

DMA ADMINISTRATIVE LETTER NO: 03-04, REVIEWING MPW APPLICATIONS DENIED DUE TO PARENTAL INCOME

DATE: October 3, 2003

SUBJECT: Reviewing MPW Applications Denied Due to Parental Income

DISTRIBUTION: County Directors of Social Services
Medicaid Staff

I. BACKGROUND

In 2002 the approved State Budget changed Medicaid eligibility policy by requiring parental financial responsibility for pregnant women under 21 who apply for MPW. This policy change was issued by Family & Children's Change No. 14-03, effective October 1, 2002.

Federal Medicaid officials reviewed our State Plan amendment adopting this change. In correspondence dated July 3, 2003, they advised us that this change violates federal "Maintenance of Effort" requirements for NC Health Choice and continuing the policy jeopardizes the entire federal funding for NC Health Choice. Therefore, the policy change was rescinded effective back to October 1, 2002. Please see [Family and Children's Medicaid Manual Change No. 02-04](#).

This administrative letter provides policy and procedures for identifying and reviewing MPW applications denied since October 1, due to parental income to determine if they should be reopened and the pregnant woman authorized for MPW.

II. POLICY PRINCIPLE

A. Review denied MPW applicants who applied on or after October 1, 2002 to determine if they were denied solely due to parental income.

B. If an MPW applicant was denied solely due to parental income,

1. Contact her to determine:
 - a. Her current address,
 - b. If she still wants Medicaid, and
 - c. If and when her pregnancy terminated.
2. If she can be located and she still wants Medicaid, authorize her for MPW through the end of the post partum period and review for ongoing Medicaid. Evaluate the child for automatic newborn coverage. (Refer to [MA-3230, Eligibility of Individuals Under 21, III.](#))

C. Complete the review and corrective actions outlined in this administrative letter no later than November 30, 2003.

III. APPLICATIONS TO BE REVIEWED

Applications that meet the following criteria are included on a report in NCXPTR titled DHRWDB MPW DENIALS TO REVIEW. Review these applications to determine if they were denied solely due to parental income, according to the procedures in IV. below.

A. The aid program/category is MPW.

B. The application date is October 1, 2002 or later.

The policy in Family & Children's Medicaid Manual Change No. 14-03 was effective for MPW applications taken on or after October 1, 2002. Parental financial responsibility did not apply to MPW applications taken prior to October 1, 2002.

C. The application was denied or withdrawn for one of the following reasons.

1. B3 – Your income exceeds the poverty level.
2. F5 – You have been approved for benefits in another aid program category. (The pregnant minor may have been approved for NC Health Choice or for MAF medically needy coverage.)
3. G1 – You have not provided the information needed to establish eligibility. (Parents may have refused to provide the income or the pregnant minor may have chosen not to discuss this with her parents.)
4. G9 – Other
5. W1 – You asked that your application be withdrawn. (Some pregnant minors may have withdrawn rather than ask for their parents' income.)

D. The applicant was under 21 on the date the MPW application was denied or withdrawn.

NOTE: If the pregnant minor had more than one application that met these criteria, both will be on the report.

IV. REVIEW OF APPLICATIONS

Review the case record for each application from your county on the report to determine if the application was denied solely due to parental income. (If the pregnant minor has more than one application on the report, review both applications.)

(IV.)

The application was denied solely due to parental income if one of the following criteria is met. These criteria require that all information necessary to determine eligibility, other than parents' income be in the record. If necessary information other than parents' income is missing from the record, the application was not denied solely due to parents' income, regardless of why the information is missing.

If a denied MPW applicant who appears on your county's report has subsequently moved to another county, you are responsible for the review and any subsequent authorization(s) resulting from this review. If after the procedures in this administrative letter are completed and the applicant has ongoing eligibility, transfer the case to her current county of residence.

A. It was denied for reason B3 ("Your income exceeds the poverty income level."), and

1. All information needed to determine eligibility had been received, and
2. The pregnant minor would have been eligible if her parents' income was not counted.

B. It was denied for reason F5 ("You have been approved for benefits in another aid program/category."), and

1. The pregnant minor was approved for NC Health Choice or MAF Medically Needy because counting her parents' income caused her to be ineligible for MPW,
2. All information necessary to determine eligibility for MPW had been provided, and
3. She would have been eligible for MPW based on that information if her parents' income was not counted.

C. It was denied for reason G1 ("You have not provided the information needed to establish eligibility."), and

1. All other information needed to determine eligibility, except parents' income, had been received and
2. The applicant would have been eligible based on that information.

(IV.)

D. It was withdrawn, reason W1 (“You asked that your application be withdrawn.”), and

1. The record indicates that all information necessary to determine eligibility, including or not including the parents’ income, had been provided, and
2. The applicant would have been eligible for MPW if her parents’ income was not counted.

E. It was denied for reason G9 (“other”), and

1. The review of the record indicates that the reason was actually one of the 4 reasons listed above, and
2. The conditions for that reason that are listed in A. – D. above are met.

V. ACTIONS ON APPLICATIONS DENIED DUE TO PARENTAL INCOME

If an application was denied due to parental income, as determined according to IV. above, take the following steps. If the pregnant minor has more than 2 applications during the same pregnancy denied due to parental income, base the following actions on the earliest application. If she has more than one application denied due to parental income but they are for separate pregnancies, take the following actions on each application.

A. Determine if she was later approved for Medicaid either MPW or a full coverage aid program/category (MAF, MIC, MAB, MAD, HSF, IAS).

1. If she was later approved for Medicaid and authorized for all months of Medicaid coverage for which she would have been authorized had her MPW application been approved, document the record and take no further action on this application.
2. If she was not later approved for Medicaid or was approved but was not authorized for all the months of Medicaid coverage for which she would have been eligible had her MPW application been approved, proceed with the following steps.

B. Send the attached letter ([attachment 1](#)) to the former MPW applicant along with a self-addressed return envelope. The letter advises her of the change in policy, and asks if she still wants Medicaid.

1. If she wants Medicaid, she must contact her worker within 30 days. She may either call the worker or return the letter.

(V.B.)

2. The letter tells her
 - a. To provide a telephone number where she may be reached and the times she can be reached there, and
 - b. If she asks the worker to call her, that the worker will attempt up to 3 times to call her at the number provided during the times provided.
3. The letter mentions nothing regarding her pregnancy. She may have not confided in her parents regarding her pregnancy.

C. If she returns the letter or leaves a message asking the worker to call her, call her at the number provided during the time she asks that you call.

1. If she is not there, attempt at least two more times on different days to contact her.
2. If you are not able to contact her on three attempts, document the case record and take no further action.

D. If by the 30th day, she has not called the worker, she has not returned the letter, or the letter is returned by the post office indicating that the address is incorrect, follow policy [MA-3410, Terminations and Deletions, II.A.5.](#) to attempt to locate her.

1. If she cannot be located, document attempts to locate and take no further action.
2. If another address is found, send the letter to this address and allow another 30 days for her to contact you.

E. If she contacts the worker or the worker contacts her and she says she is not interested in Medicaid, document the record and take no further action.

F. If the pregnant minor contacts the worker or the worker contacts her and she says she wants Medicaid, ask her if she is still pregnant.

1. If she is still pregnant, complete an administrative application and authorize her through the end of her post partum period, based on the anticipated delivery date contained in the pregnancy verification in the record. The date of application is the original date of application.

(V.F.)

2. If she is no longer pregnant, ask her the outcome of her pregnancy. Did she have the child or did the pregnancy end for some other reason, and when?
 - a. Complete an administrative application and authorize her through the end of her post partum period, based on the date the pregnancy terminated. The date of application is the original date of application.
 - b. Conduct a re-enrollment to determine her ongoing eligibility beyond the end of the post partum period. Do not authorize her beyond the post partum period until she is determined eligible.

NOTE: The woman cannot be required to go to the county dss to be authorized for MPW under these procedures. However, if the post partum period has expired, she must be re-enrolled to determine ongoing eligibility in another aid program/category. (See [MA-3240](#), Pregnant Woman Coverage.) Re-enrollments may be accomplished by mail-in, face-to-face interview, or telephone interview. ([See MA-3420, Re-enrollment, III.B.](#))

- c. In these instances all eligibility for the pregnant minor will be retroactive. Once you complete the redetermination to see if she has ongoing eligibility, please contact the EIS Unit if you require assistance in how to enter this information in EIS.
3. If she had the baby, evaluate the child for automatic newborn coverage. Refer to V.G., below.

G. If the baby was born, evaluate for automatic newborn coverage.

Ask her if the child is living with her.

1. If the child is living with her,
 - a. Complete an administrative application and authorize the child under automatic newborn coverage. (Refer to [MA-3230, Eligibility of Individuals Under 21, III.](#)) The date of application is the date of the child's birth. Be sure to authorize for the full 12 months newborn period.
 - b. If the automatic newborn coverage period has expired, complete a re-enrollment to determine the child's eligibility for coverage beyond the newborn period. Do not authorize beyond the newborn period, until the re-enrollment is complete.

(V.G.)

2. If the child is not living with her, ask if the child ever lived with her and if so when did he or she stop living with her, and with whom the child now lives.
 - a. If the child did live with her for a while, he is eligible for auto newborn protection while he lived with her and for the remainder of the 12 months continuous eligibility, beginning with his month of birth.
 - (1) Complete an administrative application, and authorize the child through the month in which he or she turns age 1. Though newborn protection ends because the child ceased to live with his or her mother, the child is still entitled to 12 months continuous eligibility. (See [MA-3230, Eligibility of Individuals Under 21, III.E.2.a.\(2\)](#).) The date of application is the date of the child's birth.
 - (2) The case head of the child's case is the current caretaker of the child. Ask the mother the name and address of the caretaker. If she does not know the address, attempt to locate the caretaker following policy in [MA-3410, Terminations and Deletions, II.A.5.](#)

If the current caretaker cannot be located, authorize the child only for the period of time that he or she was with the mother. The mother is the case head.
 - (3) If the 12 months continuous eligibility period has expired, complete a re-enrollment to determine the child's eligibility for coverage beyond the newborn period. Do not authorize beyond the continuous eligibility period, until the redetermination is complete.
 - b. If the child never lived with her, the child is not eligible for newborn coverage. Take no further action regarding the child.

H. By November 30, 2003, complete the report ([attachment 2](#)) of authorized MPW applicants and newborns resulting from this administrative letter. Send the report to:

Andy Wilson, Project Coordinator
Medicaid Eligibility Unit
Division of Medical Assistance
2501 Mail Service Center
Raleigh, NC 27699-2501

VI. AUTHORIZATION ISSUES

A. An override is needed.

1. Since eligibility on these reopened applications may go back as far as 3 months retroactive to October 2002, which is July 2002, it is likely that many of these cases will require overrides of the 365-day claims processing limit. An override is required when eligibility is entered in EIS and:
 - a. The 365-day period has expired or
 - b. Less than 60 days remaining before the end of the 365-day period.

(Refer to [MA-3530, Corrective Action and Responsibility for Errors, II.C.5.](#))

2. A special form, [attachment 3](#), has been created to request these overrides. It prominently indicates that the override is needed because of the review of denied MPW applications under this administrative letter. Request the override on this form. This will expedite processing of the overrides.

B. The pregnant minor has been approved for NC Health Choice.

If the pregnant minor was approved for NC Health Choice and now needs to be approved for MPW under the policy in this administrative letter, follow existing procedures in [MA-3255, NC Health Choice, VI.C.11.](#) and [EIS 4300, Part 5, X.](#) for overlaying NC Health Choice eligibility with MPW eligibility.

C. The pregnant minor was approved for MAF as medically needy.

A pregnant minor may have been approved for MAF as medically needy and now qualifies for MPW to cover a hospital bill for which a DMA-5020 has already been sent to the hospital, notifying them of the deductible. In that case, send an amended DMA-5020 to the hospital showing that she has now been approved for MPW for the hospitalization and that she has no deductible for that period.

[Attachment 4](#) is a special DMA-5020 with instructions to the hospital asking that they file an adjustment for the claim based on the DMA-5020. Use this form to notify the hospital.

(VI.)

D. The pregnant minor has been approved for Medicaid in another county.

1. If the pregnant minor is currently authorized for ongoing Medicaid in another county, determine exactly what dates need to be authorized in your county. Contact the EIS Unit at DMA if you require assistance in entering the information into EIS.
2. If the pregnant minor was authorized for Medicaid in a second county but her case has been terminated, complete an open/shut MPW application to authorize her based on the previously denied MPW application. This is an administrative application.

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

Gary Fuquay,
Acting Director

GF/acw

[This material was researched and written by Andy Wilson, Project Coordinator, Medicaid Eligibility Unit.]