



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

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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 _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

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 _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

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 _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

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.

Yes No N/A

5. DMA-5046, Notice of Rights to Transportation.

The case record should contain either a copy of the DMA-5046 notifying the applicant of his right to assistance with transportation if approved for Medicaid, or, documentation that the form was sent. Note: For mail-in applications, the copy will not be signed by the recipient.

NOTE: Individuals approved for NC Health Choice or Medicaid for Qualified Beneficiaries (MQB) are ineligible for assistance with transportation. In addition, Nursing Homes and Adult Care Homes are required to provide transportation for their recipients of Medicaid. The DMA-5046 does not have to be maintained in these case files.

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

COMMONLY FOUND ACCEPTABLE FORMS OF DOCUMENTATION OF CITIZENSHIP/IDENTITY FOR US CITIZENS IN NORTH CAROLINA (For a complete list of acceptable documentation see MA-2504, III.C/MA-2504, III.C/MA-330, III.C)

LEVEL 1

| 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) | |
| SSA citizen/Identity Match | A data match consistent with SSA information |

Note: The above documents satisfy the documentation requirement for both citizenship and identity, with limitations noted.

LEVEL 2

| DOCUMENT | LIMITATIONS, EXPLANATIONS, COMMENTS |
|---|---|
| U.S. Public Birth Record Shows birth in U.S., D.C., American Samoa, Swain's Island, P.R. (≥ 1/13/41), V.I. (≥ 1/17/17), Northern Mariana Islands (> 11/4/86), Guam | <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 or Virgin Islands, individual may be collectively naturalized. See MA-3330/MA-2504 Figure 10 for more information. |
| DATA MATCH with database of other state 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 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 | Must show employment prior to 6/1/76. |
| Military Service Record | Must show a U.S. place of birth. |
| 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); United States Citizen Identification Card (I-197 or I-179); American Indian Card (I-872); Northern Mariana Card (I-873) | |

Note: Citizenship of a child authorized for IAS or HSF is verified by the adoption/foster care social worker. The Medicaid case worker is only required to look at case profile to determine previous verification.

LEVEL 3

| 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 hosp 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

| 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 5 yr < MA DOA & show U.S. POB) Seneca Indian tribal census; Bureau of Indian Affairs tribal census records of Navajo Indians; 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!) | |
| Written Affidavit | Last resort!! See MA-3330/2504 for specific requirements. |

LEVEL 5

| DOCUMENT | LIMITATIONS, EXPLANATIONS, COMMENTS |
|--|---|
| SOLO or DATA MATCH w/other state agency | Data match must indicate that an identity has been verified. SOLO returned with message "SSN verified". |
| For children under 16, school, clinic, doctor, hsp. 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: Certificate of Degree of Indian Blood or other U.S. American Indian/Alaska Native tribal document (must have photo or other personal ID info); 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 Levels 2, 3 and 4 also require documentation of ID from Level 5. Level 4 should be used only rarely. See MA-3330/2504 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. $\$300 \text{ plus } \$300 = \$600$. 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 • 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> |

Attachment 4

MEDICAID INCOME/RESERVE LIMITS

Revised effective 4/1/09 - HCWD > 150% effective 5/1/09 – MQB Reserve effective 1/1/10 – MQB/MWD Income effective 2/1/10

Note: There was no change in income limits in April 2010. These limits effective 4/1/09 remain in effect.

| <i>Family & Children's MA</i> | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | Add'l |
|-----------------------------------|---------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 185% MPW/MIC<1/MAF-D | 1670 | 2247 | 2823 | 3400 | 3976 | 4553 | 5130 | 5706 | +577 |
| 133% MIC (thru age 5) | 1201 | 1615 | 2030 | 2444 | 2859 | 3273 | 3688 | 4102 | +415 |
| 100% MIC (thru age 18) | 903 | 1215 | 1526 | 1838 | 2150 | 2461 | 2773 | 3085 | +312 |
| 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 |
| Expanded Medicaid | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | |
| >185-200% (Under 1) | 1670.01-1805 | 2247.01-2429 | 2823.01-3052 | 3400.01-3675 | 3976.01-4299 | 4553.01-4922 | 5130.01-5545 | 5706.01-6169 | * |
| >133-200% (Age 1-5) | 1201.01-1805 | 1615.01-2429 | 2030.01-3052 | 2444.01-3675 | 2859.01-4299 | 3273.01-4922 | 3688.01-5545 | 4102.01-6169 | ** |
| NC Health Choice | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | |
| >100-200% (Age 6-18) | 903.01-1805 | 1215.01-2429 | 1526.01-3052 | 1838.01-3675 | 2150.01-4299 | 2461.01-4922 | 2773.01-5545 | 3085.01-6169 | *** |
| >200-225% (L) | 1805.01-2031 | 2429.01-2732 | 3052.01-3434 | 3675.01-4135 | 4299.01-4836 | 4922.01-5537 | 5545.01-6239 | 6169.01-6940 | **** |
| >150% Poverty Level | 1354.01 | 1822.01 | 2289.01 | 2757.01 | 3224.01 | 3692.01 | 4159.01 | 4627.01 | +468 |
| Adult Medicaid | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | |
| MAABD-N | 903 | 1215 | | | | | | | |
| MAABD-N 1/3 reduced | 602 | 810 | | | | | | | |
| MAABD-M | 242 | 317 | | | | | | | |
| MAABD-M 1/3 reduced | 161 | 211 | | | | | | | |
| HCWD 150% | 903.01 - 1354 | 1215.01 - 1822 | | | | | | | |
| HCWD 150% 1/3 reduced | 602.01 - 903 | 810.01 - 1215 | | | | | | | |
| MQB-Q | 903 | 1215 | 1526 | 1838 | 2150 | 2461 | 2773 | 3085 | +312 |
| MQB-Q 1/3 reduced | 602 | 810 | 1018 | 1226 | 1433 | 1641 | 1849 | 2057 | +208 |
| MQB-B | 903.01-1083 | 1215.01-1457 | 1526.01-1831 | 1838.01-2205 | 2150.01-2579 | 2461.01-2953 | 2773.01-3327 | 3085.01-3701 | ***** |
| MQB-B 1/3 reduced | 602.01-723 | 810.01-972 | 1018.01-1221 | 1226.01-1471 | 1433.01-1720 | 1641.01-1969 | 1849.01-2219 | 2057.01-2468 | ***** |
| MQB-E | 1083.01-1219 | 1457.01-1640 | 1831.01-2060 | 2205.01-2481 | 2579.01-2902 | 2953.01-3323 | 3327.01-3743 | 3701.01-4164 | ***** |
| MQB-E 1/3 reduced | 723.01-813 | 972.01-1093 | 1221.01-1374 | 1471.01-1654 | 1720.01-1935 | 1969.01-2215 | 2219.01-2496 | 2468.01-2776 | ***** |
| MWD | 1805 | 2429 | 3052 | 3675 | 4299 | 4922 | 5545 | 6169 | +624 |
| MWD 1/3 reduced | 1204 | 1619 | 2035 | 2451 | 2866 | 3282 | 3697 | 4113 | +416 |
| Reserve: MAABD | 2000 | 3000 | | | | | | | |
| Reserve: MQB/MWD | 6600 | 9910 | | | | | | | |

* For each add'l add 577 to previous minimum and 624 to 200%
 ** For each add'l add 415 to previous minimum and 624 to 200%
 *** For each add'l add 312 to previous minimum and 624 to 200%
 **** For each add'l add 624 to previous minimum and 702 to 225%

For each add'l add 312 to previous minimum and 374 to 120%
 For each add'l add 208 to previous minimum and 250 to 120%
 For each add'l add 374 to previous minimum and 421 to 135%
 For each add'l add 250 to previous minimum and 281 to 135%

