



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
DAVE RICHARD • Deputy Secretary

December 1, 2021

RE: Updated guidance regarding the deduction of monthly premiums for individual Dental Insurance products sold to Medicaid beneficiaries in nursing homes for calculating the beneficiary's Patient Monthly Liability (PML).

Dear County Director of Social Services:

DHB has established new policy for local agencies to follow when allowing premiums for dental plans sold to applicant/beneficiaries in nursing facilities to be deducted from income when calculating the PML. DHB reminds the local agency that premiums for "individual dental insurance products", as classified by the NC Department of Insurance (NC DOI), purchased by Medicaid applicant/beneficiaries in nursing homes, are a lawful and permissible deduction from income when determining the beneficiary's PML.

The caseworker must determine that the dental insurance sold is classified as an "individual dental insurance product", before allowing the premium as an income deduction. Proof of the premium amount is required.

To determine if the dental plan premium can be properly deducted from income, first the caseworker must check if the company selling the dental insurance product is approved to market individual dental plans in North Carolina. NC DOI maintains a list at <https://www.ncdoi.gov/media/25/open>. If the name of the company selling the product does not appear in this list, the premium cannot be properly deducted.

If the name of the company appears on NC DOI's list, the caseworker must receive a copy of the dental insurance card and either of the following:

- Copy of the application for insurance, or
- Copy of the policy

The caseworker must review the dental insurance card along with the application for insurance or the insurance policy to verify the dental insurance product is for individual dental insurance.

As a reminder, payments for Prepaid Dental Plans or concierge dental plans, that are not insurance plans are not an allowable deduction from income. A Prepaid dental plan can be distinguished from a "individual dental plan" when the Prepaid dental plan is NOT an insured plan (there is not a licensed insurer taking on the risk). If the entity who sells the plan is not appearing on the list maintained by DOI, this plan would not qualify.

This updated guidance supersedes the guidance dated February 10, 2015 titled "Policy regarding the deduction of monthly premiums for individual Dental Insurance products sold to Medicaid beneficiaries in nursing homes for calculating the recipient's PML".

If you have any questions regarding this information, please contact your Medicaid Operational Support Team Representative at [Medicaid Program Representatives | NCDHHS](#).

Sincerely,
DocuSigned by:

Dave Richard

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Dave Richards

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