

CHANGE NOTICE NO. 12-01, Medicaid Terminations

DATE: APRIL 16, 2001

Manual: Family and Children's Medicaid

Change No. 12-01

To: County Directors of Social Services

Effective: May 1, 2001

I. BACKGROUND

Effective February 1, 2001, MA-3355 was reissued to clarify policy regarding Medicaid, including Work First, terminations and deletions. These changes were the result of an April 7, 2000, HCFA State Medicaid Director letter.

Effective May 2001, modifications to EIS will prevent an individual/family from being terminated from Work First/Benefit Diversion and Medicaid at the same time, with only a few exceptions. The list of exceptions is inclusive. When the termination of Work First/Benefit Diversion is for some reason other than one of these exceptions, the individual/family must be transferred to MAF-C while ongoing eligibility for Medicaid is established. EIS will require a program transfer code so that the Medicaid can continue. The allowable termination codes and program transfer codes are issued in EIS Change Notice 05-01.

When a Work First/Benefit Diversion individual/family transfers to Medicaid, the MAF-C certification period will be the remainder of the Work First payment review period, or two months, whichever is greater. During this time, the county is to conduct an ex parte review to establish ongoing Medicaid eligibility for the assistance unit. The review should be done as quickly as possible. If the individual/family is ineligible for ongoing Medicaid benefits, timely notice must be sent before terminating assistance. The assistance unit does not have to receive Medicaid for the entire Work First payment review period or the two months. Eligibility/ineligibility can be established prior to the end of these two periods.

II. CONTENT OF THE CHANGE

Family and Children's Manual Section 3355 is revised to provide detailed instructions on procedures to follow when Medicaid terminates in any aid program/category including Work First/Benefit Diversion.

A full redetermination is required to establish ongoing Medicaid eligibility at the end of a Medicaid certification period, including the MPW postpartum period, or at the end of a Work First payment review period. At the end of a Work First payment review period, transfer the case to MAF-C for 2 months. Complete a full redetermination during these 2 months.

An ex parte review is required for an individual/family that is determined ineligible for Medicaid in any aid program category, due to a change in situation or at the end of a Benefit Diversion period. When completing the ex parte review, information in other agency records may be used as verification, provided it is current. Current no longer includes information in a terminated or closed case. The information can only be used if the case is active and the information was obtained and verified by the other program within the time frames for redeterminations of eligibility for the Medicaid coverage group being considered.

An inclusive listing of situations, that do not require an evaluation of Medicaid when Work First/Benefit Diversion terminates, is also included in this change. In addition, requirements to complete a second party review of an individual/family who is found ineligible for Medicaid when Work First/ Benefit Diversion terminates, with certain exceptions, are outlined in this change.

An individual determined ineligible for ongoing Medicaid must be terminated as soon as possible following timely notice. For individual deletions from a Work First case, this can be the same month that the Work First terminates. A transfer to MAF-C is not required for individuals deleted from a Work First case when the ex parte review establishes ineligibility and a manual timely notice can be sent to the individual to terminate Medicaid the same month that Work First terminates. Ensure that a second party review is conducted on all individual deletions from Work First.

A case that is determined ineligible for Work First must be authorized for MAF-C prior to terminating Medicaid unless the termination is for one of the allowable exceptions. Medicaid can be terminated as early as the end of the first month of the MAF-C certification period following timely notice.

III. EFFECTIVE DATE

This policy is effective for any terminations with an effective date of May 31, 2001 or later. However, EIS changes will not be in place until May 7, 2001. Do not key any terminations in EIS between May 1, 2001 and May 6, 2001.

IV. MAINTENANCE OF MANUAL

Remove MA-3355, pages 1-10.

Insert revised MA-3355, pages 1-17, effective May 1, 2001.

Remove MA-3355 Figures 4 and 5.

Insert Revised Figures 4 and 5, effective May 1, 2001.

Please refer questions to your Medicaid Program Representative.

Paul R. Perruzzi
Director

[This policy material was researched and written by Vanessa Broadhurst, Policy Consultant, Medicaid Eligibility Unit.]