

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

**Effective Date:** May 3, 2024

### **Overview**

Aligning policy between ACA and Non-ACA manuals, updating Disregarded Income, correcting conversion factor in Income Compatibility

### **Description of Changes**

#### **1. Definitions 510-03-05 - Change**

Aligning ACA and Non-ACA manuals

#### **2. Decision and Notice 510-03-25-25 - Change**

Removing verbiage as reviews are completed by individuals not by case

#### **3. Income Compatibility 510-03-85-25 – Change**

Correcting a typo in the example for income conversion factor

#### **4. Disregard Income 510-03-85-30**

Updating to Workforce Innovation and Opportunity Act (WIOA)

#### **5. Definitions 510-05-05 – Change**

Aligning ACA and Non-ACA manuals

#### **6. Income Compatibility 510-05-85-23 – Change**

Correcting a typo in the example for income conversion factor

#### **7. Disregarding Income 510-05-85-30 – Change**

Updating to Workforce Innovation and Opportunity Act (WIOA)

## **Policy Section Updates**

### **1. Definitions 510-03-05**

#### **Department**

The North Dakota Department of Health and Human Services.

#### **Long Term Care, (LTC)/Nursing Care Services**

Refers to ~~services received care provided in a medical institution, in~~ a nursing facility, the State Hospital, an intermediate care facility for mental disease (IMD), a Psychiatric Residential Treatment Facility (PRTF), an intermediate care facility for individuals with intellectual disabilities (ICF-IID), ~~or a swing bed when the individual in the facility is screened or certified as requiring the services provided in the facility;~~ or in a home and community based setting.

#### **Nursing Care Services**

~~Care provided in a medical institution, a nursing facility, a swing bed, the state hospital, an intermediate care facility for mental disease (IMD), a Psychiatric Residential Treatment Facility (PRTF), an intermediate care facility for individuals with intellectual disabilities (ICF-IID), or a home and community based services setting.~~

#### **Optional Children's Group**

Coverage for children up to age 19 who do not have other health insurance coverage.

#### **Public Institution**

An institution that is the responsibility of a governmental unit or over which a governmental unit exercises administrative control. ~~(e.g. School for the Blind, School for the Deaf, North Dakota Youth Correctional Center, Women's Correctional Center in New England, North Dakota State Penitentiary, Bismarck Transition Center, and city, county, or tribal jails.)~~

#### **Specialized Facility**

A residential facility, including a basic care facility, a licensed family foster care home for children or adults, a licensed group foster care home for children or adults, a transitional living facility, a facility established to provide quarters to clients of a sheltered workshop, and any other facility determined by the [Department](#) to be a provider of remedial services, but does not mean an acute care facility or a nursing facility. ~~Examples of a specialized facility include a foster care bed at the Dakota Boys Ranch, Home on the Range, and Manchester House.~~

**State Agency**

The North Dakota Department of Health and Human Services.

**2. Decision and Notice 510-03-25-25**

Applicants and recipients may choose the method by which they are notified of their eligibility status. They may choose paper, electronic, or through their ND Client portal account.

1. A decision as to eligibility will be made promptly on applications, within forty-five days, except in unusual circumstances. When these time periods are exceeded, the case must contain documentation to substantiate the delay.
2. Following a determination of eligibility or ineligibility, an applicant must be notified of either approval or denial of [Medicaid](#). The notice must address eligibility or ineligibility for each individual month requested including all prior months and through the processing month.

Section 1902 of the Social Security Act requires that Medicaid ID Cards and Health Care Coverage notices be made available to an eligible individual who does not reside in a permanent dwelling or does not have a fixed home or mailing address. To meet these federal regulations, when an individual applies for Health Care Coverage and does not have a residential or mailing address, or is unable to utilize a friend or relative's address to receive their mailing, the County Social Service Office address must be used for the individual.

**Example:** Applicant's Name

c/o XXXXX County Social Service Office  
123 Main Street  
Any town, ND 58111

When an individual applies for Health Care Coverage, and does not have an address to receive his/her mail, the individual must be informed of the following:

- The individual will be required to pick up their mail at the county office on a weekly basis; and
- Failure to pick up their mail for three (3) consecutive weeks may result in their Health Care Coverage being closed.

Since individuals who apply for Health Care Coverage are not required to complete a face to face interview:

- If the individual has a telephone contact number, the requirement to inform the individual will need to be done through a telephone call and this must be documented in the casefile.
- If the individual does not have a telephone contact number, all methods of informing the individual have been exhausted, and the individual does not stop by the county office for three (3) consecutive weeks, the case must be closed.

When an individual fails to pick up their mail for three (3) consecutive weeks and the individual has not contacted the county social service office, the case must be closed for the reason of 'Loss of Contact/ Whereabouts Unknown'. Remember to document this in the casefile narrative.

**Note:** A ten-day Advance Notice is not required however, a notice containing the reason(s) for the intended action, the specific administrative code or manual reference supporting the action, the right to a fair hearing, and the circumstances under which assistance is continued if a hearing is requested, must be **mailed** no later than the effective date of the action.

If an applicant is denied, or is ineligible for any of the prior months or the processing month, the notice must include the reason(s) for the intended action, the specific administrative code or manual reference supporting the action, the right to a fair hearing, and the circumstances under which assistance is continued if a hearing is requested.

3. Once a decision to deny eligibility is made on an application, a new application is needed to re-apply for assistance.
4. As specified below, a notice must be sent in all ongoing cases in which a proposed action adversely affects Medicaid eligibility.
  - a. A notice must be mailed (as described in subsection 5) at least ten days in advance of any action to terminate or reduce benefits. The date of action is the date the change becomes effective.

This "Ten-Day Advance Notice" must include the reason(s) for the intended action, the specific administrative code or manual reference supporting the action, the right to a fair hearing, and the circumstances under which assistance is continued if a hearing is requested. This gives the recipient an opportunity to discuss the situation with the [county agency](#), obtain further explanation or clarification of the proposed action, or present facts to show that the planned action is incorrect. The recipient may appear on his own behalf or be represented by legal counsel, a relative, a friend, or any other spokesperson of their choice.

- When an individual is added to an eligible household and requests eligibility for a retroactive period, the addition of the member will NOT affect the eligibility for anyone already eligible for any prior month(s) or the current month. However, eligibility may change for future months provided the appropriate notice requirements can be met.

**Note:** Eligibility for individuals within a Continuous Eligibility Period would not be changed.

- ~~Any change to a lower coverage based on the hierarchy of Category of Eligibility will require a ten-day advance notice unless:~~
  - ~~The change occurs at the time a review is being completed~~
  - ~~or~~

~~The reason for the change meets one of the circumstances when a ten-day advance notice is not required.~~

### 3. Income Compatibility 510-03-85-25

#### Income Compatibility 510-03-85-25

(Amended 4/1/2023 ML #3720)

[View Archives](#)

#### **Background**

Provisions in the Patient Protection and Affordable Care Act of 2010 (PPACA or ACA) require states to rely as much as possible on electronic data sources when verifying information provided by applicants or recipients. Federal regulations restrict states from requesting verification from applicants or recipients unless the verification cannot be obtained through an electronic data source, or information from the data source is not "reasonably compatible" with what the applicant or recipient has reported.

#### **Available Electronic Verification Sources**

The Centers for Medicare and Medicaid (CMS) have identified electronic verifications received from the following sources to be valid when determining reasonable compatibility for health care coverage (HCC) programs. Below is the list of electronic data sources in hierarchy order:

- Federal Data Services Hub (FDSH) TALX or The Work Number
  - Can only be used to determine HCC program eligibility
  - FDSH (TALX or the Work Number)
    - Employers are not required to provide payroll information.
- Equifax

- Can only be used for combination cases (HCC and other programs such as SNAP, TANF, etc.)
- SDX and Bendex
- ND Job Service Unemployment Insurance Benefits
- ND State Directory of New Hires
- ND Job Service Wage Information, Quarterly Wage Verification
- ND Child Support (FACSES)
- PARIS Interface

**Reasonable Compatibility**

Income Compatibility is a comparison of the income in SPACES with electronic data sources against the income limit for the applicable HCC program.

Reasonable Compatibility exists when income information reported by an individual and available electronic data sources are compatible. When reasonable compatibility is determined no further verification is requested from the individual.

The combined income of all types must be used to determine reasonable compatibility.

- Earned income
- Unearned income

**Note:** When determining 'reasonable compatibility' of income, the most recent verification of income from electronic sources must be used unless the household has provided more current information.

Verification of income CANNOT be requested from an applicant or recipient unless the information cannot be obtained through an electronic data source, or information from the data source is not "reasonably compatible" with what the applicant or recipient has reported.

**Exception:** 'Reasonable compatibility' does not apply to THMP months. Refer to policy at 510-03-90-60.

At the time of initial application or review for Medicaid and the individual also applies or submits a review for another program, check all data sources and compare the data received against the information received for the other programs to determine reasonable compatibility.

**Scenarios for Reasonable Compatibility**

If reported income and information obtained electronically through a data source are both above, at or below the applicable HCC program income standard, they are considered reasonably compatible.

1. When determining 'reasonable compatibility' for income other than self-employment:
  - a. If both the electronic data sources and the member-reported information results in the individual's income being below the individual's budget unit income level, the two data sources are "reasonably compatible" and further verification may be

requested or required. Utilize the most current information available. The calculation must be narrated in the case file.

**Example #1:** Joe is age 25 and single with an income limit of \$1,353.00 per month. At review, Joe reports that his earnings are \$500 per month. ND Job Service Wage Match reports that his quarterly earnings are \$2,569.72

To determine his monthly amount from the Job Service wage electronic data verification source, divide \$2659.73 by 13 and multiply by ~~4~~4.3. This results in verification of his monthly income of \$818.37.

Since both his reported income and the ND Job Service Wage Match electronic data source verified income are below his budget unit income level, his income is "reasonably compatible" and Joe is re-determined eligible for HCC. The Job Service wage electronic verification source will be used since it is the most current and additional verification cannot be requested.

#### 4. Disregarding Income 510-03-85-30

38. Needs-based payments, support services, and relocation expenses provided through programs established under the Workforce ~~Investment Act~~ Innovation and Opportunity Act (WIOA), and through the Job Opportunities and Basic Skills program

#### 5. Definitions 510-05-05

##### Department

The North Dakota Department of Health and Human Services.

##### Healthy Steps

~~An insurance program, for children up to age 19, administered under North Dakota Century Code Chapter 50-29 and Title XXI (CHIP).~~

##### Home and community based services

##### Institutionalized individual

~~An individual who is an inpatient in a nursing facility, an ICF/ID, the State Hospital, the Prairie at St. John's center, the Stadter Psychiatric Center, an out-of-state institution~~

~~for mental disease (IMD), the Anne-Carlson facility, a Psychiatric Residential Treatment Facility (PRTF), or who receives swing bed care in a hospital.~~

An individual who is an inpatient in a nursing facility, an ICF/IID, the State Hospital, an intermediate care facility for mental disease (IMD), a Psychiatric Residential Treatment Facility (PRTF), or who receives swing bed care in a hospital.

Commented [BLC1]: This was changed in the ACA manual to: An individual who is an inpatient in a nursing facility, an ICF/IID, the State Hospital, an intermediate care facility for mental disease (IMD), a Psychiatric Residential Treatment Facility (PRTF), or who receives swing bed care in a hospital.

Commented [BLC2R1]: Good to change Non ACA to the same as ACA

#### Long Term Care, (LTC)/Nursing Care Services

Refers to ~~services received~~ care provided in a medical institution, ~~in~~ a nursing facility, the State Hospital, an intermediate care facility for mental disease (IMD), a Psychiatric Residential Treatment Facility (PRTF), an intermediate care facility for individuals with intellectual disabilities (ICF-IID), ~~or~~ a swing bed ~~when the individual in the facility is screened or certified as requiring the services provided in the facility;~~ or in a home and community based setting.

#### Nursing care services

~~Care provided in a medical institution, a nursing facility, a swing bed, the state hospital, the Anne-Carlson facility, the Prairie at St. John's center, the Stadter Psychiatric Center, a Psychiatric Residential Treatment Facility (PRTF), an intermediate care facility for the intellectually disabled (ICF-ID), or a home and community based services setting.~~

#### Optional Children's Group

Coverage for children up to age 19 who do not have other health insurance coverage.

#### Specialized facility

A residential facility, including a basic care facility, a licensed family foster care home for children or adults, a licensed group foster care home for children or adults, a transitional living facility, a facility established to provide quarters to clients of a sheltered workshop, and any other facility determined by the Department to be a provider of remedial services, but does not mean an acute care facility or a nursing facility. ~~Examples of a specialized facility include the School for the Blind, School for the Deaf, and Svec Home.~~

#### State agency

The North Dakota Department of Health and Human Services.

#### Title XXI

~~Title XXI of the Social Security Act (Healthy Steps).~~

For eligibility months prior to January 1, 2020, Title XXI of the Social Security Act (Healthy Steps).



For eligibility months on or after January 1, 2020, Title XXI of the Social Security Act (Optional Children's Group).

## 6. Income Compatibility 510-05-85-23

### **Background**

Provisions in the Patient Protection and Affordable Care Act of 2010 (PPACA or ACA) require states to rely as much as possible on electronic data sources when verifying information provided by applicants or recipients. Federal regulations restrict states from requesting verification from applicants or recipients unless the verification cannot be obtained through an electronic data source, or information from the data source is not "reasonably compatible" with what the applicant or recipient has reported.

### **Available Electronic Verification Sources**

The Centers for Medicare and Medicaid (CMS) have identified electronic verifications received from the following data sources to be valid when determining reasonable income compatibility for health care coverage (HCC) programs. Below is the list of electronic data sources in hierarchy order:

- Federal Data Services Hub (FDSH) TALX or The Work Number
  - Can only be used to determine HCC program eligibility
  - FDHS (TALX or the Work Number)
    - Employers are not required to provide payroll information
- Equifax
  - Can only be used for combination cases (HCC and other programs such as SNAP, TANF etc.)
- SDX and BENDEX
- ND Job Service Unemployment Insurance Benefits
- ND State Directory of New Hires
- ND Job Service Wage Information, Quarterly Wage Verification
- ND Child Support (FACSES)
- PARIS Interface

### **Reasonable Compatibility**

Income Compatibility is a comparison of the income in SPACES with electronic data sources against the income limit for the applicable HCC program.

Reasonable Compatibility exists when income information reported by an individual and available electronic data sources are compatible. When reasonable compatibility is determined no further verification is requested from the individual.

The combined income of all types must be used to determine reasonable compatibility.

- Earned income
- Unearned income

**Note:** When determining "reasonable compatibility" of income, the most recent verification of the income from the electronic sources must be used unless the household has provided more current information.

Verification of income CANNOT be requested from an applicant or recipient unless the information cannot be obtained through an electronic data source, or information from the data source is not "reasonably compatible" with what the applicant or recipient has reported.

**Exception:** " Reasonable compatibility' does not apply to THMP months.

At the time of initial application or review for Medicaid and the individual also applies for or submits a review for another program, check all data sources and compare the data received against the information received for the other programs to determine reasonable compatibility.

#### **Scenarios for Reasonable Compatibility**

If reported income and information obtained electronically through a data source are both above, at or below the applicable HCC program income standard, they are considered reasonably compatible.

1. When determining 'reasonable compatibility' for income other than self-employment
  - a. If both the electronic data sources and the member-reported information results in the individual's total countable income being below the individual's budget unit income level, the two data sources are "reasonably compatible" and further verification may not be requested or required. Utilize the most current information available. The calculation used to determine 'reasonable compatibility' MUST be narrated in the case file.

**Example #1:** Joe is age 25 and single with an income limit of \$1, 353.00 per month. At review, Joe reports that his earnings are \$500 per month. ND Job Service Wage Match reports that his quarterly earnings are \$2,659.72.

To determine his monthly amount from the Job Service wage electronic data verification source, divide \$2659.73 by 13 and multiply by ~~4~~4.3. This results in verification of his monthly income of \$818.37.

Since both his reported income and the ND Job Service Wage Match electronic data source verified income are below his budget unit income level, his income is "reasonably compatible" and Joe is re-determined eligible for HCC. The Job Service

Wage electronic data verification source will be used since it is the most current and additional verification cannot be requested.

**7. Disregarded Income 510-05-85-30**

30. Needs-based payments, support services, and relocation expenses provided through programs established under the Workforce ~~Investment Act~~ Innovation and Opportunity Act (WIOA), and through the Job Opportunities and Basic Skills program;