MA-3305 MAF, MIC, HSF BUDGETING
REISSUED 07/01/10 – CHANGE NO. 08-10

I. INTRODUCTION

This section contains budgeting instructions for MAF, MIC and HSF, including rules for when to compute a deductible and when to evaluate eligibility. Instructions for MPW are contained in MA-3310, MPW Budgeting.

To determine eligibility for Medicaid:

A. Identify all the person(s) in the home for whom assistance is requested. This is the assistance unit.

B. Identify whose income to count in the budgeting process. The members of the assistance unit plus these identified individuals constitute the budget unit.

C. Identify children in the home under 21 who are not in the assistance unit but must be considered in determining the correct income limit to use in determining eligibility because their parents are in the budget unit. The needs unit is comprised of members of the budget unit plus these children.

D. Identify the correct income limits (based on needs unit) and resource limits (based on budget unit) to use in determining eligibility.

E. Re-evaluate eligibility if any members of the original assistance unit are ineligible or have a deductible. This may mean establishing more than one assistance unit and/or evaluating under other Medicaid coverage groups.

II. POLICY RULES

When determining eligibility for MAF, MIC-N, MIC-1, or HSF, compare countable income to the appropriate income limit or age limit (if MIC) in the aid/program category under which eligibility is being evaluated. For those eligible under Expanded Foster Care Program, do not count income or assets in determining eligibility.

A. Evaluate for MAF coverage first if the parents or other adults are requesting assistance. If income is above the allowable limit, the assistance unit is ineligible for Categorically Needy coverage. The applicant(s) may qualify for MAF with a deductible if otherwise eligible for Medically Needy coverage.

(II.)

B. Evaluate for MIC-N coverage if the assistance unit is ineligible for MAF coverage. When evaluating the applicant for MIC-N coverage for himself or others if a child's income causes ineligibility, evaluate using separate assistance units.

C. Evaluate for MIC-1 coverage for children age birth to age one if the assistance unit is ineligible for MIC-N due to countable income exceeding 185% of fpl and the countable income is less than or equal to 200% fpl.

D. Evaluate for MIC-1 coverage for children age one through five if the assistance unit is ineligible for MIC-N due to countable income exceeding 133% of fpl and the countable income is less than or equal to 200% fpl.

E. Evaluate for HSF those children who receive State Foster Home Funds, are in the custody of the county dss, or for whom the dss has placement responsibility.

F. MAF, MIC, and HSF – Categorically Needy (Classification C, Categorically Needy, Classification 1, Categorically Needy and Classification N, Categorically Needy – No Money Payment)

MAF may have a categorically needy classification of C or N. MIC may have a categorically needy classification of N or 1. HSF may have a categorically needy classification of N. Refer to MA-3415, Classification and Evaluation. Classify non-qualified aliens that would otherwise be eligible for Medicaid under MIC-1 with the appropriate Medicaid alien codes. Qualified and non-qualified aliens (See MA-3330, Alien Requirements) have special classification codes so see EIS 4000, Codes Appendix.

NOTE: HSF-C is for HSF children who receive SSI. Their eligibility is not determined following the policy in this section. Refer to the Aged, Blind, and Disabled Medicaid Manual.

For MAF-C or N, MIC-N or 1 and HSF-N

1. An assistance unit must have countable monthly income equal to or less than the CN Income Limit for the number in the needs unit.

2. For MAF C or N resources must not exceed the resource limit.

3. There can be no deductible in Categorically Needy coverage.

(II.F.)

4. Once eligibility is established for MIC-N and/or MIC-1, MAF-C or N, or HSF-N, eligibility continues for 12 months for children up to age 19 and under without regard to changes in assets or income or household composition. Refer to V.C.8. for exceptions to continuous eligibility. The 12 month continuous period begins with the first month of the ongoing certification period.

G. Expanded Foster Care Program (EFCP)

Eligibility coverage requirements for IAS and HSF adolescents ages 18, 19, and 20 in the Expanded Foster Care Program (EFCP) are:

1. Were in foster care on their 18th birthday.

2. Continues to be a resident of North Carolina.

3. Must not be receiving Medicaid from another county or state.

4. Must not be an inmate of a public institution.

5. Must furnish their social security number, provide third party information, and apply for all benefits to which they may be entitled.

See MA-3230, Eligibility of Individuals Under Age 21, for policy on the Expanded Foster Care Program.

H. MAF M and HSF M (Medically Needy) – Classification Code - M

Qualified and non-qualified aliens (See MA-3330, Alien Requirements) have special classification codes. See EIS 4000, Codes Appendix.

1. An assistance unit that is ineligible as categorically needy and children ineligible for NC Health Choice due to excess income may be eligible for MN coverage.

2. If the income of the needs unit exceeds the Medically Needy Income Limit, the assistance unit is eligible when it meets a deductible for the certification period and resources are within allowable limits.

3. Once an HSF-M child reaches age 18, do not count assets or income of the HSF child. Continue this exclusion through the month he turns age 21.

III. FINANCIAL RESPONSIBILITY

Count the income of individuals who are financially responsible for the applicant(s).

A. Spouse for Spouse

1. Except as stated in 2. count a spouse's income as available to the spouse who is applying for or receiving Medicaid when:

   a. They live together, or

   b. One is temporarily absent for 12 months or less, including temporary absence in long-term care.

2. Do not count the income of a spouse who receives SSI, Work First or CAP, and do not include them in the budget unit or needs unit.

B. Parent for Child

1. Except as stated below, count the income of the parent(s) including a putative father, regardless of the parent(s)' age, as available to an individual under age 21 who:

   a. Lives in the home of his parent(s) or is temporarily absent (see C., below.), and

   b. Lives outside of the home and is a student, unless evidence is presented to establish that the student is not financially dependent upon his parent(s) and has assumed total responsibility for his own support and care. (See C. below)

2. Exceptions to parental financial responsibility

   a. Do not count the income of a parent who receives SSI, Work First or CAP.

   b. Do not count the income of the putative father of an unborn child in any program category/coverage group.

   c. Do **not** count parent's income to an individual under age 21 who:

      (1) Is or has been legally married.

      (2) Lives outside the parent(s)' home in excess of 12 months or intends to be outside of the home on a permanent basis.

      (3) Is budgeted under long-term care policy because he will be out of the home in a Medicaid certified medical institution in excess of 12 months. Refer to MA-3325, Long Term Care Budgeting, for instructions for verifying type of treatment and length of stay.

(III.B.)

(4) Has served in or is currently in the military.

(5) Has been legally emancipated.

(6) Is applying for FPW benefits. Parental financial responsibility does not apply in FPW.

d. Is in custody of the county department of social services, or for whom the county agency has court-ordered placement responsibility, regardless of where the child is placed (i.e. temporary placement in the home while custody is retained by the dss). Financial responsibility on the part of the parents ceases beginning with the month in which the county assumes custody.

e. Is eligible for Title IV-E adoption/foster care assistance, receives State Foster Home Funds or is evaluated as an adoptive child with special needs. Do not count the assets or income of the IAS child from age 18 through the month he turns age 21.

(1) HSF and IAS coverage for county custody and Title IV-E begins the month the county actually takes responsibility or the child is released by the parent(s) for adoption.

(2) Evaluate retroactive coverage under the aid program/category appropriate to the child's situation during the retroactive months. Do not count the assets or income in the retroactive months of the IAS child from age 18 through the month he turns age 21. Retroactive months cannot be prior to October 1, 2007, for EFCP.

NOTE: Follow instructions in MA-3365, Child Support, for referring a foster child to Child Support Enforcement.

f. Is a newborn child who does not go home from the hospital with the parent(s) and they are never his caretaker and/or do not intend to provide a home for him. (This includes any retroactive or ongoing period of eligibility).

(III.)

3. Joint Custody

a. When a child's parents live apart but have joint custody, determine which parent is the primary caretaker. This is the parent with whom the child spends the majority of his time, the parent who is primarily responsible for the child's day-to-day care (school, day care, medical care). Consider this parent the primary caretaker for budgeting purposes. Count the income of the primary caretaker as available to the child.

b. If the child spends equal time with both parents and you are unable to establish a primary caretaker, consider both parents financially responsible for the child. Count both parents' income as available to the child. Their other children who are not in the assistance unit can be in the needs unit if they meet the requirements in IV.F.

In this situation neither parent can be included in the a.u. If one of the parents wishes to be included in the assistance unit, he or she must be the primary caretaker.

c. If the child spends equal time with both parents, but one parent pays child support for the child, consider the parent receiving the child support to be the primary caretaker. Count the income of the primary caretaker parent as available to the child.

C. Verifying Parental Financial Responsibility for Individual Under Age 21

1. Individual Under 21 Living Outside of Parent(s)' Home On a Permanent Basis (Not a Student)

a. Accept the individual's statement that he intends to live outside of his parent's home, unless questionable.

b. If the individual's statement is questionable:

(1) Obtain verification from a third party source to determine the absence is permanent or temporary.

(2) If the individual lives in the home of an adult, obtain a statement verifying the situation as instructed in d.(1).

c. Temporary absence is 12 months or less, including absence in a Medicaid certified medical institution, and begins with the month the person leaves the home.

(1) If the individual is temporarily absent, count the parent(s)' income.

(III.C.1.d.(b))

(2) Do not include the parent in the budget unit if the individual is determined to be permanently absent from the parent(s)' home.

(3) If a child returns to the parent(s)' home, begin counting the parent(s)' income at the beginning of the following month.

d. Verification sources include but are not limited to one of the following:

(1) A written statement, from the individual's parent(s) or the adult with whom he lives. The statement must include where and with whom the individual lives, the reason the individual lives outside of the parent(s)' home, how long he has lived or is expected to live continuously outside the parent(s)' home, and if the parents are providing support for the child.

(a) If the individual states that he lives independently of any adult (i.e. - on the streets) and it is not possible to obtain a statement from a parent or caretaker, obtain a written statement from the individual under age 21 or from a knowledgeable person.

(b) The written statement must include the total period of time he has lived or expects to live continuously outside of his parent(s)' home.

(2) Court document ordering the county agency to take custody or placement responsibility for an individual under age 21.

(3) Evidence available to the county department of social services such as food stamp records, service records, etc.

(4) Other records establishing that parental financial responsibility does not exist (i.e. school records showing the child lives outside the home or records showing the child lives in a private child caring facility).

2. Student Under 21

a. If a student lives outside his parent(s)' home, count the parent(s)' income unless the following conditions are met:

(1) The student submits convincing evidence that shows he lives independently of his parent(s) for his total financial support (tuition and living expenses), and

(2) The student does not regularly return to his parent(s)' home to live (excluding brief visits during school breaks).

(IV.A.)

b. The evidence the student can provide may include but is not limited to any one of the following.

(1) Copies of the parent(s)' income tax forms. If the parent(s) claim the student as a dependent, count the parent(s)' income in determining the child's eligibility.

Note: Tax returns may be unreliable as parents may claim the child for tax purposes but actually provide no support.

(2) Statements from the parent(s) or adult caretaker containing the information outlined in C.1.d.(1).

(3) Bank records for deposits and expenditures which verify where the student obtains money for living expenses. If the bank records show the student pays his own way, do not count parent(s)' income.

IV. ESTABLISHING ASSISTANCE UNIT, BUDGET UNIT AND NEEDS UNIT

A. Assistance Unit

The assistance unit (a.u.) consists of related child(ren)/stepchildren and eligible parent(s)/ stepparents/caretaker(s) who are in the home and for whom Medicaid is requested. Use the definition of relationship found in MA-3350, Kinship and Living with Requirements for Families and Children. Basic principles for a.u's are:

1. You may establish a separate a.u., for a pregnant woman.

2. Evaluate household members for whom assistance is requested (related children/stepchildren and eligible caretakers/parents/stepparents) in one a.u. if possible.

3. If the individuals are ineligible as one a.u., evaluate in separate a.u.'s. Separate a.u.'s may be required because of:

   a. Parental/spousal financial responsibility,

   b. Age limits, or

   c. Income exceeding allowable levels, or

(IV.B.)

d. Resources exceeding allowable levels (MAF only).

4. Siblings may be placed in separate a.u.'s when the income of one causes another sibling to be ineligible, have a deductible/increased deductible, or the countable income exceeds the limit for MIC-N or MIC-1. Separate a.u.'s may be established even when siblings are the same age.

B. MIC Assistance Unit

MIC-N provides Medicaid for eligible individuals under age 19. This may include children as well as parents in the home who are under age 19. MIC-1 provides Medicaid for eligible individuals ages birth through five with countable income that exceeds the MIC-N income level but is equal to or up to 200% fpl.

1. Include all related individuals under age 19 in the same MIC-N or MIC-1 a.u. if all are are eligible under MIC-N or MIC-1.

2. If ineligibility results from the combined a.u., evaluate the individuals in separate a.u.'s.

   a. If all children in the a.u. are not children-in-common of the parent(s) in the home, establish separate a.u.'s based upon parental financial responsibility.

   b. If a child's income then causes ineligibility, remove the child from the a.u and evaluate him/her in a separate a.u. Place siblings in separate a.u's as necessary.

      (1) If the child is ineligible for MIC-N due to countable income and age is birth through five, evaluate for MIC-1.

      (2) If the child is ineligible and is age 6 through 18, evaluate for NC Health Choice and MAF.

      (3) Evaluate the remaining child(ren) for MIC.

      (4) If necessary, repeat this process until all children are evaluated for MIC.

3. Special Instructions - Minor Parent in the Assistance Unit

   Include parents under 19 in the MIC a.u. with their child(ren) unless:

   a. The minor parent is married to an individual who is not the parent of the child (a stepparent) and the stepparent's income causes the child(ren) to be ineligible (the stepparent does not have financial responsibility for the child(ren)), or

(IV.B.)

b. The minor parent lives in the home of his/her own parent and the grandparent(s)' income causes child(ren) of the minor parent to be ineligible (The grandparent is financially responsible for the parent under 19, but not for the child(ren) of the parent under 19).

c. If either situation in a. or b. causes ineligibility for the child(ren), evaluate eligibility separately.

(1) Establish a separate a.u. for the minor parent and

(2) Evaluate the children as specified in A.1.

C. MAF Assistance Unit

MAF provides Medicaid for individuals under age 21, eligible caretaker relatives and pregnant woman. The caretaker may be a parent, stepparent or specified relative. Refer to MA-3235, Caretaker Relative Eligibility.

1. Individual Under 21

Include everyone in the home in one MAF assistance unit if all are eligible. (This includes stepsiblings).

If the income of an individual causes the a.u. to be ineligible or to have a deductible/increased deductible, evaluate eligibility in separate a.u.'s.

a. If all children in the a.u. are not children-in-common of the parent(s)in the home, establish separate a.u.'s based upon parental financial responsibility.

b. When any child's income then causes ineligibility or a deductible/increased deductible, determine if the child can be deleted from the a.u. and evaluated in a separate a.u.

c. Evaluate siblings/stepsiblings in separate a.u.'s if one sibling/stepsibling causes the other to be ineligible or have a deductible/increased deductible or if their combined income exceeds the income limit.

2. Parents

a. A parent of any age who is an eligible caretaker can be authorized in an a.u. separate from his/her children if:

(IV. C. 2.)

(1) Counting a spouse's income who is a stepparent and is not financially responsible for a child in the a.u. would cause the a.u. to be ineligible or results in a deductible/increased deductible, or

(2) A parent under age 21 lives in the home of his or her own parent and counting the grandparent's income for the minor parent's child(ren) causes the child(ren) to be ineligible, or

(3) The child(ren) is authorized for Medicaid in any other aid/program category.

b. The caretaker must be in the same a.u. as his/her child when coverage under MAF MN is the only option for the child, unless counting the stepparent's or grandparent's income causes the child to be ineligible or contributes to a deductible as specified in a.

(1) Establish separate a.u.'s for the caretaker and the child.

(2) Document in the case record that the a.u.'s were separated because of the stepparent or grandparent not having financial responsibility for the child.

3. Stepparents (MAF only) (Parent in home)

A stepparent may be included in the a.u. with a parent if the following criteria are met:

a. The stepparent's income does not cause child(ren) in the a.u. for whom he or she is not financially responsible (stepchildren) to be ineligible or have a deductible/increased deductible.

b. If income of stepparent causes ineligibility, establish a separate a.u. for the parent and stepparent.

NOTE: When a parent is not in home but a stepparent is, follow specified relative policy.

4. Specified Relative (MAF only)

The specified relative may be included in the a.u. if the following criteria are met:

(IV.C. 4.)

a. The child does not have a parent in the home, and

b. The specified relative is not eligible as the caretaker of his own child, and

c. Including the specified relative in the child's a.u. does not cause the child to be ineligible or have a deductible/increased deductible.

If the specified relatives' (or spouses') income causes the child to be ineligible, establish separate a.u.'s for the specified relative and child.

NOTE: Never include the spouse of the specified relative in the a.u.

D. HSF or MAF (Special Needs Adoption Assistance) Assistance Unit

1. The a.u. consists of the child.

2. Refer to MA-3365, Child Support, for instructions for referring foster child(ren) to child support enforcement.

3. When an MAF special needs adoptive child turns 18, he ceases to be eligible as a special needs child. He must become HSF only if he was in foster care at age 18. Do not count the assets or income through the month he turns age 21. If the special needs adoptive child was adopted at age 18, he is ineligible for EFCP.

E. Budget Unit

The budget unit (b.u.) consists of individuals whose income will be counted in determining eligibility as defined in III., Financial Responsibility.

1. Budget Unit Members

The budget unit always includes:

a. Individuals in the assistance unit and,

b. Spouses or parents not receiving SSI, Work First, or CAP who have financial responsibility for any member of the assistance unit. This includes putative fathers. Do not include the putative father unless he has other children other than an unborn child in MPW, MAF-Pregnant Woman and MIC-N pregnant child cases when he lives in the home or is temporarily absent. If the putative father has other children in the assistance unit, he is included. Refer to III. To determine who is financially responsible and,

NOTE: An individual can be in a separate a.u. and still be included in the budget unit. For example, a parent receiving M-AD may still be in the MAF or MIC budget unit.

(IV.E.)

2. Special Situations

When there is a pregnant woman in the home, initially evaluate for MAF. If the person is ineligible for MAF including having a deductible, evaluate for MPW. If the pregnant woman is evaluated under MPW, refer to MA-3310, MPW Budgeting.

Follow these instructions for establishing the budget unit in these situations:

a. MAF-Pregnant Woman

(1) Unborn Child

Always include the unborn(s) in the b.u.

(2) Father of the Unborn Child

(a) Include the father of the unborn child in the b.u. if he is the spouse of the pregnant woman and lives in the home or is temporarily absent.

(b) Do not include the income of the putative father of the unborn child, even if he is living in the home

NOTE: If a pregnant woman is already part of an assistance unit under MAF, do not include the unborn in the budget unit. The unborn is only included in determining eligibility for MAF-Pregnant Woman or MPW.

b. Stepparents

A stepparent does not have financial responsibility for his stepchild(ren). If including the stepparent in the budget unit (because the caretaker is in the a.u.) causes the child(ren) to be ineligible or have a deductible/increased deductible:

(1) Establish a separate a.u. for the caretaker of the child(ren).

(2) Include the spouse in the b.u. for the caretaker.

(3) Include the child(ren) in the needs unit for the caretaker.

(4) Establish separate a.u.'s for the child(ren) based upon financial responsibility of the parent.

(IV.E. 2.)

c. Spouse of Specified Relative

The spouse of a specified relative (caretaker) does not have financial responsibility for the child(ren). If including the spouse in the b.u. causes the child(ren) to be ineligible or have a deductible/increased deductible:

(1) Establish a separate a.u. for the caretaker of the child(ren).

(2) Include the spouse in the b.u. unit for the caretaker.

(3) Do not include the spouse in the a.u. for the caretaker.

(4) Establish a separate a.u. for the child(ren).

d. Parent of Minor Parent (Grandparent)

The grandparent does not have financial responsibility for the grandchild. If including the grandparent in the budget unit causes the grandchild to be ineligible or have a deductible/increased deductible:

(1) Establish a separate a.u. for the minor parent.

(2) Include the grandparent in the minor parent's b.u.

(3) Include the child(ren) in the minor parent's needs unit.

If a putative grandfather is in the home, refer to III.B.3. to see if his income counts for the minor parent who is his child, even if it does not count for his grandchildren.

e. HSF

The budget unit consists only of the child. Do not apply financial responsibility from any other individual. Do not count assets or income of the HSF child from age 18 through the month he turns age 21.

F. Needs Unit

The needs unit (n.u.) applies to all Family and Children's aid program/categories. It is used only when there is a child(ren) in the home under age 21 who is not in the assistance unit for which eligibility is being determined and whose parent(s) are in the budget unit. This child(ren)'s needs must be considered when determining the appropriate income limit. The number of persons in the needs unit is the number used to establish the income limit used in determining eligibility.

(IV.F.)

1. To determine the number of individuals to be included in the needs unit, add to the number in the budget unit the number of children not included in the assistance unit who:

   a. Are under 21, and

   b. Are living in the home or temporarily absent, and

   c. Have a parent(s) in the budget unit, and

   d. Do not receive Work First, SSI, CAP, HSF or IAS, and

   e. Are not now and have never been legally married, and

   f. Are not now serving and have never served in the military, and

   g. Have not been legally emancipated.

2. If there is no other child(ren) in the home who is under 21 and not in the a.u., the b.u. is the n.u.

3. Use the total number of individuals in the n.u. to determine the appropriate countable income limit.

V. DETERMINE ELIGIBILITY

Use the following instructions to evaluate coverage for all family and children's categories (including MPW).

A. MPW

When there is a pregnant woman in the home, initially evaluate for MAF-Pregnant Woman. If the person is ineligible for MAF Pregnant Woman, including having a deductible, evaluate for MPW.

Parental financial responsibility does not apply in MPW. There is no redetermination of eligibility. Once eligibility is established, coverage is provided regardless of change in situation (unless she moves out of state) and extends through the 60 day continuation period after the pregnancy ends. There is no resource test for MPW.

Refer to MA-3310, MPW Budgeting, to establish assistance unit/budget unit/needs unit members.

Refer to MA-3230, Eligibility of Individuals Under 21, regarding automatic newborn eligibility if child born to a woman receiving under EFCP.

(V.)

B. HSF (Foster Child(ren) Only)

If there is a foster child in the home who receives State Foster Home Funds or who is in the custody of the county dss or for whom the dss has placement responsibility and who does not receive Title IV-E Foster Care, evaluate as HSF. Refer to requirements in MA-3230, Eligibility Regulations Individual Under Age 21.

NOTE: Children receiving IV-E Foster Care are covered under IAS not HSF.

1. The assistance unit and budget unit includes the child only, even when the child has been placed in the parent's home.

2. There can be no needs unit.

3. Evaluate as Categorically Needy.

4. Continuous Eligibility for HSF-N applies:

   a. When a foster child is determined eligible for HSF, do not react to changes in assets or income or for 12 months as long as the child remains in county custody. At age 18 through the month he turns age 21, assets or income do not count.

   b. EIS does not allow a 12 month certification period for HSF cases. Therefore, document in the case record the 12 month period, and authorize for 6 months.

   c. At the end of the 6 month c.p., authorize case for an additional 6 month c.p. without completing a redetermination.

   d. At the end of the second 6-month certification period, complete a face-to-face review and continue eligibility. Repeat this process until the HSF child is age 21. Refer to MA-3420, Re-Enrollment. Do not count assets or income of the HSF child through the month he turns age 21.

   e. If the child's legal status changes any time during the 12-month continuous period and he is no longer in county custody, continuous eligibility does not apply.

      Prior to terminating HSF, complete an ex parte review review. Determine eligibility for ongoing Medicaid or NC Health Choice for Children. Parental financial responsibility applies if the child is returned to his parents' home.

   f. If determined eligible for ongoing Medicaid or NC Health Choice, register an unsigned, administrative application in EIS.

(V. B.)

5. If the child is ineligible as categorically needy or NC Health Choice, evaluate as Medically Needy.

6. Compare countable income to the Medically Needy Income Limit for one person.

   a. If countable income is equal to or less than the MAF MN Income Limit, the child is eligible if all other eligibility requirements are met.

   b. If income is greater than the MN Income Limit, subtract the MN Income Limit from the countable income. Use this amount to determine the deductible.

      (1) Multiply the excess income by the number of months in the certification period.

      (2) Round this figure up if it ends in cents of $.50 to $.99. Round this figure down if it ends in cents of $.01 to $.49.

      (3) The resulting amount is the deductible.

7. Continuous 12-month Medicaid eligibility does not apply to foster children determined eligible under HSF-M. You must react to changes in assets and income during the certification period. However, at age 18, if the child is still in foster care, evaluate eligibility under EFCP and disregard assets and income through the month he turns age 21.

8. If the foster child is ineligible under HSF-N or has a deductible he cannot meet at the time of approval, evaluate for MIC as described in C. If the child is ineligible for MIC or NC Health Choice, put him/her on a deductible for HSF-M.

C. MIC - Individuals under age 19

Evaluate coverage under MIC for all remaining persons under age 19. There is no resource test for MIC. Coverage can continue through the 12 month certification period without reacting to changes in income or household composition. Refer to 8.b., for exceptions to continuous eligibility.

1. Include all related individuals under 19 in the assistance unit. If ineligibility results, evaluate the individuals in separate a.u.'s.

   a. Include a minor (under 19) parent of a child in the a.u.

   b. Include the parent(s) or spouse in the home in the b.u.

   c. Establish the needs unit if there is an individual in the home who is under 21 and is not included in the a.u.

(V. C.)

2. Compare countable income to the federal poverty level for the needs unit, according to the age of the children for which assistance is being requested.

   a. If countable income is equal to or below 133% poverty level, and the child(ren) in the a.u. are ages 1 through 5, the a.u. is eligible for MIC-N. If countable income is between 133% and 200% poverty level, the a.u. is eligible for MIC-1.

   b. If countable income is equal to or less than 185% poverty level, and the child(ren) in the a.u. are under age 1, the a.u. is eligible for MIC-N. If countable income is between 185% and 200%, the a.u. is eligible for MIC-1.

3. If net income exceeds allowable limits and children in the a.u. are not all children-in-common of the parent(s) in the home, re-evaluate eligibility by grouping individuals into separate a.u.'s based upon parental/spousal financial responsibility:

   a. Put the mother's child(ren) in one a.u.

   b. Put the father's child(ren) in one a.u.

   c. Put children-in-common of the mother and father in one a.u.

   d. Put child(ren) who do not have a parent in the home in one a.u.

   e. Put the minor parent in one a.u.

4. Compare net countable income to the MIC Income Limit for the number in the needs unit. If income is equal or below the appropriate MIC Income Limit for the oldest a.u. member, the a.u. is eligible for MIC.

5. If the a.u.'s are ineligible due to income exceeding MIC Income Limit for the oldest a.u. member, establish separate a.u.'s based upon the age of persons under 19.

   a. Evaluate individuals under age 19 at 100% of poverty for MIC-N.

   b. Evaluate individuals under age 6 at 133% of poverty for MIC-N.

   c. Evaluate individuals under age one at 185% of poverty for MIC-N.

   d. Evaluate individuals under age 6 with countable income greater than 185% or 133% of poverty but less than 200% of poverty for MIC-1.

(V. C.)

6. If an individual's income causes the a.u. to be ineligible, delete him or her from the a.u.

   a. Evaluate a child age 6 through 18 for NC Health Choice. If the child is ineligible for NC Health Choice, evaluate for MAF Medically Needy coverage.

   b. Evaluate remaining a.u. members for MIC.

      Evaluate siblings in separate a.u.'s if their combined income exceeds the poverty level.

7. Continuous Eligibility MIC

   a. When determined eligible for MIC, authorize for twelve months beginning with the month of application or ongoing c.p.

   b. Do not react to changes in income or changes in household composition during the 12 month certification period. Continue to record any changes reported from any source as leads for verification at the next redetermination.

   c. At the end of the 12 month c.p., complete a redetermination. Refer to MA-3420, Re-Enrollment.

8. Exceptions to continuous coverage during the 12 month certification period

   a. When a child reaches age 19, continuous eligibility no longer applies. Terminate MIC. The Case Management Report displays a message 2 months before the child reaches age 19. During these two months, conduct an ex parte review to determine ongoing eligibility. Refer to MA-3410, Terminations and Deletions.

      (1) If determined eligible, authorize in the appropriate category with a new certification period.

      (2) If ineligible in all other coverage groups, terminate MIC following timely notice.

   b. When a child reaches age 1 or age 6, continuous eligibility no longer applies. The Case Management Report displays a message 2 months before the month the child turns age 1 or 6. During this time, conduct an ex parte review to determine the child's eligibility under the appropriate income limit.

      If the income in the case record at the last determination exceeds the new fpl and he/she is hospitalized, continue MIC coverage through the month of discharge from the hospital. Upon discharge from the hospital, complete an ex parte review to determine eligibility for all other aid program/categories. If the child is age 6 and the income is greater than 100% fpl, evaluate for NC Health Choice. If the child is eligible for NC Health Choice, this is an unsigned application in EIS. Begin a new 12 month certification period for NC Health Choice.

(V.C.8.b.)

(1) Child turning age one not hospitalized

If the income in the case record at the last re-determination exceeds 200% fpl, he is no longer eligible for MIC. Conduct an ex-parte review to determine ongoing eligibility under other aid program/categories.

(a) If the child was MIC-N

1) If the income does not exceed 133% fpl, continue coverage as MIC-N.

2) If the income is greater than 133% fpl and equal to or less than 200% fpl, certify as MIC-1.

3) If the income is greater than 200% fpl, review to determine eligibility under other aid program/categories.

(b) If the child was MIC-1

1) If the income is greater than 133% fpl and equal to or less than 200% fpl, then continue coverage as MIC-1.

2) If the income is greater than 200% fpl, review to determine eligibility under other aid program/categories.

(2) Child turning age six not hospitalized

(a) If the child was MIC-N

1) If the income does not exceed 100% fpl, continue coverage as MIC-N.

2) If the income is greater than 100% fpl and equal to or less than 200% fpl, evaluate for NC Health Choice. If the child is eligible for NC Health Choice, this is an unsigned application in EIS. Begin a new 12 month certification period for NC Health Choice. These children are not eligible for MIC-L. If these children are potentially eligible for NCHC, ensure they have no other creditable health insurance.

3) If the income is greater than 200% fpl, review to determine eligibility under other aid program/categories.

(V.C.8 (2))

(b) If the child was MIC-1

1) If the income is greater than 100% fpl and equal to or less than 200% fpl, evaluate for NC Health Choice. If the child is eligible for NC Health Choice this is an unsigned application in EIS. Begin a new 12 month certification period for NC Health Choice. These children are not eligible for MIC-L.

2) If the income is greater than 200% fpl, review to determine eligibility under other aid program/categories.

c. A child reaches age 18 and is receiving adoption assistance. Conduct an ex parte review to determine ongoing eligibility under all other aid program/categories including EFCP, and NC Health Choice. If ineligible, terminate following timely notice.

Refer to MA-3230, Eligibility of Individuals Under Age 21, for information on the Expanded Foster Care Program.

d. Death

e. No longer lives in NC

f. Incarcerated

g. Unable to locate the Child(ren)

(1) Document all reasonable attempts to locate the children. This includes searching all other agency records, both paper and computer records. For example, search Food and Nutrition Services, ACTS, Service Records (Child Care, etc.), ESC, SDX, SOLQ, EPICS.

(2) If the most recent address is not current, attempt to locate a telephone number to contact the children's family. Refer to MA-3410, Termination and Deletions, for an explanation of what is considered a current address.

(3) When you are unable to locate the caretaker, the child(ren) remain eligible for continuous Medicaid if you know their location. Verify the new caretaker and address, if applicable, and change in EIS. At the end of the 12 month certification period, complete a full redetermination. Refer to MA-3420, Re-Enrollment. If the new caretaker requests assistance prior to the end of the continuous period, treat as a new application for the caretaker.

(V. C.)

h. Caretaker requests termination for everyone

(1) If the request is in writing and specifically requests Medicaid termination, file the written request in the record. Send an adequate notice of the termination.

(2) If the request is not in writing, document the verbal statement in the record and send a timely notice proposing termination.

(3) The record must include documentation that the individual understood that the children may still be eligible for Medicaid and chose not to continue.

9. Application processing exceptions:

a. During the application processing period, the client's statement can be accepted as verification of income **only** when the applicant cannot get the verification, i.e., the employer has closed and/or the employer will not provide that information. If the documentary verification is received after the application is approved and it establishes the children are ineligible due to income, continuous eligibility does not apply. Propose termination and evaluate for suspected fraud, if appropriate.

b. Income in the base period establishes MIC eligibility. However, before the application is approved, the income changes. The new income exceeds the MIC income limit. If income in the base period establishes eligibility, do not react to changes. Approve the case. Twelve month continuous eligibility applies.

10. Evaluate any individual(s) who are ineligible for MIC and NC Health Choice for MAF MN according to E. below.

D. Evaluate MAF Categorically Needy

Evaluate coverage under MAF C & N for all remaining persons including those ages 19 and 20 and eligible caretakers in the household for whom assistance is requested.

1. The assistance unit may include:

a. Related children under age 21,

b. Natural or adoptive parents living in the home with the child, and

c. Stepparents or specified relatives, if applicable. (Refer to IV.A.2.)

2. Include in the budget unit the parent(s) and spouses who are financially responsible for members of the a.u. Refer to III.A. and B.

(V.D.)

3. Establish the needs unit if there is a child(ren) under 21 who is not in the a.u. Refer to IV.C.

4. Countable resources must be below the $3,000 resource level. Refer to reserve regulations and procedures, MA-3320, Resources.

5. Compare countable income to the Categorically Needy Income Limit. Authorize the entire a.u. as MAF CN if countable income is equal to or below the CN Income Limit.

6. If countable income exceeds MAF Categorically Needy limits:

   a. If children in the a.u. are not all children in common of the parents in the home, separate the children into a.u.'s based upon parental financial responsibility and evaluate for MAF C or N again.

      (1) Put the mother's child(ren) in one a.u.

      (2) Put the father's child(ren) in one a.u.

      (3) Put child(ren)-in-common of the mother and father in one a.u.

      (4) Put child(ren) who do not have a parent in the home in one a.u.

   b. If a child's income causes ineligibility, delete the child from the a.u. and evaluate the remaining a.u. members for MAF CN.

7. Continuous Eligibility for MAF-Categorically Needy

   a. Once determined eligible for MAF-CN, do not take action to apply any reported changes in income, resources, or household composition for individuals under age 19 during the 12 month continuous period. Continue to record any changes reported from any source as leads for verification at the next redetermination. (If the caretaker is included in the assistance unit, continue to react to changes for her.)

   b. The 12 month continuous period begins with the first month of the ongoing certification period. EIS does not allow a 12 month certification period for MAF cases. Therefore, document in the case record the 12 month eligibility period and authorize for 6 months.

   c. At the end of the certification period, or any time during the original certification period you learn of a change that causes ineligibility for MAF-CN, take the following actions:

(V.)

(1) Conduct an ex-parte review to determine ongoing eligibility under other aid program/categories.

(2) Authorize each individual under age 19 for MIC for the remainder of the 12 month continuous eligibility period. EIS will not allow more than a 6 month c.p. when you transfer a case from MAF to MIC. If more than 6 months are left in the 12 month continuous period, complete a new, unsigned, administrative application in EIS.

(3) When the continuous period ends, complete a full redetermination. See MA-3420, Re-Enrollment.

E. MAF Medically Needy

Evaluate coverage under MAF MN for all remaining individuals.

1. The assistance unit may include:

   a. Related child(ren) under age 21.

   b. Natural or adoptive parent(s)

   c. Stepparent(s) or specified relative, if applicable. Refer to IV.A.2.

2. Include in the budget unit the parents and spouses who are financially responsible for members of the a.u. Refer to III.B.

3. Establish the needs unit if there is a child(ren) under 21 who is not included in the assistance unit. Refer to IV.C.

4. Countable resources must be below the appropriate level for the number in the budget unit. Refer to reserve regulations and procedures, MA-3320, Resources.

5. Compare countable income to the Medically Needy Income Limit for the number in the budget unit/needs unit.

   Subtract the MN Income Limit from the countable income. Use the resulting amount to determine the deductible. See 7.

6. If child(ren) in the a.u. are not children-in-common of parents in the home, establish separate a.u.'s under MN based upon parental financial responsibility:

(V. E. 6)

a. Put the mother's child(ren) in one a.u.

b. Put the father's child(ren) in one a.u.

c. Put child(ren)-in-common of the mother and father in one a.u.

d. Put children who do not have a parent in the home in one a.u.

The caretaker must be in the same a.u. as his/her child when coverage under MAF MN is the only option for the child, unless counting the stepparent's or grandparent's income causes the child to be ineligible or causes the child's deductible to increase.

7. When it is not possible to separate the a.u.'s any further, determine the excess monthly income according to 5.

a. Multiply the excess income by the number of months in the certification period.

b. Round this figure up if it ends in cents of $.50 to $.99. Round this figure down if it ends in cents of $.01 to $.49.

c. The resulting amount is the deductible.

8. Continuous 12 month eligibility does not apply to children eligible under MAF-M. You must react to changes in income and resources at the time you learn of changes.

F. Documentation

Document assistance unit(s), budget unit and needs unit established for each aid/program category.

VI. SPECIAL SITUATIONS

A. Mandatory Continuation of Coverage for MIC Recipients Who Are In a Hospital, Psychiatric Residential Treatment Facility or Nursing Facility

There are three age limits at which eligibility criteria for MIC recipients must be evaluated: Age 1, 6, and 19.

However, if the MIC recipient is in a hospital or nursing home on the last day of the month when he reaches a critical age, and is ineligible for ongoing coverage, eligibility must be extended through the end of the stay if he remains eligible at the "old" income limit.

(VI. A)

EXAMPLE: A 5 year old MIC-N recipient is in the hospital and is eligible under the 133% of poverty level. He turns age 6 and is ineligible for MIC at 100% of poverty. If he remains eligible at 133% of poverty, continue coverage though the end of the hospital stay.

B. Transitional Medicaid – Refer to MA-3405, Twelve Months Transitional Medicaid.

C. Refusal to Cooperate with IV-D – Refer to MA-3365, Child Support.

D. Individual Goes to Another Assistance Unit (Pending Application)

When an individual in a pending application is eligible under a different aid program/category, enter a DSS-8124 screen to establish the case in EIS. This application must be counted in the report card calculations. Continue to process the original application if there are other assistance unit members.

1. Retain the date of the original signed application as the date of application for this assistance unit.

2. Document in the case record that this is an unsigned application to establish a case for the individual involved; however, it is not administrative. Document in the case record the application number of the original DSS-8124 entered in EIS.

E. DMA-5016 - A.U. Member Temporarily in a Medicaid Certified Medical Institution

Complete a manual DMA-5016 when an a.u. member is temporarily absent in a Medicaid certified medical institution. Refer to MA-3340, County of Residence, for the definition of temporary absence and MA-3325, Long Term Care Budgeting, for the definition of a medical institution.

When an a.u. member is temporarily absent, LTC budgeting does not apply. Do not enter a patient monthly liability (PML) in EIS. Budget PLA unless it is established that the a.u. member will be out of the home for more than 12 months. The DMA-5016 is for claims processing purposes only.

1. Nursing Facility

   a. If there is no deductible or the deductible is met prior to admission to the nursing facility, use a manual DMA-5016 to report a $0 PML to the nursing facility effective the date of admission.

   b. If there is a deductible and the deductible has not been met, apply the facility's daily charges to the deductible. If the deductible is met, report on a manual DMA-5016 as the PML, the amount of the facility's charges which were applied to the deductible on the date the deductible was met. The effective date of the PML is the date the deductible is met.

(VI.E.)

c. For the remainder of the c.p., report on a manual DMA-5016 a PML of $0 effective the month following the month in which the deductible is met.

2. Hospital

a. Follow procedures in MA-3315, Medicaid Deductible, for applying inpatient hospital charges to the deductible. If the hospital stay meets the deductible, authorize the case on the date the deductible is met and send a DMA-5020 to the hospital to report the deductible balance.

b. If the hospital stay exceeds 30 days, report on a manual DMA-5016 a PML of $0 effective the first of the month following the month in which the 30th consecutive inpatient day falls. This will also be the PML for the remaining months of the c.p.

3. Psychiatric Residential Treatment Facility (PRTF)

a. Medicaid claims for PRTFs are paid like inpatient hospital claims. Report a patient monthly liability to the facility the first of the month following the month in which the 30th consecutive inpatient day falls. However, no FL-2 is required for placement in a PRTF or for Medicaid payment for PRTF services.

b. An admission to a PRTF requires a separate prior approval process. The county department of social services is not responsible for prior approval. Do not wait for prior approval before following these procedures for determining eligibility when you learn that a child is in a PRTF.

c. A PRTF admission is assumed to meet the Medicaid deductible. Refer to MA-3315, Medicaid Deductible. On the date of admission, authorize the case and send a DMA-5020 to the PRTF to report the deductible balance.

d. If the PRTF stay exceeds 30 consecutive days, report on a manual DMA-5016 a PML of $0 effective the first of the month following the month in which the 30th consecutive inpatient day falls. This will also be the PML for the remaining months of the c.p.

VII. FAMILY AND CHILDREN'S INCOME LIMIT CHART