



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

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Beverly Eaves Perdue, Governor
Albert A. Delia, Acting Secretary

Michael Watson, Director

November 14, 2012

SUBJECT: Eligibility Policy Clarification Concerning Indian Health Services (IHS)

Dear County Director of Social Services:

We have learned of misunderstandings concerning Indian Health Services (IHS) and Medicaid eligibility for Federally Recognized Tribe members who have Medicaid deductibles. The purpose of this letter is to remind the Medicaid case worker that IHS is a payor of last resort to Medicaid and as such is not a third party or an insurance plan when evaluating for Medicaid eligibility. Medicaid is the primary payor before IHS.

Because IHS is not considered private insurance or a third party, policy found in MA-2360 and MA-3315, Deductible, regarding medical bills covered by insurance or other third parties does not apply to IHS. For example, the policy found in MA-2360, V.B.3. and MA-3315, IV.B. that says if an insurance plan or third party denies a medical claim for failure to comply with the requirements of the plan or third party, the bill cannot be applied to the individual's deductible (spenddown) does not apply when IHS denies payment of a claim.

The Medicaid Eligibility Policy manuals will be clarified.

If you have any questions regarding this information, please contact a Medicaid Policy Representative.

Sincerely,



Michael Watson, Director

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