



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

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(919) 855-4000

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Mark T. Benton, Director
William W. Lawrence, Jr., M.D., Senior Deputy Director

July 3, 2007

Re: Eligibility Review Document for County
Single Audit

Dear County Director of Social Services:

The Department of State Treasurer and Office of State Auditor have indicated concerns that independent auditors are not testing Medicaid and NC Health Choice eligibility factors during the audit process as required by federal law. They have requested that the Division provide a tool to assist the auditor with review of basic elements of eligibility during the audit process.

The attached document has been approved by management of all three offices and will be used as a supplement to the current audit requirements found in the Medicaid and NC Health Choice compliance supplements which provide guidance for the audit process. The first three pages are the actual review document which the auditor can copy and use for each case reviewed. The attachments provide guidance in verifying the eligibility review items.

Please share this information with your Medicaid and NC Health Choice supervisory staff and make them aware that the auditors may be calling upon them for assistance in understanding budgeting or verification of eligibility factors due to differences in the way counties use forms, automation and storage of information in the case file. Your assistance in this effort is most appreciated.

Sincerely,

Mark T. Benton

Enclosure

Eligibility Review Document – Medicaid / NC Health Choice

(Pages 1-3 may be copied and used to review each case record. Attachments provide information about verifications.)

County:	Auditor:	Date of Review:	Case Name:
Aid Program:	Date of Application:	Date of Disposition:	Approval <input type="checkbox"/> Denial <input type="checkbox"/> Withdrawal <input type="checkbox"/>

Please note that counties may have their own versions of forms or worksheets and/or may have automated forms that the State only provides in a paper format. If you have questions, discuss with Medicaid supervisor or caseworker.

Basic Program Requirements

Yes **No** **N/A**

1. Citizenship/ID documented _____
 If non-citizen, alien status verified and documented _____

Required verification of citizenship/alien status should be in the case record and labeled as “Citizenship/Identity Documentation.” See **Attachment 1** for acceptable levels of documentation. Citizenship verification for NC Health Choice cases was not effective until January 1, 2010.

Yes **No** **N/A**

2. State Residence Verification _____

The case record should contain two acceptable verifications of State Residence as determined by the county or the applicant’s declaration that he is unable to obtain two sources of verification. This requirement is for applications only and does not have to be verified again at redetermination. This requirement also does not apply to institutionalized individuals. See **Attachment 2** for acceptable types of verification.

Yes **No** **N/A**

3. Verification of health insurance coverage _____

If the individual stated that he had health insurance, the information regarding the policy (Company name, policy holder, individuals covered, policy numbers and group/numbers and coverage begin dates) should be documented in the case record. Health insurance information is entered in EIS via form DMA-2041, Third Party Health and Accident Resources Information.

NOTE: If the case had health insurance and was approved for North Carolina Health Choice, the record should contain verification that health insurance was terminated prior to approval of benefits, or, that the policy does not provide comprehensive coverage or does not provide coverage in the area in which the recipient lives.

Yes No N/A

4. For Medicaid for the Disabled (M-AD) Cases, disability is verified. _____

Individuals receiving Supplemental Security Income (SSI) have been determined disabled and are automatically eligible for Medicaid. If a disabled individual does not receive SSI the case record should contain one of the following:

- Verification that the individual is receiving Social Security Disability Benefits. If so, the disability requirement is met.
- If applicant/recipient has not been approved for Social Security disability, the case record should contain form DMA-4037, Disability Determination Transmittal indicating that the applicant is disabled, a State Hearing Decision affirming disability, or, verification via State Data Exchange (SDX) that the Social Security Administration finds the individual disabled.

NOTE: Individuals appealing termination of Social Security/ SSI disability may remain eligible for Medicaid. Discuss case with county supervisor.

Financial Requirements

Yes No N/A

1. Automated income and resource matches completed _____

The case record should contain verification that automated matches were completed. These include matches for Unemployment Benefits, Social Security, SSI, and DOT. If income or resources are listed in the matches the case record should reflect that they were addressed.

Yes No N/A

2. Income Verification/Budget computed correctly _____

The case file should contain income verification such as pay stubs, wage verification form, award letters for benefits, etc. Earned income is converted to a monthly amount. Review income conversion and computation. See **Attachment 3** for conversion chart and **Attachment 4** for income levels. Countable income should be reflected in the "Total Countable Monthly Income" field in EIS or the Turnaround Document referenced in the Compliance Supplement.

- For Aged Blind and Disabled applications, the record should contain the DMA-5008A, Adult Budget Sheet, or similar document showing how the budget was computed.
- For Medicaid for Infants and Children (MIC) or NC Health Choice applications, the record should contain the DMA 5064, MIC/NCHC Budget Sheet, or similar document. Medicaid for Families (M-AF) cases should contain the DMA-5065, MAF Application, (Supplement 2) or similar document.

NOTE: QC has found that many counties use calculator tapes rather than completing a budget sheet. If you have questions, discuss with supervisor.

Yes No N/A

3. Deductible cases contain verification of medical expenses _____

For individuals who must meet a deductible (sometimes known as spenddown) before receiving Medicaid, the case record should contain form DMA-5036 (**Attachment 5**), Record of Medical Expenses, or similar form, that documents the amount of the deductible, lists medical bills used to meet the deductible, and shows the deductible was met prior to authorization for Medicaid.

Yes No N/A

4. Real Property Verified _____

Medicaid for the Aged, Blind and Disabled case records should contain documentation that tax records and Register of Deeds were checked to verify if the individual owns property. For Family and Children's Medicaid/NC Health Choice cases property checks are not required.

Yes No N/A

5. Liquid Assets Verified _____

Liquid assets include cash, bank accounts, certificates of deposit, securities, or any asset which can be converted to cash. Trust funds and life insurance policies are also considered to be liquid assets.

The record should contain verification that liquid assets were verified and whether countable or non-countable for purposes of determining eligibility. See Attachment 4 for resource limits for Medicaid for Families (MAF) and for Aged, Blind, and Disabled (M-AABD).

NOTE: Medicaid for Infants and Children (MIC), Medicaid for Pregnant Women (MPW) and NC Health Choice do not require verification of liquid assets.

Additional Comments:

Attachment 1

LEVEL 1 (EIS CODE 10)

DOCUMENT	LIMITATIONS, EXPLANATIONS, COMMENTS
U.S. Passport	May be expired. Not sufficient if issued with limitation(s); however, may be used for ID.
OTHERS: Certificate of Naturalization (N-550 or N-570); Certificate of Citizenship (N-560 or N-561); American Indian Card (I-872); Tribal documentation issued by a Federally recognized Tribe such as Certificate of Degree of Indian Blood or other U.S. American Indian/Alaska Native tribal document (must have photo or other personal ID info); Born in US to mother authorized for Medicaid for the delivery	

LEVEL 1 (EIS CODE 11 & 12)

SSA Citizen/Identity Match	A data match consistent with SSA information
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Note: Level 1 documents satisfy the documentation requirement for both citizenship and identity, with limitations noted.

LEVEL 2 (EIS CODE 25)

DOCUMENT	LIMITATIONS, EXPLANATIONS, COMMENTS
U.S. Public Birth Record Shows birth in U.S., D.C., and U.S. territories	<ul style="list-style-type: none"> • Data match with the local Register of Deeds or State Vital Records or copy of certified birth certificate is acceptable. • Must be recorded by the state, commonwealth, territory or local jurisdiction prior to individual's fifth birthday. • If born in Puerto Rico, the Virgin Islands, or the Northern Mariana Islands, the individual may be collectively naturalized. See MA-3330/MA-2504 Figure 10 for more information.
DATA MATCH with database of other state or federal agency	Agency must be known to verify citizenship.
Final Adoption Decree	Must show name and U.S. place of birth (POB). If adoption not final and state will not issue birth certificate (b.c.) prior to final adoption, obtain statement from the State-approved adoption agency including child's name and U.S. place of birth, and that info is based on original b.c.
Proof of Civil Service Employment	Must show employment prior to 6/1/76.
Military Service Record	Must show a U.S. place of birth.
DOHS Systematic Alien Verification for Entitlement (SAVE) program	May be used to verify citizenship of naturalized citizens.
OTHERS: Certificate of Report of Birth (DS-1350); Consular Report of Birth Abroad of a Citizen of the U.S. (FS-240); Certificate of Birth Abroad (FS-545); Child adopted outside the U.S. (IR-3); Child coming to the U.S. to be adopted (IR-4); United States Citizen Identification Card (I-197 or I-179);	

LEVEL 3 (EIS CODE 35)

DOCUMENT	LIMITATIONS, EXPLANATIONS, COMMENTS
Extract of hospital record on hospital letterhead	Must have been created at least 5 yrs before initial MA DOA and indicate U.S. POB. "Souvenir" b.c. issued by hospital not acceptable.
Life/health/other insurance record	Must show U.S. POB and have been created at least 5 yrs before initial MA DOA.
Early school records showing a U.S. place of birth	Must show name of child, date of school admission, DOB, POB, and name and POB of applicant's parents.
Religious records recorded in U.S. within 3 mos. of birth	Must show birth in the U.S. and either DOB or individual's age at time record was made. Entries in family bible are not recorded religious records.

LEVEL 4 (EIS CODE 45)

DOCUMENT	LIMITATIONS, EXPLANATIONS, COMMENTS
Federal/State Census	For persons born between 1900 and 1950. Must show U.S. Citizen or POB and age. See MA-3330/2504 for info on how to obtain.
OTHERS: (Must have been created at least 5 years before initial MA DOA & show U.S. POB) U.S. State Vital Statistics official notification of birth registration; Delayed U.S. public birth record (delayed > 5 yr after DOB); Statement from attending Dr/midwife who witnessed birth; Admission documents (NHM/SNF, other institutions); Medical record (clinic, dr, hosp – not immunization records!).	
Newborns and Children under 16 only: Medical (clinic, doctor, or hospital) record created near the time of birth or at least five years prior to the Medicaid date of application.	
Written Affidavit	Last resort!! See MA-3330/2504 for specific requirements.

DOCUMENTATION OF IDENTITY – LEVEL 5

DOCUMENT	LIMITATIONS, EXPLANATIONS, COMMENTS
SOLQ or DATA MATCH w/other state agency	Data match must indicate that an identity has been verified. SOLQ returned with message "SSN verified".
For children under 16, school, clinic, doctor, hosp. records	School records Include nursery/daycare. All must show date of birth.
School, Military (incl dependent) ID or draft record	School ID must have photo.
Driver's license	Must have photograph or other identifying information such as name, age, sex, race, height, weight, eye color.
ID issued by local, state or federal government	Must contain same info as a driver's license.
Affidavit (for newborns, children <16 and disabled individuals in residential care facilities only)	All affidavits must be signed under penalty of perjury. If in a residential care facility, the facility director or administrator may attest to the disabled individual's identity.
OTHERS: U.S. Coast Guard Merchant Mariner card; Three or more corroborating documents such as high school and college diplomas, marriage certificates, divorce decrees, property deeds/titles, and employee id cards.	

Note: Documentation of citizenship from Types 2, 3 and 4 also require documentation of ID from Type 5. Type 4 should be used only rarely.

See MA-2506/3332 for detailed information regarding documenting citizenship/identity. Obtain copies of all documentation. Place in the Citizenship/Identity file.

Attachment 2

STATE RESIDENCY VERIFICATION

To verify residency, the applicant may provide documentation that verifies the address he has listed on his application as his physical or mailing address. Documents from at least two of the following categories may be provided. This means a document or proof must be from two of the categories below.

Example: An item from c. and d. would be acceptable. Two documents outlined in b. are not acceptable.

- a. A valid North Carolina drivers' license or other identification card issued by the North Carolina Division of Motor Vehicles.
- b. A current North Carolina rent, lease, or mortgage payment receipt, or current utility bill in the name of the applicant or the applicant's legal spouse, showing a North Carolina address.
- c. A current North Carolina motor vehicle registration in the applicant's name and showing the applicant's current North Carolina address.
- d. A document verifying that the applicant is employed in North Carolina.
- e. One or more documents proving that the applicant's home in the applicant's prior state of residence has ended, such as closing of a bank account, termination of employment, or sale of a home.
- f. The tax records of the applicant or the applicant's legal spouse, showing a current North Carolina address.
- g. A document showing that the applicant has registered with a public or private employment service in North Carolina.
- h. A document showing that the applicant has enrolled his children in a public or private school or a child care facility located in North Carolina.
- i. A document showing that the applicant is receiving public assistance (such as Food Stamps) or other services which require proof of residence in North Carolina. Work First and Energy Assistance do not currently require proof of NC residency.
- j. Records from a health department or other health care provider located in North Carolina which shows the applicant's current North Carolina address.
- k. A written declaration from an individual who has a social, family, or economic relationship with the applicant, and who has personal knowledge of the applicant's intent to live in North Carolina permanently, for an indefinite period of time, or residing in North Carolina in order to seek employment or with a job commitment.
- l. A current North Carolina voter registration card.

- m. A document from the U.S. Department of Veteran's Affairs, U.S. Military or the U.S. Department of Homeland Security, verifying the applicant's intent to live in North Carolina permanently or for an indefinite period of time, or that the applicant is residing in North Carolina to seek employment or has a job commitment.
- n. Official North Carolina school records, signed by school officials, or diplomas issued by North Carolina schools (including secondary schools, colleges, universities, community colleges), verifying the applicant's intent to live in North Carolina permanently or for an indefinite period of time, or that the applicant is residing in North Carolina to seek employment or with a job commitment.
- o. A document issued by the Mexican consular or other foreign consulate verifying the applicant's intent to live in North Carolina permanently or for an indefinite period of time, or that the applicant is residing in North Carolina to seek employment or has a job commitment.

The county retains the right to deny eligibility and/or declare that the documents provided are unacceptable if it is believed that the documentation is false or is found to be unsatisfactory. The county can require that supporting documentation be provided. The county has the authority to determine what is considered satisfactory proof.

Attachment 3 Conversions

Total the gross income for each pay/benefit period. Divide by the number of pay periods. This is the average income.

Convert the average income to a gross monthly amount.

- a. If received weekly, multiply by 4.3.
- b. If received bi-weekly, multiply by 2.15.
- c. If received semi-monthly, multiply by 2.
- d. If received monthly, use the monthly gross.
- e. If salaried, and contract renewed annually, divide annual income, etc., by 12.

EXAMPLE: Applicant receives income bi-weekly. On Sept. 7, he received \$300 gross and on 9-21, he received \$300 gross. \$300 plus \$300 = \$600. Divide \$600 by 2 (number of pay periods received and used). This equals \$300 (average income). Convert the \$300 by multiplying \$300 by 2.15 = \$645.00 (countable gross monthly income).

NOTE: Actual previous month's income is used in determining eligibility for Medicaid for Pregnant Women (MPW)

Income Exclusions and Deductions

Medicaid for Aged, Blind and Disabled M-AABD Eligibility Manual Section MA-2250 IX.	Family and Children's Medicaid/ NC Health Choice Family & Children's Eligibility Manual Section MA-3300 XIII.
<ul style="list-style-type: none"> • Unearned Income – Deduct \$20.00 General Income Deduction (do not give deduction if only income is VA pension or if budgeting for Long Term Care) • Self Employment/Farm Income – Compute net self-employment by subtracting operational expenses from gross self-employment to determine net income (refer to M-AABD Manual Section MA-2250 VII. D. and E. for procedures) • Student Earned Income Deduction for Blind or Disabled child attending school and working - exclude \$400.00 per month but no more that \$1620.00 per year • Earned Income Deduction – Exclude \$65.00 and ½ of remainder (do not give deduction if budgeting for Long Term Care) • Work Expense Exclusion for the Blind – exclude income attributable to earning the income • Impairment Related Work Expense for the Disabled – exclude expenses which allow a disabled person to work. <p>*Deem spousal or parental income to applicant if applicable. Record should contain budget sheet or computation – refer to MA-2260.</p>	<ul style="list-style-type: none"> • Deduct Earned Income Tax Credit payments from gross earned income • For <u>MAF-C</u> only, deduct 27.5% Earned Income Deduction from gross earned income (if over limit, deduct Standard Work Related Expense and Child Care/Incapacitated Adult care costs, if more) • Deduct Standard Work Related Expense of \$90.00 from earned income • Deduct Child Care/Incapacitated Adult Care Costs up to: \$175.00 for each child age 2 or older, or, for incapacitated adult \$200.00 for each child under age 2 • Court Ordered Child Support/Alimony – subtract amount actually paid by the parent whose income is counted • Subtract Parent's Income Deemed to a Work First Case <p>* Parental or spousal income is counted in the budget process.</p>

MEDICAID INCOME/RESERVE LIMITS

Revised effective 4/1/12

<i>Family & Children's MA</i>	1	2	3	4	5	6	7	8	Add'l
185% MPW/MIC<1/MAF-D	1723	2333	2944	3554	4165	4775	5386	5996	+611
133% MIC (thru age 5)	1239	1677	2116	2555	2994	3433	3872	4311	+439
100% MIC (thru age 18)	931	1261	1591	1921	2251	2581	2911	3241	+330
MAF-M	242	317	367	400	433	467	500	525	Manual
MAF-C/N	362	472	544	594	648	698	746	772	Manual
Reserve: MAF-M	3000	3000	3000	3000	3000	3000	3000	3000	3000
Reserve: MAF-C/N	3000	3000	3000	3000	3000	3000	3000	3000	3000
<i>Expanded Medicaid</i>	1	2	3	4	5	6	7	8	
>185-200% (Under 1)	1723.01-1862	2333.01-2522	2944.01-3182	3554.01-3842	4165.01-4502	4775.01-5162	5386.01-5822	5996.01-6482	*
>133-200% (Age 1-5)	1239.01-1862	1677.01-2522	2116.01-3182	2555.01-3842	2994.01-4502	3433.01-5162	3872.01-5822	4311.01-6482	**
<i>NC Health Choice</i>	1	2	3	4	5	6	7	8	
>100-200% (Age 6-18)	931.01-1862	1261.01-2522	1591.01-3182	1921.01-3842	2251.01-4502	2581.01-5162	2911.01-5822	3241.01-6482	***
>200-225% (L)	1862.01-2095	2522.01-2837	3182.01-3580	3842.01-4322	4502.01-5065	5162.01-5807	5822.01-6550	6482.01-7292	****
>150% Poverty Level	1397.01	1892.01	2387.01	2882.01	3377.01	3872.01	4367.01	4862.01	+495
<i>Adult Medicaid</i>	1	2							
MAABD-N	931	1261							
MAABD-N 1/3 reduced	621	841							
MAABD-M	242	317							
MAABD-M 1/3 reduced	161	211							
HCWD 150%	1397	1892							
HCWD 150% 1/3 reduced	931	1261							
MQB-Q	931	1261	1591	1921	2251	2581	2911	3241	330
MQB-Q 1/3 reduced	621	841	1061	1281	1501	1721	1941	2161	221
MQB-B	931.01-1117	1261.01-1513	1591.01-1909	1921.01-2305	2251.01-2701	2581.01-3097	2911.01-3493	3241.01-3889	*****
MQB-B 1/3 reduced	621.01-745	841.01-1009	1061.01-1273	1281.01-1537	1501.01-1801	1721.01-2065	1941.01-2329	2161.01-2593	*****
MQB-E	1117.01-1257	1513.01-1703	1909.01-2148	2305.01-2594	2701.01-3039	3097.01-3485	3493.01-3930	3889.01-4376	*****
MQB-E 1/3 reduced	745.01-838	1009.01-1135	1273.01-1432	1537.01-1729	1801.01-2026	2065.01-2323	2329.01-2620	2593.01-2917	*****
MWD	1862	2522							
MWD 1/3 reduced	1242	1682							
Reserve: MAABD	2000	3000							
Reserve: MQB-Q/B/E	6940	10410							
Reserve: HCWD	22728	22728							

* For each additional add 611 to previous minimum and 660 to 200%
 ** For each additional add 439 to previous minimum and 660 to 200%
 *** For each additional add 330 to previous minimum and 660 to 200%
 **** For each additional add 660 to previous minimum and 743 to 225%

For each add'l add 330 to previous minimum and 396 to 120%
 For each add'l add 221 to previous minimum and 265 to 120%
 For each add'l add 396 to previous minimum and 446 to 135%
 For each add'l add 265 to previous minimum and 298 to 135%

MEDICAID INCOME/RESERVE LIMITS
Revised effective 4/1/13

<i>Family & Children's MA</i>	1	2	3	4	5	6	7	8	Add'l
185% MPW/MIC<1/MAF-D	1772	2392	3011	3631	4251	4871	5490	6110	+620
133% MIC (thru age 5)	1274	1720	2165	2611	3056	3502	3947	4393	+446
100% MIC (thru age 18)	958	1293	1628	1963	2298	2633	2968	3303	+335
MAF-M	242	317	367	400	433	467	500	525	Manual
MAF-C/N	362	472	544	594	648	698	746	772	Manual
Reserve: MAF-M	3000	3000	3000	3000	3000	3000	3000	3000	3000
Reserve: MAF-C/N	3000	3000	3000	3000	3000	3000	3000	3000	3000
<i>Expanded Medicaid</i>	1	2	3	4	5	6	7	8	
>185-200% (Under 1)	1772.01-1915	2392.01-2585	3011.01-3255	3631.01-3925	4251.01-4595	4871.01-5265	5490.01-5935	6110.01-6605	*
>133-200% (Age 1-5)	1274.04-1915	1720.01-2585	2165.01-3255	2611.01-3925	3056.01-4595	3502.01-5265	3947.01-5935	4393.01-6605	**
<i>NC Health Choice</i>	1	2	3	4	5	6	7	8	
>100-200% (Age 6-18)	958.01-1915	1293.01-2585	1628.01-3255	1963.01-3925	2298.01-4595	2633.01-5265	2968.01-5935	3301.01-6605	***
>200-225% (L)	1915.01-2155	2585.01-2909	3255.01-3662	3925.01-4416	4595.01-5170	5265.01-5924	5936.01-6677	6605.01-7431	****
>150% Poverty Level	1437.01	1939.01	2442.01	2944.01	3447.01	3949.01	4452.01	4954.01	+503
<i>Adult Medicaid</i>	1	2							
MAABD-N	958	1293							
MAABD-N 1/3 reduced	639	862							
MAABD-M	242	317							
MAABD-M 1/3 reduced	161	211							
HCWD 150%	1437	1939							
HCWD 150% 1/3 reduced	958	1293							
MQB-Q	958	1293	1628	1963	2298	2633	2968	3303	+335
MQB-Q 1/3 reduced	639	862	1086	1309	1532	1756	1979	2202	224
MQB-B	958.01-1149	1293.01-1551	1628.01-1953	1963.01-2355	2298.01-2757	2633.01-3159	2968.01-3561	3303.01-3963	*****
MQB-B 1/3 reduced	639.01-767	862.01-1035	1086.01-1303	1309.01-1571	1532.01-1839	1756.01-2107	1979.01-2375	2202.01-2643	*****
MQB-E	1149.01-1293	1551.01-1745	1953.01-2198	2355.01-2650	2757.01-3102	3159.01-3554	3561.01-4007	3963.01-4459	*****
MQB-E 1/3 reduced	767.01-862	1035.01-1164	1303.01-1465	1571.01-1767	1839.01-2068	2107.01-2370	2375.01-2671	2643.01-2973	*****
MWD	1915	2585							
MWD 1/3 reduced	1277	1724							
Reserve: MAABD	2000	3000							
Reserve: MQB-Q/B/E	7080	10620							
Reserve: HCWD	23184	23184							

* For each additional add 620 to previous minimum and 670 to 200%
 ** For each additional add 446 to previous minimum and 670 to 200%
 *** For each additional add 335 to previous minimum and 670 to 200%
 **** For each additional add 670 to previous minimum and 754 to 225%

For each add'l add 335 to previous minimum and 402 to 120%
 For each add'l add 224 to previous minimum and 269 to 120%
 For each add'l add 402 to previous minimum and 453 to 135%
 For each add'l add 269 to previous minimum and 302 to 135%

Attachment 5

RECORD OF MEDICAL EXPENSE APPLIED TO THE DEDUCTIBLE

1. CASEHEAD: _____ 2. CASE ID: _____ 3. CO. CASE NO.: _____
4. CERTIFICATION PERIOD: FROM _____ THRU _____

Record medical expenses in the order in which they are incurred:

6. BU MEMBER	7. DATE OF SERVICE	8. DATE OF LAST PAYMENT	9. PROVIDER	10. AMOUNT CHARGED	11. TPR	12. CLIENT RESP	13. AMOUNT APPLIED TO DED.	5. DED. AMOUNT	14. DED. BALANCE	15. VERIFICATION