



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201

FIA ACTION TRANSMITTAL

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**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS AND CASE MANAGERS
LOCAL HEALTH DEPARTMENTS**

Charles E. Heary for
FROM: ROBERT J. EVERHARD, EXECUTIVE DIRECTOR, FIA
JOSEPH E. DAVIS, EXECUTIVE DIRECTOR, DHMH/OOE 

**RE: MEDICAL ASSISTANCE De-Linking, Redetermination Processing,
FAC and MCHP Sprout, and Income Computation**

PROGRAM AFFECTED: MEDICAL ASSISTANCE

ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND SYSTEMS

SUMMARY

The Personal Responsibility and Work Opportunity Act of 1996 (PRWORA) eliminated the requirement that states grant Medicaid eligibility to all welfare recipients. This is sometimes referred to as "de-linking" because it separated Medicaid eligibility from welfare eligibility. States were given an option to continue to provide automatic Medicaid eligibility to cash assistance recipients, and Maryland has taken this option. The de-linking also required that states make separate Medicaid eligibility determinations for those who are ineligible for cash assistance, and that applicants be tested for eligibility in all categories for which they may qualify. Action Transmittal 99-45 addressed the short term steps taken to ensure that applicants were appropriately tested for Medical Assistance when Temporary Cash Assistance is denied or closed, and whenever eligibility in any Medical Assistance category is denied or closed.

ACTION REQUIRED

CARES has been reprogrammed to meet Federal and State requirements and to streamline certain administrative activities. These changes include the following:

- For any TCA case closed or denied, eligibility will automatically be tested in the FAC track.
- For cases that fail eligibility in the FAC track, eligibility will sprout to the MCHP track.

- For cases that do not receive the appropriate MA extensions following a TCA closure, the case may be screened and processed in the F02 and F03 coverage groups.
- For cases where adults are certified under spenddown and children are certified as MCHP, CARES will allow a financial responsibility code of "AC" to permit children to remain active in the MCHP coverage group.
- For newborn cases, P03 and P12, CARES will permit entry of a financial responsibility code of "SC" on the STAT screen, to facilitate processing for the child's continuing eligibility when the case trickles.
- For cases where eligibility in a specific coverage group is time limited, such as the TCA Earnings and Child Support extensions, eligibility will be redetermined at the end of that time period.
- For cases where coverage ends on a specific date, such as spenddowns, a new application form will be mailed to the recipient prior to closing.
- For most cases requiring redetermination, the scheduled redetermination period will be twelve months, and the system will default to mail-in applications.
- CARES will apply the income frequency factors which were effective April 1 1999, eliminating the need for off-line calculations for MA cases.
- Certain CARES notices have been revised to improve clarity and accuracy.

The case manager must be aware of the new CARES functionality. When a TCA AU sprouts to an FAC coverage group, the case manager **must not** take any action to close the sprouted case, but must allow CARES to determine eligibility in the FAC and MCHP tracks. The case manager may need to re-screen some household members in MCHP since AU members with certain relationship codes will not be included in a sprout to the MCHP track. The case manager may need to re-screen other ineligible members who may qualify in another track, such as the aged or disabled. The case manager must review the AU constructed by CARES to ensure the following:

1. All individuals who originally applied for TCA have been tested for MA eligibility.
2. Applicants have been tested in all appropriate categories before an MA denial or closure is finalized.
3. All recipients are given the opportunity to be redetermined or to reapply when eligibility in a particular coverage group ends.

NEW CARES PROCESSING:

1. Eligibility is now modified to sprout from the Family and Children (F) track to the Pregnant Women and Maryland Children's Health Program (P) track for children and pregnant women not eligible in the F track.

(See Attachment A)

When a customer has been determined ineligible for TCA (F01) coverage, CARES will automatically test for Medical Assistance eligibility in the appropriate coverage group. The F01 case will trickle through the Family and Children track and when that track is exhausted, test in the PW/MCHP track. The sprout to the P track will occur regardless

of whether the assistance unit began as a TCA or NPA/MA (F track) AU. Spenddowns in preserved status will also sprout to the MCHP (P track).

Note: If a customer is active on an existing MA case, the following informational message will display on the Non-Financial Eligibility (ELIG) screen: **Some clients did not sprout due to existing MA coverage.**

TCA AND MA (F TRACK) AUs – Application, Reopen or Redet

The PW/MCHP Declaratory Statement will be required for TCA and MA (F track) applications to ensure the ability to trickle/sprout from the F track to P track without requesting additional information from the customer. This statement is a required eligibility factor for the **P14** coverage group.

Processing a TCA or MA AU will require the use of accurate valid values on the Client Demographic 1 (**DEM1**) screen. The **Medical Coverage Statement** field on the DEM1 screen requires one of two answers:

Y – The customer has answered **NO** to both of the following questions on the declaratory statement: “Does anyone applying for the Maryland Children’s Health Program have health insurance?” and “Has anyone applying for the Maryland Children’s Health Program dropped health insurance in the past 6 months?”

N – The customer did not answer the declaratory statement or answered the customer is insured and/or has dropped insurance.

- Depress the **PF4** key to bypass this field, however final edits will require completion of this field.

NOTE: The Eligibility Determination Document (**EDD**) has been modified to include a new detail line – **Has the declaratory statement been signed?** This line will be printed for all TCA and MA (F and P track) AUs. This statement will be printed on the EDD in the client level Medical Information section.

(See Attachment B)

NOTICE OVERRIDE

The Notice Override indicator will default to “**Y**” on the Financial Eligibility (**CAFI, FSFI or MAFI**) screens suppressing the system generated notice for the following reason codes:

- 507 – closed to avoid dual participation
- 551 – whereabouts unknown
- 555 – opened in error
- 559 – client discrepancy – name error
- 571 – client ID error
- 572 – worker voided application

Note: Reason codes **507, 551, 555, 559, 571 and 572** will not automatically test for **Medical Assistance** eligibility.

2. On-line creation of F02 and F03 extensions is now available.

Case Managers can screen and approve F02 and F03 coverage groups when an assistance unit is closed but is later discovered to have been entitled to an extension. This provision eliminates the use of a workaround for establishing Medical Assistance for a WAG recipient.

Use the following procedures to process a Medical Assistance extension:

- Select option **J** (Screening) or **L** (Add A Program) from the Assistance Unit/Client Submenu (**AMEN**) screen. For option **L**, enter the customer's active AU ID number. Press Enter.
- Enter **Y** in the Medical Assistance field on the Kinds of Assistance Desired (**KIND**) screen. Press Enter.
- Enter **Y** in the **IND** field and the valid values: program **MA**, type **F**, medical coverage group F02 or F03 and the application date in the **APPL Date** field on the Informed Choice (**INCH**) screen.
- The Screening Disposition (**SCDI**) screen will be displayed. Complete the applicable fields. Press Enter.
- In option **O**, complete all required information. On the **MISC** screen complete the **MA EXT** field. (See instructions below)
- Complete options **P** (Process Appl Months) and **Q** (Finalize Application).

A Medical Assistance Extension (**MA EXT**) field has been added to the AU Non-Financial Miscellaneous (**MISC**) screen. This field is required for F02 and F03 applications. It can not be entered or updated if an AU is not in a pending status. The MA Ext field is invalid for any other coverage group. Depress the **PF4** key to bypass this field, however final edits will require completion of this field.

- Enter the appropriate valid value (in each application month) in the **MA EXT** field:
 - A** – Customer received TCA for 3 of the last 6 months and was employed at the time of closure.
 - B** – Customer received IF (WAG) grant equivalent to 3 months or more TCA benefits and was employed at the time of closure.
 - C** – Child support received at time of TCA closure
 - D** – None of the above

Note: Valid value A, B or D is applicable to the F02 case. Valid value C or D is applicable to the F03 case. If "D" is entered or the customer does not return the required information, the AU will be closed/denied with reason code **351- You did not meet the requirements for Medical Assistance Extension**. The case will then trickle through the F track until that track is exhausted then test in the P track.

3. The redetermination period for most MA cases will be extended to 12 months.

MMIS end dates and redet processing is modified to ensure accurate certification periods, generation of redet applications when certification is close to expiration, and proper notice is given before assistance is ended.

The benefit end dates transmitted from CARES to MMIS II have been modified as follows:

<u>Coverage Group</u>	<u>CARES Cert End Date</u>	<u>MMIS Benefit End Date</u>
P02	EDC + 2 months	999999
P11	EDC + 2 months	999999
F02	12 months	999999
F03	4 months	999999

Redetermination processing will continue in the CARES 90-day redet cycle. This cycle includes scheduling appointments for face-to-face redets, sending mail-in applications (45 days prior to redet date) for mail-in redeterminations, sending 15 day warning notice for all AUs that do not have a redet initiated and closure at the end of the redet period if a redet has not been initiated.

Some of these coverage groups are new to the redet process (ex: P03, P12, & spendowns). Most of the coverage groups will have the same redet cycle as before and others will require a new application.

- The redet period will be lengthened to 12 months for all Medical Assistance coverage groups except spenddowns in approved status (*99), Pregnant Women (P02 or P11), Post TCA (F03), Refugees (G01, G98) and QMB (S03).
- The redet period will be 8 months from the date of entry into U.S. for Refugee CA (G01) and Refugee MA (G98).
- The redet period will be 6 months for Spenddown (*99).
- IV-E Adoptions and Foster Care (E01), Illegal and Ineligible Aliens (X02) and SSI (S02) coverage groups will not be scheduled for redet.

Note: The relationship code of **SC-Newborn Siblings** may be entered for siblings when the case is opened. This coding facilitates the trickle of the newborn categories when the initial redetermination time has expired.

4. Approved spenddown cases and MA extensions will be modified to generate an application for continued assistance prior to the end of the certification period.

The Assistance Status (STAT) screen has been modified to facilitate the dual participation between FAC and MCHP. Additional financial responsibility codes will be available for spenddown and newborn AUs.

Use the following procedures to process an MA (F99) case with an associated PW/MCHP AU for spenddown:

- Select **R** (Interim/Hist Change) from the Assistance Unit/Client Submenu (**AMEN**) screen. Enter the MA AU ID number. Press Enter.
- Fast path to the Assistance Status (**STAT**) screen.
- Use the following financial responsibility codes on the Assistance Status (**STAT**) screen: **AC** – used for MCHP child(ren) when approving one or both parents in a F99 AU.

Note: It will not be necessary to shut down the child(ren) that is active on an existing PW/MCHP case. Modifying the Stat screen will avoid a dual participation error message when approving a spenddown AU.

- Fast path to the **DONE** screen. Press Enter.

The following spenddown medical expense update procedures have not changed:

- Enter **V** (Spndwn Med Expnse Update) in the selection field using the MA AU ID number. Press Enter.
- The Spenddown Medical Expenses (**SDME**) screen will be displayed.
- Type the medical expense information in the appropriate fields. Repeat this process until all medical expenses have been entered. Press Enter to prompt CARES to calculate the spenddown deduction.
- The Spenddown Deductible (**SDDE**) screen will be displayed.
- Review the screen for accuracy of the spenddown deduction amount. Press Enter.
- Enter **X** (Spndwn Authorization) in the selection field using the MA AU ID number. Press Enter.
- The Spenddown Authorization (**SPAU**) screen will be displayed.

- Review the screen for accuracy of the medical expense total. "M" is displayed in the AU Stat field. Press Enter.
 - The Non-Financial Eligibility Results (ELIG) and MA Financial Eligibility (MAFI) screen will be displayed for each ongoing month(s).
 - Review each screen for accuracy. The AU Stat field has changed from "M" to "A". Press Enter.
 - The Spenddown Authorization (SPAU) screen will be displayed. Enter "Y" in the Confirm field. Press Enter to commit the information to the database.
- 5. Frequency factors used to compute monthly income and expenses will be adjusted to conform to new MA policy and to be consistent with FIA programs.**

Medical Assistance eligibility has been modified to compute monthly earned income, unearned income and expenses using the four-week month conversion factor. The frequency factors for calculating monthly income and expenses are as follows:

MONTHLY EARNED INCOME

Weekly	earned income x 4
Biweekly	earned income x 2
Monthly	(earned income / 4.3) x 4
Bimonthly	[(earned income / 2) / 4.3] x 4
Quarterly	[(earned income / 3) / 4.3] x 4
Semi-annually	[(earned income / 6) / 4.3] x 4
Annually	[(earned income / 12) / 4.3] x 4

MONTHLY UNEARNED INCOME

Weekly	unearned income x 4
Biweekly	unearned income x 2
Monthly	actual

MONTHLY EXPENSES (child care and work)

Weekly	expenses x 4
Biweekly	expenses x 2

6. Notices – The notices following Attachment C will be modified. All text with strike-outs will be removed, and all text in bold will be added.

Inquiries

Please direct policy questions to Cynthia Davis at 410-767-7495. Systems questions should be directed to Emma Tisdale-Clary at 410-238-1298.

Attachments

ATTACHMENT A

Track, Trickle, Sprout

MCHP TRACK

1. Program Code	2. Coverage Group	3. S APPLICABLE HERE?	4. Yes No	5. F98 F99	6. Can Apply 5/1/03 To Here?
MA	P02 Pregnant Women 185% Poverty Level	Yes	<u>No</u>	F98 F99	Yes, P11
MA	P03 Newborns	Yes	No	No	Yes P06 if Mom is not actively receiving MA at time of application or P07 if age
MA	P06 Children < 1 185% of Poverty	Yes	No	Yes, P03 F98 F99	Yes P07
MA	P07 Children > 1 < 6 133 % of Poverty	Yes	No	Yes P03, P06	Yes P08
MA	P08 Children > 6 100 % of Poverty *	Yes	No	Yes P07	Yes P13

1	2	3	4	5	6
	Category	Question	Does it Spiral?	Can It Trickle In? From Where?	Can It Trickle Down? To Where?

MA	P11 Pregnant Women 200% Poverty Level	No	No	Yes, P02	No
MA	P12 Newborns born to P11 mothers	Yes	No	No	Yes, P06 if Mom is not actively receiving MA, P07 if age
MA	P13 Children 185% Poverty Level*	No	No	Yes, P08	Yes, P14
MA	P14 Children 200% Poverty Level	No	No	Yes, P13	No

* Child must be born after 9/30/83

Track, Trickle, Sprout

FAMILY TRACK

1. Program Code	2. Coverage Group	3. FAC Covered?	4. FAC Covered?	5. FAC Covered?	6. FAC Covered?
MA	F01:TCA Recipients	Yes	F02, F03	No	No
MA	F02 Post TCA Earnings Disregard	<u>Yes</u>	No	No	Yes, F03
MA	F03 Post TCA Support	<u>Yes</u>	No	Yes, F02	Yes, F04
MA	F04: Non- MA Requirement s	Yes	No	Yes, F03	Yes, F05
MA	F05: FAC Categorically Needy	Yes	No	Yes, F04	Yes, F98
MA	F98: FAC Medically Needy Non- Spenddow n	Yes	Yes, P02, P06	Yes, F05	Yes, F99
MA		No	Yes, P02, P06	Yes, <u>F98</u>	No

ATTACHMENT B

(Sample EDD Document)

MEDICAL INFORMATION

DOES THIS PERSON HAVE ANY MEDICAL BILLS? XXX

IS THIS PERSON COVERED BY ANY MEDICAL INSURANCE? XXX

HAS THE DECLARATORY STATEMENT BEEN SIGNED? XXX

ATTACHMENT C

Relationship Code Legend

SE	HOH/SELF
SP	SPOUSAL PARENT (STEPPARENT IN MA/FAC)
OP	OTHER PARENT
NS	NON-PARENT SPOUSE (NOT A PARENT/NO CHILDREN IN HOUSEHOLD – NOT STEPPARENT IN MA/FAC.)
CH	CHILD (NATURAL OR ADOPTED CHILD OF HOH)
CC	CHILD OF HOH WHO IS A PARENT UNDER THE AGE OF 18 WITH A CHILD IN THE HOUSEHOLD
SC	STEPCHILD OF HOH
CP	CHILD OF HOH WHO IS A PARENT (USE FOR 3 GENERATION TCA CASES)
GC	GRAND/GREAT GRANDCHILD OF HOH
NN	NIECE OR NEPHEW OF HOH
OR	ADULT WHO IS RELATED TO HOH
OU	ADULT NOT RELATED TO HOH
AU	AUNT/UNCLE OF HOH
SI	SIBLING OF HOH
HS	HALF SIBLING OF HOH
SS	STEP SIBLING OF HOH
OC	CHILD WITH NO RELATIONSHIP TO HOH
FC	FIRST COUSIN OF HOH

FINANCIAL RESPONSIBILITY CODES

AC - USED FOR MCHP CHILDREN WHEN APPROVING ONE OR BOTH PARENTS IN THE FAC SPENDDOWN AU

SC - USED FOR A NEWBORN'S (P03 or P12) SIBLINGS

SAMPLE – NOTICE TYPE 2

APPROVAL FOR MEDICAL ASSISTANCE - Maryland Children's Health Program

Based on your application dated 05/07/99, you are eligible for Medical Assistance effective 05/01/99. Your period of eligibility is from 05/99 through 04/00. This means you will receive benefits during this period unless there is a change in your situation. Before the end of this period, we will contact you to review your eligibility.

You will receive a Medical Assistance card for each person listed below:

TTTTTTT MA #000000000

~~Please remember that not all medical care providers are required to accept Medical Assistance as payment for services. You will need to call each provider to find out if they will accept Medical Assistance. If you need help finding a Medical Assistance provider, please call (410) 225-5800.~~

Most people eligible for Medical Assistance must be enrolled in HealthChoice, a managed care program. If you must enroll, you will receive information by mail which will help you select the best Managed Care Organization (MCO) for you and your family. If you would like to receive information about HealthChoice right away, you may call 1 (800) 977-7388.

IMPORTANT

It is very important that you notify your case manager if you move. Mail about the Maryland Medical Assistance Program and HealthChoice will not be forwarded to a new address. If your case manager does not have your current address at all times you will not receive important letters about HealthChoice and continuing eligibility. You must also report changes in income, insurance and household members within ten days of such changes. If you do not report these changes eligibility may be canceled.

SAMPLE -- NOTICE TYPE 8

SPENDDOWN

~~Based upon our recalculation, your income for the period 05/00 [A] thru 05/00 [B] is too high to receive Medical Assistance now. However, you may still receive Medical Assistance if before the end of 05/00 you show us medical bills that you owe or have recently paid. We consider bills such as:~~

- ~~— Hospitals~~
- ~~— Doctors~~
- ~~— Clinics~~
- ~~— Prescriptions~~
- ~~— Health Insurance~~

- ~~— Medical supplies, such as wheelchairs and hearing aids~~
- ~~— Medical travel costs~~

~~You may be eligible for Medical Assistance when your bills total \$ 0.00 [C]. You have already shown us \$ 0.00 [D] worth of medical bills, so you need \$ 3,223.00 more. When you have that amount, bring or send the bills to your case manager.~~

Your income for the six month period of time beginning 05/00 [A] is more than the amount allowed to receive Medical Assistance. You will not get Medical Assistance during this period because your income exceeds the allowable amount by \$ 3,223.00, [C+D] but if you have medical expenses that are more than this you may be able to get Medical Assistance for part of the time. Medical expenses include bills from hospitals, doctors and clinics, and the cost of prescriptions, medical supplies like a wheelchair or hearing aid, transportation to medical care, and health insurance premiums. They also include medical bills you received before this period if you still owe them.

You have already shown us \$ 0.00 [D] worth of medical expenses, so you need \$ 3,223.00 [C] more. If you have that amount before the end of 05/00 [B] bring or send the bills to your case manager to see if you can then get Medical Assistance. If there are children in your household, they will have a separate determination of eligibility and the results are either included in this letter, or will be sent to you in another letter.

COMAR Citation: 10.09.24.09C and 10.09.25.09C

~~You may become eligible for Medical Assistance if you have prior and/or accumulated medical bills for which you are responsible.~~

SAMPLE - NOTICE TYPE 16

CLOSING

Your Temporary Cash Assistance will end on 07/31/99. Your eligibility for Medical Assistance is being reviewed and you ~~will receive a separate notice for that program determined separately.~~ **The decision about your eligibility for Medical Assistance is either included in this notice or will be sent to you later.**

If you are participating in the Rent Vendor Payment Program, your rent will no longer be paid for you. You must now pay your own rent directly to your landlord.

REASON(S):

THE TOTAL COUNTABLE INCOME OF YOUR ASSISTANCE UNIT IS MORE THAN THE PROGRAM ALLOWS.

AF	07.03.02.04	07.03.03.12	00.00.00.00
MA	10.09.24.09	10.09.28.12	10.09.11.10 00.00.00.00

This closure affects the following people:

XXXXXXX	MA # 123456767888
YYYYYYY	MA # 334343434344
<u>ZZZZZZZZ</u>	MA # 399999999999

Attachments