



North Carolina
Department of Health and Human Services
Division of Medical Assistance
Recipient Services EIS

1985 Umstead Drive – 2512 Mail Service Center - Raleigh, N.C. 27699-2512
Courier Number 56-20-06

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Nina M. Yeager, Director
(919) 857-4019

April 26, 2002

RE: Potential County Savings

Dear County Director of Social Services:

As you are aware, North Carolina receives federal financial participation (FFP) for the Medicare premiums for Medicaid cases with a Q or B classification. The state does not receive FFP for the Medicare premium for Medicaid cases with either N or M classification. For cases classified as N or M, counties pay 15% of the Medicare premium and the state pays the remainder. For Q and B cases, counties pay only 5.11% of the Medicare premium. From a cost containment aspect, the state and counties would most benefit from cases with a classification of Q or B whenever possible.

We have identified 9,292 MAABD cases that are classified N or M and have Medicare. Many of these cases should be class Q or B. The income limits for N and Q classification are the same, and the income limit for Q and B is higher than the M income limit. The resource limit is also higher for Q and B class. There is the potential for as much as \$300,000 per month in state and county savings if all these cases can be changed to either class Q or B.

The attached document contains two Excel spreadsheet reports of cases to review for potential Q or B Medicaid classification. The "Potential Q Class Cases" report (Tyrrell County will not receive this report) contains cases that meet the following criteria that could include ex parte cases:

- **Active as of March 31, 2002.**
- **Not SSI.**
- **Aid Program Category is MAA, MAB, or MAD.**
- **Medicaid class is N or M.**
- **Countable income is equal to or less than 100% of poverty.**

April 26, 2002

Page Two

- **EIS indicates that the recipient has Medicare A or B.** (Check the RSDI claim number. If the RSDI claim number ends in M, the recipient is not entitled to premium-free Part A, and the EIS Medicare A indicator will be N. If eligible as Q class, change the classification to Q and the state will then purchase Medicare Part A for the recipient.)

The “Potential B Class Cases” report (Avery, Camden, Graham and Tyrrell Counties will not receive this report) contains cases that meet the following criteria that could include ex parte cases:

- **Active as of March 31, 2002.**
- **Not SSI.**
- **Aid Program Category is MAA, MAB, or MAD.**
- **Medicaid class is N or M.**
- **Countable income is greater than 100% but less than or equal to 120% of poverty.**
- **CAP code is NULL.**
- **EIS indicates that the recipient has Medicare A or B.** (Check the RSDI claim number. If the RSDI claim number ends in M, the recipient is not entitled to premium-free Part A, and the EIS Medicare A indicator will be N. The recipient is therefore not eligible for MQB-B. See MA-2140, II.B.)

To realize potential savings, complete the following actions by May 17th, 2002.

- Review all cases on each report to determine if they can be classified as Q or B. Remember to count the value of income producing property over \$6,000 when evaluating cases classified as M for either Q or B classification.
- If the case can be classified as Q or B, change the classification in EIS with a June 1, 2002 effective date. Do not make the effective date prior to June 1.
 - In most instances all that will be necessary is to change the classification code.
 - ▶ If changed to Q, enter reason code 75.
 - ▶ If changed to B, enter no reason code.
 - If an MAABD-M case in deductible status is eligible for coverage with a B classification, complete a program transfer to MQB-B. Enter reason code 6J.

NOTE: If a review is due for the certification period that includes June 2002, do not make these changes until completing the review and entering the new certification period in EIS.

April 26, 2002

Page Three

- Enter Q (if classification changed to Q) or B (if classification changed to B) in the Action Taken column of the report.
- If the case cannot be classified as Q or B, document the reason in the Action Taken column of the report.
- When you complete the review of all cases and enter the action taken, e-mail the reports, no later than May 17th, to Ken Maddox (Ken.Maddox@ncmail.net) and your Medicaid Program Representative.

The B report may contain cases that will qualify for Q classification. If so, indicate this on the B report.

The Q and B reports were retrieved from the DSS Data Warehouse through three queries. These queries have been saved as Corporate documents in the DSS Data Warehouse. They are:

- Potential cases that can be Q Class with Liv Arr Code 11
- Potential cases that can be Q Class with Liv Arr Code not 11
- Potential cases that can be B Class with Liv Arr Code not 11

Your county DSS Data Warehouse user can run these queries on an ongoing basis to determine if this problem continues. We suggest that you complete these queries every six months to ensure county savings continue. We also suggest that supervisors review this report to assess if any training is needed.

If you have any questions about Medicare entitlement or Buy-In, please contact Mabel Barnes at (919) 857-4018. For other questions about this letter, please contact your Medicaid Program Representative.

Nina M. Yeager
Director

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Attachment

Note: The reports listed above are not included with this copy.