

DMA ADMINISTRATIVE LETTER NO: 01-10, ADDENDUM 1

DATE: 05/26/10

SUBJECT: MQB Budgeting

DISTRIBUTION: County Directors of Social Services
Medicaid Supervisors
Medicaid Eligibility Staff

I. BACKGROUND

DMA Administrative Letter No: 01-10 informed the counties that a decision by the state Court of Appeals on June 17, 2009 mandates that DMA determine MQB and MWD eligibility based upon family size budgeting. Family Size Budgeting requires that the countable income of the a/r and any family members who are financially responsible for the a/r be compared to the income limit for the applicable family size.

All MQB, MAA, MAB and MAD denials for excess income, with a disposition date on or after June 17, 2009, and terminations for excess income, keyed on or after June 17, 2009, must be reviewed to determine if the individuals would have been eligible for MQB using family size budgeting. MQB eligibility for these applicants/recipients must be evaluated to determine if the application or case should be re-opened retroactively. This Addendum provides information on how to handle these cases.

II. REQUIREMENTS

Review all MQB, MAA, MAB and MAD application denials and case terminations/deletions for excess income or inability to meet a deductible that were processed from June 17, 2009 through February 28, 2010 (application denials) or through March 31, 2010 (case terminations). Two XPTR reports have been created to identify the denials and terminations which must be reviewed. In addition, two other XPTR reports have been created to show the totals by county and statewide of the number of denials and terminations that are listed on the detail reports (see XPTR Reports at III. through VI. below).

A. Evaluate eligibility using family size budgeting in the following situations:

1. The denied/terminated individual had a spouse and/or children under 18 in the home; or
2. The denied/terminated individual was a Medicaid Child who had parents in the home.

B. Document the review of cases on the attached “MQB Family Size Budgeting Evaluation Sheet.”

III. “TERMINATED CASES TO REVIEW FOR MQB BUDGET CHANGE (DHRWDB MQB BUDGET CHG TERMS)”

A. Listed on this report are MQB, MAA, MAB, and MAD cases that have a Termination Reason Code of “09”, “74”, “04”, “73”, “28”, “84” and the Last Change Date on the case is between 2009168 (June 17, 2009) and 3/31/2010. Not all the individuals on the report will have Medicare.

B. The report displays:

1. County name and number at the top of each page
2. District number at top of each page
3. The date the report was run (this report covers 6/17/09 through 3/31/10)
4. Aid program category and for MQB the Medicaid classification code (i.e. MQBQ, MQBB, MQBE, MAA, MAD, MAB)
5. Case ID
6. County case number
7. Casehead name
8. Individual ID number for the casehead
9. Termination reason code
10. Termination date (ccyy/mm/dd)

C. Report Format

The report is sorted by district number and then alphabetical within the district number. Page breaks are by district number. This is a one-time report. The report is retained on NCXPTR for 10 years for audit purposes.

IV. “SUMMARY COUNTS OF THE TERMINATIONS SUBJECT TO REVIEW FOR THE MQB” (DHRWDB MQB BUDGET CHG TERMTOTALS)”

This is a separate report for the totals for terminated cases that are to be reviewed. This report provides the following information:

A. County Totals for Each County

1. Number of cases in each aid program/category code of MAA, MAB, and MAD.
2. Number of MQBB cases,
3. Number of MQBE cases,
4. Number of MQBQ cases, and
5. Total number of cases for the county.

NOTE: If there are no cases in a particular aid program/category, that aid program/category is not listed.

B. Statewide Totals

1. Number of cases in each aid program category code of MAA, MAB, and MAD,
2. Number of MQBB cases,
3. Number of MQBE cases,
4. Number of MQBQ cases, and
5. Total number of cases statewide.

V. “DENIED APPLICATIONS TO REVIEW FOR MQB BUDGET CHANGE (DHRWDB MQB BUDGET CHG DENIALS)”.

A. The report lists MQB, MAA, MAB, and MAD applications that have a:

1. “D” in the P/Disposition field, or “D” in R/Disposition field, or both, and
2. Disposition Reason of “B1” or “B2”, and
3. P/Disposition Date or R/Disposition Date between 2009168 (June 17, 2009) and 2010059 (February 28, 2010).

Not all individuals on the report will have Medicare.

B. The report displays:

1. County name and number at the top of each page
2. District number at top of each page
3. The date the report was run (This report covers 6/17/09 through 2/28/10)
4. Aid program category
5. QI1 Indicator
6. Application number
7. Application type
8. County case number
9. Individual name
10. Individual ID
11. Disposition Ongoing (P/Disposition) Date and Reason code
12. Disposition Retro (R/Disposition) Date and Reason code

C. Report Format

The report is sorted by district number and then alphabetical within district number. Page breaks are by district number.

This is a one-time report. The report is retained on NCXPTR for 10 years for audit purposes.

VI. “MQB BUDGET CHANGE DENIALS TOTAL (DHRWDB MQB BUDGET CHG DENY TOTAL)”

This is a separate report for the totals for application denials that are to be reviewed. This report provides the following information:

A. County Totals for Each County

1. Number of denied applications in each aid program/category of MAA, MAB, MAD and MQB.
2. Total number of denied applications for the county.

B. State Totals

1. Number of denied applications in each aid program/category of MAA, MAB, MAD, and MQB.
2. Total number of denied applications statewide.

VII. INSTRUCTIONS FOR CASE EVALUATION

A. Introduction

The county must review all MQB, MAA, MAB and MAD cases on reports found in III. (Terminated Cases for Review for MQB Budget Change) and V. (Denied Applications for Review for MQB Budget Change) above following instructions below.

An MQB Family Size Budgeting Evaluation Sheet (see [attachment 1](#)) must be completed for each action listed on the reports. For example, if the same individual was denied more than once since June 17, 2009, you must complete a sheet for each denial. Sections I. and IV. of the Evaluation Sheet must be completed for all cases reviewed. Complete sections II. and III. of the Evaluation Sheet for all cases where Family Size budgeting was used.

B. Review Cases for MQB Budget Change

1. Complete Section I. of the Evaluation Sheet.
 - a. If the individual was not receiving Medicare (answer no to Evaluation Sheet question I.D.), complete section IV. of the Evaluation Sheet. No other action is required.
 - b. If the individual was receiving Medicare (answer yes to Evaluation Sheet question I.D.), proceed to 2. below.

2. Determine if Family Size Budgeting applies using instructions in Administrative Letter 01-10.

Was there an ineligible spouse and/or child under age 18 who was not receiving SSI, WF or CAP in the home?

OR

Was the a/r a MAABD Medicaid Child to whom parents' income may be deemed?

Note: A "Medicaid Child" is an a/r under the age of 18 who lives with his parent(s) who do not receive SSI, AAF or CAP.

- a. If no to both questions, complete section IV of the evaluation sheet. No other action is required.
 - b. If yes to either question, evaluate eligibility for family size budgeting using the DMA-5008F. Compare countable income to the maintenance level for the appropriate family size as instructed in DMA Administrative Letter No. 01-10.
 - c. Decide if any information is needed to determine eligibility for the entire period of time. Request the needed information on the DMA 5097 following instructions in MA 2303, Verification Requirements for Applications. Send cover letter ([attachment 2](#)) with the DMA 5097. Check the first block on attachment 2.
3. If ineligible, document the reason on the Evaluation Sheet; no further action is necessary.
 4. If eligible, proceed to VIII. below for denials and IX. below for terminations.

VIII. INSTRUCTIONS FOR REOPENING DENIALS

A. Denied applications found eligible for MQB-Q using family size budgeting.

1. Follow the instructions below and procedures as found in MA-2304, Processing the Application.
2. Reopen as a new administrative application (type 1). Follow instructions in EIS-2011, Completing an Application Form for New Applications, etc., for processing administrative actions.

- a. The date of application will be the original date of application.

Example: If the original application date was 5/20/09, enter DOA as 5/20/09 for this administrative reopen.

- b. Reopen back to the earliest date allowed but not prior to June 1, 2009.

Note: If original application was for retro, evaluate for MQB-B and MQB-E only (see instructions under C.2. below).

- c. The Medicaid effective date for MQB-Q will be the month after the original date of disposition.

The edit that only allows a future authorization date for Q class cases has been removed temporarily. Therefore, you will authorize for "Q" effective the month after the original date of denial, if eligible. **Note: the absence of this edit is for the purpose of processing these cases only and is to be used for no other purpose.**

Example: DOA entered as May 20, 2009. Original denial was July 15, 2009. Approve effective August 1, 2009 as MQB-Q.

- d. Certify using the certification period from the original application.

Example: Application denied July 15, 2009 had an original date of application of May 20, 2009. Certify May 1, 2009 through April 30, 2010 and authorize for MQB-Q effective August 1, 2009 through April 30, 2010.

3. Determine eligibility for each subsequent certification period to the present. If the individual reapplied and was found eligible, only evaluate and authorize the periods of time not included in any eligibility period up to the present. Do not overlap certification periods. Verify all items subject to change such as income and reserve as well as determine if any changes which would affect eligibility have occurred. If the a/r does not provide information to determine eligibility for subsequent c.p.'s or if eligibility ended, process as an open/shut application. Record disposition information on the original document.
 - a. Key the application as open/shut if the a/r is not eligible for the subsequent certification period.
 - b. Key as a review if eligible for a subsequent certification period.

4. Override the Claims Filing Time Limit, if applicable, for MQB-Q Cases.
 - a. Request an override if the date of disposition is within 60 days of the 365 day time limit for filing claims. Follow instructions in MA-2395, Corrective Actions and Responsibility for Errors, for requesting an override.
 - b. Use “court order in favor of the a/r” as the reason for the override request.
 - c. Send override request within 5 days of disposition.
5. Send the DMA-5004, Buy-in Clerical Action, form to Claims Analysis Unit, DMA.
6. Send manual notice DMA 5002 to the a/r with [attachment 2](#). Check the second block on attachment 2.

B. Denied applications found eligible for MQB-B or MQB-E using family size budgeting.

1. Follow instructions below and procedures found in MA-2304, Processing the Application.
2. Reopen as a new administrative application (type 1 or 4). Follow instructions in EIS-2011, Completing an Application Form for New Applications, etc., for processing administrative actions.
 - a. Use the same application date as the original application.
 - b. Reopen back to the earliest date allowed by policy, including retroactive eligibility if applicable, but in no case prior to June 1, 2009.

Note: Do not authorize if eligible using family size budgeting prior to June 1, 2009. Indicate on the Evaluation Sheet that the individual was not eligible prior to June 1, 2009 because family size budgeting is not applicable to that time period.

3. Determine eligibility for each subsequent certification period to the present. If the individual reapplied and was found eligible, only evaluate and authorize the periods of time not included in any eligibility period up to the present. Do not overlap certification periods. Verify all items subject to change such as income and reserve as well as determine if any changes which would affect eligibility have occurred. If the a/r does not provide information to determine eligibility for subsequent c.p.'s or if eligibility ended, process as an open/shut application. Record disposition information on the original document.

Remember: Certification periods for MQB-E cases can only go through the end of the calendar year.

Example: Bella is disabled and receives Medicare. She is a single parent of one child. Bella applied for MAD on April 28, 2009. Her total countable income in March consisted of \$1,462 in RSDI. She was denied June 29, 2009 for being over income.

On May 27, 2010 her case is evaluated using family size budgeting and it is determined that she was eligible for MQB-E effective April 1, 2009. Her case is reopened with an authorization date of 6/1/2009 and a certification period of April 1, 2009 through December 31, 2009. The IMC contacts Bella and is able to verify that her income and resources remained the same throughout 2009. She is recertified for MQB-E with a certification period of January 1, 2010 through December 31, 2010.

4. Send the DMA-5004, Buy-in Clerical Action, form to Claims Analysis Unit, DMA.
5. Send manual notice DMA 5002 to the a/r with [attachment 2](#). Check the second block on attachment 2.

IX. INSTRUCTIONS FOR REOPENING TERMINATIONS THAT WERE NOT IN DEDUCTIBLE STATUS

A. Terminated cases found eligible for MQB-Q under Family Size budgeting.

1. Follow the instructions below and as found in MA-2304, Processing the Application, IV. D. 3. c. (1.); (3) and (4) for reopening terminated cases.
2. Reopen as a new administrative application (type 1). Follow instructions in EIS-2011, Completing an Application Form for New Applications, etc., for processing administrative actions.

- a. The date of application will be the original termination effective date.

Example: If the original case was terminated effective July 31, 2009, enter DOA as July 31, 2009 for this administrative reopen.

- b. Reopen back to the earliest date allowed by policy, but not prior to June 1, 2009.

The edit that only allows a future authorization date for Q class cases has been removed temporarily. Therefore, authorize for "Q" effective the month after the original termination date, if eligible. **Note: the absence of this edit is for the purpose of processing these cases only and is to be used for no other purpose.**

Example: DOA entered as July 31, 2009. Approve effective August 1, 2009 as MQB-Q.

- c. Certify for twelve months beginning the month after the month of termination.

Example 1: Case that was terminated July 31, 2009 had a certification period of February 1, 2009 through July 31, 2009. Since this case was terminated at the end of the certification period, certify and authorize for MQB-Q effective August 1, 2009 through July 31, 2010.

Example 2: Case that was terminated July 31, 2009 had a certification period of April 1, 2009 through September 30, 2009. Since this case was terminated during the certification period, certify and authorize August 1, 2009 through September 30, 2009.

3. Determine eligibility for each subsequent certification period to the present. If the individual reapplied and was found eligible, only evaluate and authorize the periods of time not included in any eligibility period up to the present. Do not overlap certification periods. Verify all items subject to change such as income and reserve as well as determine if any changes which would affect eligibility have occurred. If the a/r does not provide information to determine eligibility for subsequent c.p.'s or if eligibility ended, process as an open/shut application. Record disposition information on the original document.

Example: Family size budgeting review is done and when a maintenance level for two is used the a/r is found eligible and authorized June 1, 2009 with a certification date of April 1, 2009 through March 31, 2010. Contact with recipient reveals that her spouse died in January of 2010. Family size budgeting no longer applies and she is over income for MQB-E. Do an open shut application using March 31, 2010 as the termination date.

4. Override the Claims Filing Time Limit Where Necessary for MQB-Q Cases.
 - a. Request an override if the date of disposition is within 60 days of the 365 day time limit for filing claims. Follow instructions in MA-2395, Corrective Actions and Responsibility for Errors, for requesting an override.
 - b. The override request must use “court order in favor of the a/r” as the reason for the override request.
 - c. Send override request within 5 days of disposition.
5. Send the DMA-5004, Buy-in Clerical Action, form to the Claims Analysis Unit, DMA.
6. Send manual notice DMA 5002 to the a/r with [attachment 2](#). Check the second block on attachment 2.

B. Terminated cases found eligible for MQB-B or MQB-E using family size budgeting.

1. Follow instructions below and procedures found in MA-2304, Processing the Application, IV. D. 3. c. (1.); (3) and (4) for reopening terminated cases.
2. Reopen as a new administrative application (type 1). Follow instructions in EIS-2011, Completing an Application Form for New Applications, etc., for processing administrative actions.
 - a. The date of application will be the original termination date.

Example: If the original case was terminated effective July 31, 2009, enter DOA as July 31, 2009 for this administrative reopen.
 - b. Reopen back to the earliest date allowed by policy.

3. Determine eligibility for each subsequent certification period to the present. If the individual reapplied and was found eligible, only evaluate and authorize the periods of time not included in any eligibility period up to the present. Do not overlap certification periods. Verify all items subject to change such as income and reserve as well as determine if any changes which would affect eligibility have occurred. If the a/r does not provide information to determine eligibility for subsequent c.p.'s or if eligibility ended, process as an open/shut application. Record disposition information on the original document.

Remember: Certification periods for MQB-E cases can only go through the end of the calendar year.

4. Send the DMA-5004, Buy-in Clerical Acton, form to the Claims Analysis Unit, DMA.
5. Send manual notice DMA 5002 to the a/r with [attachment 2](#). Check the second block on attachment 2.

X. INSTRUCTIONS FOR REOPENING TERMINATIONS THAT WERE IN DEDUCTIBLE STATUS

A. Terminated cases found eligible for MQB-Q under Family Size budgeting.

1. Follow the instructions below and as found in MA-2304, Processing the Application, IV. D. 3. c. (1.); (3) and (4) for reopening terminated cases.
2. Reopen as a new administrative application (type 1). Follow instructions in EIS-2011, Completing an Application Form for New Applications, etc., for processing administrative actions.
 - a. The date of application will be the last day of the month prior to the first month of the certification period in deductible status that includes June 2009.

Example: Case terminated on August 31, 2009 for failure to meet a deductible (cert. period 03/09 through 08/09). The A/R would have been eligible for MQB-Q had family size budgeting been used. Open as a new administrative application (type 1) using February 28, 2009 as the application date.

- b. Reopen back to the earliest date allowed by policy, but not prior to June 1, 2009.

The edit that only allows a future authorization date for Q class cases has been removed temporarily. Therefore, authorize for "Q" effective the month after the original application date. **Note: the absence of this edit is for the purpose of processing these cases only and is to be used for no other purpose.**

Example: DOA entered as February 28, 2009. Approve effective June 1, 2009 as MQB-Q.

- c. Certify for twelve months.

Example: New application date is February 28, 2009. Authorize June 1, 2009 with a certification period of February 1, 2009 through January 1, 2010.

- 3. Determine eligibility for each subsequent certification period to the present. If the individual reapplied and was found eligible, only evaluate and authorize the periods of time not included in any eligibility period up to the present. Do not overlap certification periods. Verify all items subject to change such as income and reserve as well as determine if any changes which would affect eligibility have occurred. If the a/r does not provide information to determine eligibility for subsequent c.p.'s or if eligibility ended, process as an open/shut application. Record disposition information on the original document.
- 4. Override the Claims Filing Time Limit Where Necessary for MQB-Q Cases
 - a. Request an override if the date of disposition is within 60 days of the 365 day time limit for filing claims. Follow instructions in MA-2395, Corrective Actions and Responsibility for Errors, for requesting an override.
 - b. The override request must use "court order in favor of the a/r" as the reason for the override request.
 - c. Send override request within 5 days of disposition.
- 5. Send the DMA-5004, Buy-in Clerical Action, form to the Claims Analysis Unit, DMA.
- 6. Send manual notice DMA 5002 to the a/r with [attachment 2](#). Check the second block on attachment 2.

B. Terminated cases found eligible for MQB-B or MQB-E using family size budgeting.

1. Follow instructions below and procedures found in MA-2304, Processing the Application, IV. D. 3. c. (1.); (3) and (4) for reopening terminated cases.
2. Reopen as a new administrative application (type 1). Follow instructions in EIS-2011, Completing an Application Form for New Applications, etc., for processing administrative actions.

- a. The date of application will be the last day of the month prior to the first month of the certification period in deductible status that includes June 2009.

Example: Case terminated on September 30, 2009 for failure to meet a deductible (cert. period 04/09 through 09/09). The A/R would have been eligible for MQB-B had family size budgeting been used. Open as a new administrative application (type 1) using March 31, 2009 as the application date.

- b. Reopen back to the earliest date allowed by policy, but not prior to June 1, 2009.

Example: DOA entered as March 31, 2009. Approve effective June 1, 2009 as MQB-B.

- c. Certify for twelve months.

Example: New application date is March 31, 2009. Authorize June 1, 2009 with a certification period of April 1, 2009 through March 31, 2010.

3. Determine eligibility for each subsequent certification period to the present. If the individual reapplied and was found eligible, only evaluate and authorize the periods of time not included in any eligibility period up to the present. Do not overlap certification periods. Verify all items subject to change such as income and reserve as well as determine if any changes which would affect eligibility have occurred. If the a/r does not provide information to determine eligibility for subsequent c.p.'s or if eligibility ended, process as an open/shut application. Record disposition information on the original document.

Remember: Certification periods for MQB-E cases can only go through the end of the year.

4. Send the DMA-5004, Buy-in Clerical Acton, form to the Claims Analysis Unit, DMA.
5. Send manual notice DMA 5002 to the a/r with [attachment 2](#). Check the second block on attachment 2.

XI. INSTRUCTIONS FOR EVALUATION SHEET

- A. Keep one copy of the Evaluation Sheet in the case file.**
- B. Give one copy of the Evaluation Sheet to your supervisor.**
- C. Supervisors must maintain their copy of the Evaluation Sheet with the XPTR Reports.**
- D. When all cases have been reviewed, notify your MPR.**

XII. IMPLEMENTATION DATE

Begin review of these cases upon receipt of this Addendum. All cases must be reviewed by July 31, 2010. When you have completed the review of all cases, notify your Medicaid Program Representative.

If you have any questions regarding this material, please contact your Medicaid Program Representative.

Craig L. Gray, MD, MBA, JD,
Director

(This material was researched and written by William Appel, Policy Consultant, Medicaid Eligibility Unit.)