid until this review is completed. Follow the procedures in XI.C below **OR**

2. DDS determines that the child is no longer disabled. MAD-N children with protected status must have periodic reviews of disability. (See XI. Below.) If DDS finds the child is no longer disabled, document on the tracking sheet that the protected status ends because the child no longer meets the disability requirement. He is ineligible for MAD. Evaluate the child's eligibility in other aid program/ categories.

E. Children Ineligible for Protected Status

Children in the following situations are ineligible for protected status:

1. SSI eligibility was established after August 22, 1996.

2. SSI terminated for some reason other than the change in definition of childhood disability, such as income, reserve or improved medical condition.

3. SSI terminated after SSA completed all reviews of children who were potentially eligible for protected status.

   SSA reviewed all children who were potentially affected by the change and terminated those who did not meet the new disability requirements. Most of these reviews, including appeals and reconsiderations, were conducted in 1997, 1998 and early 1999. Children terminated from SSI after this time with

a payment status code "N07" were terminated for a reason other than the change in the definition of disability, and they are not entitled to protected status.

XII. REDETERMINATIONS OF DISABILITY FOR NON-SSI MAD CHILDREN UNDER AGE 18

For MAD children who receive SSI, SSA will conduct the redeterminations of disability on a periodic basis. Do not initiate disability reviews for SSI children.

A. Children with Protected Medicaid Status

1. Children who lost SSI solely as a result of the new definition of childhood disability have protected Medicaid status. Because these children have protected Medicaid status, DDS must determine their disability using the pre-August 1996 definition of childhood disability.

2. If there is no "Diary/Re-Exam" date in the record, request a redetermination of disability at the next regular eligibility redetermination.

3. Send a cover letter to DDS and:

   a. Submit materials according to instructions in IV.B., above.

   b. For CAP children, also attach the most recent CAP Plan of Care.

   c. Write "PROTECTED MEDICAID STATUS" on the DMA-4037.

   d. DDS will review disability using the pre-August 1996 definition of childhood disability as long as the child has protected status (until age 18).

4. Continue to process the eligibility redetermination. Do not hold the redetermination pending a DDS disability decision. If all other eligibility criteria for MAD are met, recertify the child.

5. If the child is determined to be ineligible for MAD for a non-disability reason after the record is submitted to DDS for a disability review, notify DDS by telephone or fax of the end of MAD eligibility. The DDS toll free telephone and fax numbers are found in IV.B.10.above.

6. Evaluate the child for coverage in other aid program/categories following procedures in MA-2352, Terminations/Deletions.

7. When the DMA-4037 is received from DDS:

a. If the child is determined by DDS to be disabled, file the DMA-4037 in the case record. Note the "Diary/Re-Exam Date" and flag the case in EIS for the next disability review.

b. If the child is determined by DDS not to be disabled, the child is ineligible for MAD. His protected status ends. Evaluate eligibility in other aid/program categories following procedures in MA-2352, Terminations/ Deletions. If the child is ineligible in any program, send a timely notice proposing termination.

8. Once a diary/re-exam date has been established, continue to submit to DDS for disability reviews at the established diary re-exam dates.

9. Children With Protected Status in Work First Or Family & Children's Medicaid

a. Children with protected Medicaid status who are eligible for Work First must remain in the Work First assistance unit. However, their protected status continues.

b. Some children with protected status may receive in other Family and Children's Medicaid categories if they are ineligible for MAD-N.

c. Protected status continues even if the child receives in an aid program/category other than MAD.

d. No redetermination of disability is required as long as the child remains eligible for Work First or a Family & Children's Medicaid category.

e. If the child becomes ineligible for Work First or Family & Children's Medicaid, do not terminate Medicaid without an evaluation for MAD. If the child is eligible for MAD, submit to DDS for a disability review at the time the child is authorized for MAD.

f. If the child is ineligible for MAD, evaluate the child (and any other family members in the Work First or Medicaid case) for eligibility in other aid program/categories following procedures in MA-2352, Terminations/Deletions.

B. Non-SSI MAD Children Without Protected Status

Most non-SSI MAD children who do not have protected status have a "Diary/Re-Exam Date" indicated on the lower right hand side of the current DMA-4037. If the approval was the result of an appeal decision, the "Diary/Re-Exam Date" is found in the body of the decision letter.

1. At the next regular Medicaid eligibility redetermination, review the DMA-4037 in the county case record to determine the "Diary/Re-Exam Date."

2. Ensure that the case is flagged in EIS for a disability review at the Diary/Re-exam date. No special redetermination of disability is required.

3. If there is not a "Diary/Re-Exam Date", submit to DDS for a disability review at the time of the next redetermination or eligibility following procedures in IV.B above.

4. Once a diary/re-exam date has been established, ensure that the case is flagged so the case can be submitted to DDS for disability reviews at the Diary/Re-exam date established by DDS.

C. Determination of Continued Disability for Protected Status Children Turning Age 18

When a child with protected status reaches age 18, he ceases to be a "disabled child" and his protected status ends. Do not terminate Medicaid for children with protected status until a disability review is completed using the adult criteria. This applies regardless of the aid program/category in which the child is authorized.

This requirement is based on SSI policy. When an SSI recipient receiving as a "disabled child" reaches 18, he ceases to be a "disabled child" for SSI purposes. SSA generally initiates a disability review using adult disability standards after the recipient turns 18. SSI benefits continue until the review is completed. If SSI benefits are terminated due to not meeting adult disability criteria, the recipient appears on the SSI Termination Report and must be evaluated in other aid program/ categories following the ex parte review procedures in MA-1000, SSI Medicaid - Automated Process.

1. Flag the case for a disability review in the month prior to the month in which the child turns 18.

2. Submit information to DDS for a disability review to determine if the recipient meets adult disability criteria. Follow instructions in IV.B. above. Note on the DMA-4037 "SSI Child With Protected Status Turning 18 - Review Under Adult Standards."

3. Do not terminate Medicaid until DDS completes the disability review, regardless of changes in financial eligibility, regardless of the aid program/ category of assistance. Continue the Medicaid case for an additional month.

   Continue to add an additional month of eligibility until DDS reaches a decision.

(XII.C.)

4. Do not continue Medicaid if the recipient dies, moves out of state or becomes an inmate of a public institution. If this occurs, notify DDS that a disability decision is no longer required.

5. If DDS determines that the recipient is disabled as an adult:

   a. If the recipient meets all other MAD (N or M) eligibility criteria, continue Medicaid as a disabled adult.

   b. If the recipient does not meet all other MAD eligibility criteria, evaluate eligibility in other aid program/ categories following procedures in MA-2352, Termination/Deletions. If the recipient is not eligible in any other aid program/category, send timely notice to propose termination.

6. If DDS determines that the recipient is not disabled as an adult, he is ineligible as MAD. Evaluate eligibility in other aid program/categories following procedures in MA-2352, Termination/Deletions.. If the recipient is not eligible in any other aid program/category, send timely notice to propose termination.

7. Protected status ends once the child turns 18 and has an adult disability review. Document in the case record the date and reason protected status ended. (Use the date on the DMA-4037, Disability Determination Transmittal, as the date protected status ends.)

XIII. REDETERMINATIONS OF CONTINUED DISABILITY FOR NON-SSI ADULTS OVER AGE 18

Refer to MA-1000, SSI Medicaid-Automated Process for requirements for disability determinations for SSI recipients when SSI ends.

A. Recipients Not Receiving RSDI Based On Disability

1. For recipients who do not receive RSDI based on disability, request a redetermination of disability on the Diary/Re-Exam Date. The re-exam date is documented on the DMA-4037/DMA-4037A or in the body of the state hearing decision.

   a. Flag the case at least 30 days in advance of the due date for review.

   b. Follow instructions in IV.B., above to submit to DDS. Also include a copy of the favorable disability decision from the case record. Write "REVIEW" on the DMA-4037/DMA-4037A. Omit the date of application.

2. If it is suspected that the recipient's medical condition has improved or dss learns that the a/r has started working since disability was established, a special redetermination of eligibility may be requested. Submit to DDS and write "SPECIAL REVIEW" on the DMA-4037 if the individual is not working. If the individual is working, write "SPECIAL REVIEW" on the DMA-4037A. Indicate in the "Remarks" the reason for the review.

B. Recipients Receiving RSDI Based On Disability

If a recipient is receiving RSDI based on a disability, the Social Security is responsible for the review of disability. Do not submit to DDS for a disability review, as long as an MAD recipient continues to receive RSDI Disability.

If RSDI disability terminates, the recipient is no longer eligible for Medicaid for the Disabled unless the recipient has appealed the disability termination through Social Security. (Refer to VIII.) If not in appeal status conduct an ex parte review to evaluate eligibility in other categories following procedures in MA-2352, Terminations/Deletions.

XIV. TRANSPORTATION FOR MAD APPLICANTS TO ESTABLISH DISABILITY

A. Requirement To Assist With Transportation

1. The county dss must assist the applicant who requests transportation to medical appointments that are required to establish disability. The transportation arrangement must be the most cost effective means appropriate to the applicant's needs.

2. Regular Medicaid (Title XIX) transportation reimbursement is unavailable because the applicant is not authorized for Medicaid.

3. DDS will reimburse the county dss for travel charges that are greater than $2.00. No payments may be made for travel by means other than train, bus, or private automobile unless approved in advance by DDS. Taxi costs in excess of $14.00 must also be approved in advance.

B. Informing The Applicant

Inform the applicant that he may request assistance with transportation to medical appointments in order to establish disability if DDS requires a consultative examination.

C. Authorization and Reimbursement

1. Complete DD-12, Authorization and Request for Reimbursement of Travel Costs, for reimbursement. Refer to MA-2525-Figure 5.

(XIV.C.)

2. Either the county dss or the applicant may use DD-12, depending on whether the transportation is provided by the county or arranged for the applicant.

3. Request DD-12 from DDS.

4. Submit the DD-12 to DDS for reimbursement.