

CHANGE NOTICE FOR MANUAL

DATE: November 23, 2005

MANUAL: EIS

CHANGE NO.: 03-06 MEDICARE ENTITLEMENT/ENROLLMENT AND EXPANDED MEDICAID

TO: COUNTY DIRECTORS OF SOCIAL SERVICES

This change notice transmits revisions to the EIS Manual.
Revisions are effective January 1, 2006, unless noted otherwise.

I. MEDICARE ENTITLEMENT AND ENROLLMENT

A. Background

Effective November 15, 2006, the new Medicare Part D prescription drug plans will be available to people with Medicare. Medicare endorsed prescription drug plans (PDPs) will provide insurance coverage for prescription drugs. The regulatory basis for this change is the Medicare Prescription Drug, Improvement and Medicare Modernization Act (MMA) of 2003.

Refer to MA-2312 of the Adult Medicaid Manual which provides policy and procedures regarding Medicare drug coverage.

Beginning January 1, 2006 individuals receiving Medicare and Medicaid in North Carolina will no longer have prescriptions paid by the Medicaid program. Instead, the prescriptions will be paid by the Medicare program.

B. Timeline for Implementation of the Medicare Part D Program

1. Week of November 21, 2005

EIS sends the MMA data file to CMS shortly after buy-in runs (before the 25th of the month). The file is created from the Medicare A and B Buy-In files.

2. Week of November 28, 2005

CMS transmits to the State the MMA response file that includes Medicare A, B, C, and D data.

3. December 9, 2005

EIS reads the MMA response file. The initial load of the MMA response file is run at the end of the nightly cycle on December 9, 2005. EIS populates the Medicare Data screens for active individuals with Medicare as indicated by the MMA response file.

4. December 12, 2005

- a. New Medicare A/B/C and D Data screens are available for inquiry in EIS. The new Medicaid Drug Coverage indicator is displayed on the Medicare D Data screen.

- b. A laser printed notice is mailed to each active, authorized, Medicaid/Medicare (excluding MQB) recipient for whom data was loaded to the EIS Medicare Data screens. The notice is a 10 workday timely notice indicating that effective January 1, 2006, Medicaid will no longer pay for prescription drugs.
- c. "Medicare D" is noted in the "Comment" section of the Notice Register Report in XPTR.
- d. EIS begins transmitting the Medicaid Drug Coverage indicator for each Medicaid/Medicare recipient to the Medicaid claims contractor.
- e. EIS begins loading Medicare A, B, and D data to the Medicare Data screens in EIS on a nightly basis using data entered by caseworkers in the Medicare A and B data fields on the DSS-8125.
- f. All Medicare/Medicaid (excluding MQB) recipients have "MEDICARE" displayed on the pharmacy stub of the Medicaid card beginning with the January card.

5. December 29, 2005

EIS begins reading the MMA response file on a monthly basis. Medicare information from the response file is updated in EIS the 2nd worknight from the end of each month.

6. January 1, 2006

The Medicaid claims contractor begins using the Medicaid Drug Coverage indicator for processing drug claims.

C. Changes Due To Medicare Prescription Drug Coverage

1. MMA Data and Response Files

Each month the MMA data file, created from the Medicare A & B Buy-In files, is transmitted to CMS between the 15th and the 25th day of the month. Several days following, CMS transmits a response file back to North Carolina. This response file contains information regarding Medicare A, B, C, and D entitlement and enrollment. On the 2nd worknight from the end of each month, EIS compares the most current Medicare information in EIS to the most current Medicare information on the response file to determine if there is a change that needs to be posted to the Medicare Data screens in EIS.

2. Medicare Data Screens

Two new Medicare Data screens have been created and are populated with Medicare information keyed on the DSS-8125 as well as information from the monthly MMA response file. One screen displays Medicare A, B, and C Entitlement Data. Medicare C information comes only from the MMA response file. The second screen displays Medicare D Entitlement and Enrollment data as well as the Medicaid Drug Coverage indicator created by EIS.

3. Medicaid Drug Coverage Indicator - Medicare D

This is an indicator and date created and updated by EIS which indicates whether Medicaid is paying for prescription drugs. EIS creates the Medicaid Drug Coverage indicator based on the Medicare D Entitlement indicator.

- a. If the Medicare D Entitlement indicator is "Z" or "Y", EIS creates a Medicaid Drug Coverage indicator of "N". "N" indicates Medicaid is not paying for drug coverage because the recipient has Medicare.
- b. If the Medicare D Entitlement indicator is a space or an "N", EIS creates a Medicaid Drug Coverage indicator of "Y". "Y" indicates Medicaid is paying for drug coverage because the recipient does not have Medicare.

4. Medicaid Card Changes

The word "MEDICARE" is displayed at the bottom of the pharmacy stub on the Medicaid card for Medicaid (excluding MQB) recipients who have a Medicaid Drug Coverage indicator of "N". This change is effective with the January 2006 Medicaid cards that are produced in the regular run beginning in December 2005.

5. Automated Approval Notices (DSS-8108)

An individual approved for Medicaid (excluding MQB) who is also Medicare receives an automated approval notice that indicates Medicaid does not cover prescription drugs. When "Y" is keyed for Medicare A and/or B on the DSS-8125, EIS prints the following sentence on the approval notice:

"If you receive Medicare, Medicare is responsible for your prescriptions."

6. Timely Action Notices (DSS-8110)

EIS produces an automated timely (ten workday) notice when a recipient becomes Medicare eligible. This notice serves to notify the Medicaid/Medicare (excluding MQB) recipient that Medicaid no longer covers prescription drugs.

Note: For MMA response file changes (indicating the recipient has Medicare), this is a new notice. The notice will be a special laser printed notice, not a DSS-8110. See Section 2312, Figure 1, of the Adult Medicaid Manual.

- a. For actions on the DSS-8125 where the Medicare A and/or B is changed to "Y" and the caseworker is completing some other adverse action and has keyed a timely action code, EIS adds the following to the notice text:

"Now that you are enrolled/receiving Medicare, Medicaid will not pay your prescriptions. Medicare is responsible for your prescriptions."

- b. For actions on the DSS-8125 where the Medicare A and/or B is changed to "Y" and an adequate action is completed on the same form with an adequate action notice code, EIS edits the action and displays an online error message that indicates the caseworker must override the automated notice and complete a timely action notice.

If you complete a manual timely notice, it must include the following text:

"Now that you are enrolled/receiving Medicare, Medicaid will not pay your prescriptions. Medicare is responsible for your prescriptions."

Enter the change in Medicare to "Y" after the ten workdays have elapsed. You may also use the new timely notice code developed for use when the only change on the DSS-8125 is a change in Medicare to "Y". This code is "1X". With this code, EIS will produce the timely notice and hold the Medicare action for the 10 workdays.

- c. The effective date for the change is the first day of the ongoing month.

7. Adequate Action Notices (DSS-8110)

Note: For MMA response file changes (indicating the recipient does not have Medicare), this is a new notice. The notice will be a special laser printed notice, not a DSS-8110. See Section 2312, Figure 2, of the Adult Medicaid Manual.

Unless overridden by the county caseworker, EIS produces an automated adequate notice when a recipient no longer receives Medicare. This notice serves to notify the Medicaid recipient that Medicaid will cover prescription drugs.

- a. For actions on the DSS-8125 where the Medicare A and/or B is changed to "N", the notice includes the following text:

"Now that you are no longer enrolled/receiving Medicare, Medicaid will pay your prescriptions."

- b. EIS will not react to changes in Medicare from "Y" to "N" on the DSS-8125. If a caseworker needs to correct a "Y" keyed in error, they must contact the Claims Analysis Unit to make the correction.

8. SSI Approval Notices

The SSI approval notice notifies the recipient about prescription drug coverage. The notice includes the following text:

"You are eligible for all medical care services covered by the North Carolina Medicaid Program unless you also receive Medicare. If you receive Medicare, Medicare is responsible for your prescriptions."

II. EXPANDED MEDICAID: NORTH CAROLINA HEALTH CHOICE (NCHC) CHILDREN BIRTH THROUGH FIVE MOVE TO MEDICAID

The North Carolina General Assembly in Senate Bill 622 (The Appropriations Act) under Section 10.22(a) changed the North Carolina Health Choice (NCHC) program to be for children between ages six through eighteen as of January 1, 2006. The General Assembly also said effective January 1, 2006, infants under the age of one and children age one through five with family incomes equal to or less than 200% federal poverty level shall be covered for Medicaid benefits.

Refer to DMA Administrative Letter No. 15-05 which provides policies and procedures for the migration from NCHC to Expanded Medicaid (MIC-1) of these children ages 0-5.

III. MANUAL SECTION CHANGES

A. Volume 1

1. EIS 1050 - EIS INQUIRY

Two new Medicare Data screens are added.

a. Medicare A/B/C ([MB](#))

b. Medicare D ([MD](#))

2. EIS 1054 - INDIVIDUAL INQUIRY

Two new Medicare Data screens are created.

a. Medicare A, B, and C Entitlement Data

b. Medicare D Entitlement and Enrollment Data

3. EIS 1057 - MASTER CLIENT INDEX

The MCI Match Report is modified to better identify inconsistencies in match criteria. The changes are effective with the report printed on 1/2/06. All individuals on the MCI File are reviewed daily. Only those individuals with data inconsistencies appear on the daily MCI Match Report. The report heading "new/updated individual" is replaced with "problem individual". The column "Match ID" is removed.

4. EIS 1061 - X/PTR - REPORT DISTRIBUTION SYSTEM

Added the following new reports to the listing:

a. DHREJA ADULT MAILIN APPS TRACKED

b. DHREJA ADULT MAILIN APPS DENIED

c. DHREJA TWO IND ID'VE MANAG CARE

d. DHRRLA FAMPLAN PER ANNUAL REPORT

e. DHRRLA FAMPLAN PER MONTH TO DATE

f. DHRRLA FAMPLAN PER YEAR TO DATE

g. DHRRLA KATRINA PER ANNUAL REPORT

- h. DHRRLA KATRINA PER MONTH TO DATE
- i. DHRRLA KATRINA PER YEAR TO DATE
- j. DHRRLA PROVIDER EARNINGS CY
- k. DHRWDB 0-5 CHILDREN NCHC TO MED
- l. DHRWDB MEDICARE FOR X-REF IDS
- m. DHRWDB MIC QUARTERLY DISP REP
- n. DHRWDB MPW QUARTERLY DISP REP
- o. DHRWDB MPW QUARTERLY PROV REP

B. Volume 2

- 1. EIS USER MANUAL TABLE OF CONTENTS
New section for Adult Mail-In Application Reports.
- 2. EIS 2304 - NOTICE REGISTER REPORT
New comment "MEDICARE D" on the Notice Register Report indicates changes in Medicare status.
- 3. EIS 2305 - ADULT MAIL-IN APPLICATION REPORTS
New section has 2 new reports tracking adult mail-in applications and those mail-in applications that are denied.

C. Volume 3

- 1. EIS USER MANUAL TABLE OF CONTENTS
New section for Medicare Entitlement and Enrollment.
- 2. EIS 3101 - CHANGES TO MEDICAID CASES
New timely and adequate change notices generated due to changes in Medicare status.
- 3. EIS 3151 - REQUESTING A MEDICAID ID CARD
Changed references from RMDS to X/PTR.
- 4. EIS 3520 - MEDICARE ENTITLEMENT AND ENROLLMENT
New section explains the process that allows or disallows the payment of prescription drugs for Medicare/Medicaid eligible recipients.
 - a. MMA Data and Response Files
 - b. Medicare Data Screens
 - c. Application and Reapplication Approvals
 - d. Medicaid Drug Coverage Indicator
 - e. Medicaid Card Changes

f. Notices

5. EIS 3556 - NOTICE REGISTER REPORT

New comment "MEDICARE D" on the Notice Register Report indicates changes in Medicare status.

D. Volume 4

1. EIS 4000 - CODES APPENDIX

New Medicaid Classification code added, MIC-1, for Expanded Medicaid.

2. EIS 4000 - APPENDIX B

a. Approval Codes

If the Medicaid classification changes to "D", EIS prints the following text on the automated approval notice:

"Your coverage is limited to Family Planning Waiver services. Your partner may be potentially eligible also."

b. Change Codes

- (1) If the Medicaid classification changes to "D", EIS prints the following text on the automated approval notice:

"Your coverage is limited to Family Planning Waiver services. Your partner may be potentially eligible also."

- (2) If Medicare A and/or B is entered as "Y", EIS prints the following message on the automated notice:

"If you receive Medicare, Medicare is responsible for your prescriptions."

- (3) New timely change code "1X" has been added. Use this code for Medicaid programs when Medicare is the only change on the DSS-8125.

3. EIS 4000 - APPENDIX D - SPECIAL ASSISTANCE CODES

New timely and adequate change notices are produced due to changes in Medicare status.

4. EIS 4300 - PART ONE - NC HEALTH CHOICE - INTRODUCTION

NC Health Choice covers children from ages 6 through 18 effective January 1, 2006.

5. EIS 4300 - PART FIVE - NC HEALTH CHOICE - CASE MAINTENANCE

Changes to NC Health Choice with the addition of new Expanded Medicaid, MIC-1.

a. Program Transfers

- b. Change in Household Composition
 - c. Added MIC-1 in Changes to/from Medicaid Classifications.
6. EIS 4300 - PART SIX - NC HEALTH CHOICE - NOTICES/CODES
- System produced change code ("9H") is added for children aged 0-5 that are moved from NCHC to Expanded Medicaid (MIC-1) on December 2, 2005. The effective date is January 1, 2006.
7. EIS 4900 - APPENDIX C - PART FOUR
- Changed references from RMDS to X/PTR.

IV. EIS MANUAL INSTRUCTIONS

SECTION	REMOVE PAGES	INSERT PAGES	ONLINE CHANGE
Volume I			
EIS USER MANUAL TABLE OF CONTENTS	1-6	1-6	Table of Contents
EIS 1050	3-4	3-4	II.C. EIS Inquiry Screen
EIS 1054	1-2, 9-10	1-2, 9-18	I.D. & E. Individual Inquiry, VI. Medicare A/B/C, VII. Medicare D
EIS 1057	13-14	13-14	VII. The Match Report
EIS 1061	19-24	19-25	IX. New X/PTR Reports
Volume II			
EIS USER MANUAL TABLE OF CONTENTS	1-6	1-6	Table of Contents
EIS 2304	1-3	1-4	III.H.3. Information & Comments Listed on the Notice Register Report
EIS-2305	New	1-2	Adult Mail-In Application Reports
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Volume III			
EIS USER MANUAL TABLE OF CONTENTS	1-6	1-6	Table of Contents
EIS 3100	No page number	No page number	Table of Contents, Change in Medicare Status
EIS 3101	57-68	57-71	I. Timely Notices, II. Adequate Notices
EIS 3151	1-3	1-3	X/PTR References
EIS 3520	New	1-10	New Section - Medicare Entitlement & Enrollment
EIS 3556	1-3	1-3	X/PTR References

Volume IV			
<u>EIS USER MANUAL TABLE OF CONTENTS</u>	1-6	1-6	Table of Contents
<u>EIS 4000 - CODES APPENDIX</u>	5-6	5-6	Medicaid Classification
<u>EIS 4000 - APPENDIX B</u>	1-37	1-38	Approval/Change Codes
<u>EIS 4000 - APPENDIX D</u>	1-12	1-12	Special Assistance Codes
<u>EIS 4300 - Part One</u>	1-2	1-2	NC Health Choice Intro
<u>EIS 4300 - Part Five</u>	1-7	1-7	IV. NCHC Program Transfers, V. Change in Household, XIII. Changes in Medicaid Classification
<u>EIS 4300 - Part Six</u>	11-12	11-12	V. Case Terminations
<u>EIS 4900 - APPENDIX C - Part Four</u>	3-4	3-4	X/PTR References

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

Sincerely,

L. Allen Dobson, Jr., M.D.,
Assistant Secretary for Health Policy and
Medical Assistance

(This material was researched and prepared by Chris Hager, Wanda McLeoud and Mary Spivey, EIS Program Consultants, and Sharon McDougal, EIS Project Director.)