

**Service Chapter:** Medicaid 510-03 and 510-05

**Effective Date:** March 1, 2024

## **Overview**

Policy sections are being updated

## **Description of Changes**

### **1. Application and Review 510-03-25-05 - Change**

Changing the acceptable forms for completing a review.

### **2. ACA Income Methodologies 510-03-85-13 – Change**

Changing the threshold amount for Unearned Income.

### **3. Budgeting Procedures for Continuous Eligibility for Children Under Age 19 510-03-90-55 - Change**

Removing reference to three month prior period (THMP).

### **4. Children's Special Health Services 510-03-95-40 - Change**

Updating the name for this section.

### **5. Processing for Inmates Receiving Inpatient Care in Certain Medical Institutions 510-03-110-15 - Repeal**

Removing this section as these are no longer processed in Vision.

### **6. Medicaid Coverage for Inmates Residing in Corrections-related Supervised Community Residential Facilities 510-03-110-20 - Change**

Removing the 'note' pertaining to a living arrangement of Transitional Living Specialized Facility'.

### **7. Application and Review 510-05-25-05 – Change**

Changing the acceptable forms for completing a review.

**8. Groups Covered Under Medicaid 510-05-30-05 - Change**

Updating verbiage for the 225% poverty level in this section.

**9. Caretaker Relatives 510-05-35-15 - Change**

Updating verbiage to align with the ACA manual.

**10. Medicaid Coverage for Inmates Residing in Corrections-related Supervised Residential Facilities 510-5-110-20 - New**

## **Policy Section Updates**

### **1. Application and Review 510-03-25-05**

#### **2. Review**

A review requires the evaluation of all financial and non-financial requirements affecting eligibility. This will include income, household composition, health insurance coverage and alien status, listed in the case file, reported, and verified on the most recent application or review form, and verifications received from all electronic sources.

Information that is not subject to change, such as US citizenship, date of birth, SSN, etc., does not usually need to be reviewed. However, if questionable, the information needs to be verified.

a. **Passive Reviews:** A Passive Review is the annual twelve-month review of eligibility. Information available in the case file is reviewed along with the available electronic verification sources.

- **PASSES** Reasonable Compatibility- If able to renew eligibility based on the information available, the case is processed, and the household must be notified of the eligibility determination and basis of eligibility
  - The individual/household must inform the agency if any of the information contained in the notice is inaccurate. The individual is not required to sign and return such notice if all information in the notice is accurate.
- **FAILS** Reasonable Compatibility- A passive review verification notice and pre-populated review form needs to be sent.
  - To complete the review, the pre-populated review form and required verifications must be returned.
  - If both are not returned, eligibility will close the last day of the month in which the review is due
  - The individual has 90 days after the termination to provide the pre-populated review form and verifications. Based on the information received, eligibility must be reconsidered back to the termination date.

b. **Ex Parte/Desk Reviews:** A review completed when a zone office becomes aware of or has received information indicating a change.

Examples: adding a household member, processing a change in level of care, adding Medicare Savings Program coverage, when an ineligible household member is requesting eligibility, when eligibility is lost under a category (e.g., SSI to non-SSI, Expansion to ABD coverage), aligning review dates with SNAP or TANF.

- When the zone office has all information needed to determine eligibility based on a change in circumstances, a review form does not have to be sent.
- When more information is needed to determine eligibility, a request for verification along with a pre-populated review form must be sent.

Additional information when completing a review:

- A recipient has the same responsibility to furnish information during a review as an applicant has during an application.
- An online narrative must document the completion of the review
- A review must be completed within thirty days after a county agency has received information indicating a possible change in eligibility status.
- A review, using one of the forms identified, in acceptable review form section, is required to open a New Medicaid case for recipients who move from an existing case to their own case. (e.g. an 18-year-old attains age 19, moves out of the parental home, on other than a temporary basis.)
- Zone offices must accommodate any recipient requesting to have a face-to-face or telephone interview for their review. However, an interview is not required to complete a review
- Reviews must be completed and processed no later than the last working day of the month in which they are due.
- It is permissible to complete an early review of a child's eligibility for Medicaid and CHIP. However, the household may not be required to provide any information that is needed specifically for determining only the eligibility of the Medicaid and CHIP children who were determined to be continuously eligible. The family may voluntarily provide specific information but must not be required to do so.

If all factors of eligibility are reviewed:

- If the child is found to be eligible for Medicaid (other than Medically Needy), eligibility must be authorized for Medicaid and the child will be given a new twelve-month continuous eligibility period.
- If the child is found to be NOT eligible for Medicaid (other than Medically Needy), the child may not be terminated at the time of the early review unless the child meets one of the state's exceptions to terminate continuous eligibility. They would remain eligible for the remainder of the original continuous eligibility period and a review would be required at that time.

Acceptable forms for completing a review:

- i. A review received through the North Dakota Self Service Portal (SSP) for Medicaid
- ii. System generated **Review or "Monthly/Change Report"**;
- iii. SFN 642, "Title IV-E/Title XIX Redetermination- Foster Care" for children in Foster Care, or other confirmation from a state IV-E agency (in state or out of state) that verifies continued IV-E foster care eligibility;
- iv. One of the previously identified applications; or
- v. When completing a review for children eligible for subsidized adoption assistance, receipt of one of the above review forms is not required. However, the following two criteria must be verified:
  - o The child remains a resident of North Dakota; and
  - o The child continues to be eligible for the subsidized adoption program
  - o In addition, contact should be made with the household to determine whether the child has obtained or lost insurance coverage.

## 2. ACA Income Methodologies 510-03-85-13

### ACA Income Methodologies 510-03-85-13

The following income methodologies will be used in determining income eligibility for individuals eligible under ACA Medicaid:

1. Income is based on household composition, [tax filer](#) rules, and who resides with the individual.
2. Monthly income is used prospectively.
3. Current, point in time income is used—prospecting reasonable expected changes.

Married couples, who file their taxes jointly, must be included in each other's households, even if they are not residing together. This includes situations where one of [spouses](#) is incarcerated.

**Note:** The incarcerated spouse is not eligible for Medicaid.

Income of most children NOT expected to be required to file a federal income tax return is considered as follows:

1. A [tax dependent](#) CHILD's income does not count in a tax filer's parents or caretaker's household if the child is not required to file a tax return.

2. A tax dependent CHILD's income does not count in the child's household, IF the tax filer parent or tax filer caretaker is in the child's [ACA Medicaid household](#).
3. If the tax filer parent or tax filer caretaker is NOT in the child's ACA Medicaid household, the child's income DOES count in the child's household. (e.g. the child is in (non-IV-E) foster care).
4. If the child is not required to file a tax return, however, files a return in order to get a refund of taxes withheld, that child's income is NOT counted in either the tax-filer's or the child's household.

If the child IS required to file a tax return, the child's income is counted in all the households in which the child is included.

Filing requirements change every year and this information may be found in the instructions for Form 1040 at <http://www.irs.gov/>.

In determining whether a child has to file income tax:

1. If a child has income other than SSA benefits, the child must file if their unearned income (excluding child support) exceeds \$~~1000~~1250 annually.
2. The TAXABLE portion of the child's Social Security (SSA) benefits must be considered. Normally, only 50% of the SSA benefit is subject to taxation.

SSA benefits are only taxable to the extent that 50% of the SSA benefit PLUS the individual's other income exceeds \$25,000. The child's TOTAL yearly income minus half of the SSA income would have to be more than \$25,000 to be taxable; and then only the excess over \$25,000 would be taxable.

If the child's only income were SSA income, the monthly benefit would have to be over \$4,166.67 per month to be countable, and over \$4,333.33 to require filing a tax return.

**Example:** A child, age 17, receives \$480 per month in Social Security survivor benefits. In addition, the 17 year old is employed and earns approximately \$1000 per month. The child is claimed as a dependent on his parent's tax return.

Based on the child's earned income, he is required to file a tax return. However, his SSA benefits are not taxable as his earnings of \$12,000 for the year plus 50% of the SSA benefits (\$2,880) do not exceed \$25,000.

Non-recurring and recurring lump sum payments of income not identified as Disregarded Income in section [510-03-85-30](#), count only in the month received.

### 3. Budgeting Procedures for Continuous Eligibility for Children Under Age 19 510-03-90-55

When a child becomes continuously eligible for Medicaid, ~~including during the three month prior period (THMP)~~, that child continues to be eligible without regard to any changes in income and/or deductions of the [ACA Medicaid Household](#) until the next review.

For policy relating to Continuous Eligibility for Children, refer to [510-03-53](#).

### 4. ~~Children's~~ Special Health Services 510-03-95-40

Change the heading for this section under Related Programs to read Special Health Services 510-03-95-40

### 5. Processing for Inmates Receiving Inpatient Care in Certain Medical Institutions 510-03-110-15

~~Currently, the Vision system must be utilized to process eligibility for these inmates for both ACA and Non-ACA Medicaid. Refer to the Vision Maintenance Rollout for September 18, 2015 for Vision System Processing Instructions.~~

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~~A short Computer-based Training (CBT) module titled 'Medicaid Coverage for Inmates Who are Inpatients in a Hospital Setting' has been developed to assist with the training of Eligibility Workers on this provision.~~

- ~~• To access the course, login to PeopleSoft at: <https://www.cnd.nd.gov/psp/strp/?cmd=login&languageCd=ENG&>~~
- ~~○ Click on "my Training".~~
- ~~○ Click on "Search Catalog".~~
- ~~○ Search the Catalog for the title of the course in which you'd like to enroll. For example: 'ACA' course. Once you find the course you want, click.~~
- ~~○ This places the course onto your 'My Learning' list.~~

### 6. Medicaid Coverage for Inmates Residing in Corrections-related Supervised Community Residential Facilities 510-03-110-20

~~If an individual is determined eligible under Non ACA policies, their eligibility will be processed in TECS or Vision.~~

- ~~• Enter the address of the facility where the individual is residing for the individual's address.~~
- ~~• Enter the Living Arrangement of 'In Own Home' with a date equal to the date they began residing in one of the facilities listed above.~~

~~**Note:** If the individual is applying in the month they began residing in one of the facilities listed above, the living arrangement of 'AI' (TECS or 'Public Institution' (Vision) will need to be entered with a date prior to the month eligibility is being requested.~~

~~If When an individual is determined eligible: under ACA policies their eligibility will be processed in SPACES.~~

- Enter the information in SPACES just like any other case with the following exceptions:
  - Enter the address of the facility where the individual is residing for the individual's address.
  - Enter the Living Arrangement of 'In Own Home' with a date equal to the first day of the first month they began residing in one of ~~the these~~ facilities ~~listed above~~. See Coverage for Inmates Residing in Corrections-related Supervised Community Residential Facilities 510-03-35-95-10 for a list of facilities.

~~**Note:** SPACES is being enhanced to process eligibility for partial months when an individual leaves a Public Institution. This enhancement is planned to be implemented in February. Please watch for the SPACES Rollout document confirming the implementation of this change and at that time, being entering the Living Arrangement of 'Transitional Living Specialized Facility' with a date equal to the date they began residing in one of the facilities listed above.~~

## 7. Application and Review 510-05-25-05

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- viii. SFN 642, "Title IV-E/Title XIX Redetermination- Foster Care" for children in Foster Care, or other confirmation from a state IV-E agency (in state or out of state) that verifies continued IV-E foster care eligibility;
- ix. One of the previously identified applications; or

- x. When completing a review for children eligible for subsidized adoption assistance, receipt of one of the above review forms is not required. However, the following two criteria must be verified:
  - o The child remains a resident of North Dakota; and
  - o The child continues to be eligible for the subsidized adoption program
  - o In addition, contact should be made with the household to determine whether the child has obtained or lost insurance coverage.

## **8. Groups Covered under Medicaid 510-05-30-05**

### **2. Optional Categorically Needy Group:**

- a. Uninsured individuals under age 65, who have been screened for breast and cervical cancer under the Department of Health Centers for Disease Control and Prevention Breast and Cervical Cancer Early Detection Program and need treatment for breast or cervical cancer, including a pre-cancerous condition of the breast or cervix, and whose family income is at or below 200% of the poverty level. Effective July 1, 2001. (Medicaid Breast and Cervical Cancer Early Detection Program),
- b. Workers with Disabilities (Gainfully employed individuals with disabilities) ages sixteen through sixty-four who meet medically needy non-financial criteria, have countable assets within the medically needy asset levels + \$10,000, have income **at or** below 225% of the poverty level, and are not eligible for Medicaid under any other provision other than as a Qualified Medicare Beneficiary or a Special Low-income Medicare Beneficiary. Effective June 1, 2004.
- c. Children with Disabilities under age 19 (including the month attaining age 19) who meet medically needy nonfinancial criteria, have income at or below 250% of the poverty level, and are not eligible for full Medicaid benefits under any other provision. Effective April 2008.

## **9. Caretaker Relatives 510-05-35-15**

- 1. The following individuals may be considered a caretaker relative of a child seeking eligibility under Non-ACA Medicaid policies:
  - a. A natural or adoptive parent;

- b. A grandparent (including a great, great-great, or great-great-great-grandparent);
- c. A sibling, half-sibling, or step-sibling (if age sixteen or older);
- d. An aunt or uncle (including a great or great-great aunt or great or great-great uncle);
- e. A niece or nephew (including a great or great-great niece or great or great-great nephew);
- f. A first cousin (an aunt or uncle's child) or first cousin once removed (an aunt or uncle's grandchild);
- g. A second cousin (a great aunt or great uncle's child);
- h. A stepparent (if natural or adoptive parent is not in the home);
- i. A stepbrother or stepsister; or
- j. A spouse of any of the above individuals even after the marriage is terminated by death or divorce.

#### **10. Medicaid Coverage for Inmates Residing in Corrections-related Supervised Community Residential Facilities 510-05-110-20**

When an individual is determined eligible:

Enter the information in SPACES just like any other case with the following exceptions:

- o Enter the address of the facility where the individual is residing for the individual's address.
- o Enter the Living Arrangement of 'In Own Home' with a date equal to the first day of the first month they began residing in one of these facilities. See Coverage for Inmates Residing in Corrections-related Supervised Community Residential Facilities 510-03-35-95-10 for a list of facilities.

