



DMA Medicaid Eligibility Programs Audit Guidance

State Treasure CPA's Auditor's Training Class
June 14, 2016

Betty Dumas-Beasley, Chief, Medicaid Eligibility, Division of Medical Assistance



Objectives of the Session

- To provide non-MAGI evaluation criteria; technical evaluation; and fair treatment.
- To provide guidance in obtaining representative samples/sample sizes (selection decision)
- To introduce the Integrated Eligibility Manual
- Traditional Non-MAGI-Eligibility Rules
- To provide information on ACA changes in Medicaid



Groups Non-MAGI Methodology

- SSI Recipient
- Medicaid for the Aged Blind and Disabled (MAA, MAD, MAB) and Medicare Qualified Beneficiaries (MQB),
- Individuals requesting home and community based services CAP, PACE, LTC, F&C cases when LTC budgeting applies,
- Medically Needy (all programs including HSF and MAF)
- IAS, Breast and Cervical Cancer Medicaid (BCCM)



Evaluation Criteria

- Some F& C/NCHC groups may have traditional rules ran during the sample period. This is acceptable as NC was granted permission from CMS to apply 2013 traditional rules for redeterminations of MAGI related Medicaid cases during calendar year 2014 or the individuals' next regular renewal date.



Evaluation Criteria

Compliance Supplement

- Determining Medicaid Eligibility
 - Citizenship
 - Residence
 - Income
 - Assets/Resources
 - Disability
 - Deductibles



Representative Sample Size

- Sample must be drawn from population of Non-MAGI active cases throughout the entire state fiscal year (SFY), make a good selection decision.
- Sample size is based on the county's risk as well as the program's risk.
- Medicaid is considered by the GAO to be high risk due to complexities of program, cost for each beneficiary and other issues.
- The goal is to ensure that eligibility correct, payments made are in the correct amount, to the correct provider, for an eligible beneficiary.



Sample Report Name for Medicaid/NCHC

- **NCF**AST will provide a report with beneficiaries for audit selection sample
- Report Name: "CHIP NON-MAGI Benefits
Medicaid Non-MAGI Benefits"
- Posted on XPTR in legacy system (EIS)
- County staff access to provide to CPAs



Questioned Costs

- We expect that most findings should have associated questioned costs.
- If auditor cannot verify that eligibility has been established, case should have questioned costs.
- Questioned costs obtained through different venues/systems depending on the program
 - e.g.: Medicaid—NCTracks, NC FAST system (claims)



Medicaid Policy Manuals

- Administrative Letters (F&C and Adult)
- Family and Children Medicaid Manual
 - <http://info.dhhs.state.nc.us/olm/manuals/dma/fcm/man/index.htm>
- Adult Medicaid Manual
 - <http://info.dhhs.state.nc.us/olm/manuals/dma/abd/man/>



Integrated Eligibility Manual

- Integrated Manual currently includes Income, Medicaid Definitions, Medicaid Classifications, Qualified Individuals, Verification Guide and links to Eligibility Manuals
- Lists countable/non-countable income for all programs integrated as possible
- Lists allowable deductions/exclusions; base periods and income verifications and hierarchy
- Located on the DMA website
- <http://www.ncdhhs.gov/dma/county/index.htm>




Deficiencies Cited

- Budget and incorrect calculations - OVS or wages not provided to determine budge correct – Information used to input budget in NCFast – no longer have a budget page or profile
- Verification of real property or register of deeds
- Verification of Residency
- Lack of Documentation on assets or liquid resources
- Conversion factors



Groups Included in MAGI Methodology – (NC FAST P7)


- MAF (C and N)
- MIC
- MPW
- Family Planning
- NCHC
- HSF (N)
- MFC – Former Foster Care (no income test)



N.C. Department of Health and Human Services

Income Source	Current Medicaid Rules	MAGI Medicaid Rules
Self Employment	Counted with limited deductions for business expenses	Counted with deductions for most expenses including depreciation, and business losses
Salary Deferrals (flexible spending, cafeteria and 401 (k) plans)	Counted	Not Counted
Child Support	Counted	Not counted
Veterans benefits	Counted	Not counted
Worker's compensation	Counted	Not counted
Gifts and inheritances	Counted as lump sum in the month received	Not counted


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N.C. Department of Health and Human Services

Deductions/Disregards	Current Medicaid rules for Deductions	MAGI Medicaid rules for Deduction
Alimony paid	Not deducted from income unless court ordered	Deducted from income
Earned Income Deduction (27.5%)	Deducted from income	Not deducted from income
Federal and State Earned income Tax Credit (EITC)	Deducted from income	Not deducted from income
Standard Work deduction (\$90)	Deducted from income	Not deducted from income
Child/Adult care deduction	Deducted from income	Not deducted from income
Job Bonus	100% Earned Income Disregarded	Not Disregarded
5% Income Disregard	N/A	Deducted from income

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N.C. Department of Health and Human Services

Countable Income

- Income sources used in determining the adjusted gross income include, but are not limited to:
 - Wages/tips
 - Unemployment
 - Pension and annuities
 - Income from business or personal services
 - Interest
 - Alimony received
 - Social Security benefits
 - Foreign earned
 - Lump sum in the month received

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Countable Income

- Child support
- Veterans' benefits
- Worker's Compensation
- Gifts and inheritances
- Cafeteria/flexible spending plans
- Contributions to 401(k)
- Pre-tax retirement contributions
- Scholarships, awards, or fellowship grants used for educational expenses. Any amount used for living expenses is countable income (room and board).
- Lump sums, except in the month received
- Certain Native American and Alaska Native income

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Resources/Assets

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Number of Persons	M-AABD, C. N. M Resource Limit	N-QB (Q/B/E) Resource Limit	M-WD Resource Limit	HCWD Resource Limit
Individual	\$2,000	\$7,160	\$4,000	Minimum Community Spouse Resource Allowance (see MA-2231)
Couple	\$3,000	\$10,750	\$6,000	

Non-MAGI MAF - A resource limit of \$3,000 applies for applicants and beneficiaries of Medicaid under M-AF-M. Resource limits do not apply for Adoption and BCCM

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Now let's move to some other ACA updates and changes that affect traditional sample.



Citizenship/Alien



Citizenship/Alien

- Reasonable Opportunity Period
 - Individual attests to US citizenship, but SSA match is inconsistent
 - May allow 90 days to provide citizenship documentation and receive Medicaid if otherwise eligible
 - Terminate if documentation not provided



Citizenship/Alien

- Effective January 1, reasonable opportunity period also applies to legal immigrant status
 - Individual attests to specific immigration status
 - If inconsistent with SAVE, allow up to 90 days to provide documentation of legal alien status
 - May receive Medicaid if otherwise eligible



Citizenship/Alien

- The reasonable opportunity period is 90 days + 5 days for mailing
- 95 days begins with date notice is mailed advising of need for citizenship/immigration documentation
- Reasonable opportunity period is entered on Person page in NC FAST
- Coverage begins with first of the month of application or retro period



Citizenship/Alien

- Documentation
 - May accept copy of document, such as birth certificate
 - Includes “mother’s copy” of birth certificate
- Policy - DMA Administrative Letter 16-13: http://info.dhhs.state.nc.us/olm/manuals/dma/fcm/adm/MA_AL16-13.htm#P5_0



Policy/Training Resources

- DMA Administrative Letter 16-13 (Citizenship/Immigrant changes):
http://info.dhhs.state.nc.us/olm/manuals/dma/abd/adm/MA_AL10-14.htm#P0_0
- http://info.dhhs.state.nc.us/olm/manuals/dma/abd/adm/MA_AL07-14.htm#P0_0
- http://info.dhhs.state.nc.us/olm/manuals/dma/abd/adm/MA_AL04-14.htm#P0_0
- http://info.dhhs.state.nc.us/olm/manuals/dma/abd/adm/MA_AL03-14.htm#P0_0
- http://info.dhhs.state.nc.us/olm/manuals/dma/abd/adm/MA_AL16-13.htm#P5_0



APPLICATIONS



Applications

- Exit plan requirements still in effect
- Individual still has right to see worker if appearing at DSS
- DSS cannot just give out paper apps
 - Individual must voluntarily request
- DSS must maintain the same working hours as required under the Exit Plan



Applications

- Open enrollment period (January – April)
- Processing time begins when we receive apps from FFM



Policy/Training Resources

- Link for county training webinars:
<http://www.ncdhhs.gov/dma/county/medicaidtraining.htm>
