

DMA ADMINISTRATIVE LETTER NO: 08-13, HEALTH COVERAGE FOR WORKERS WITH DISABILITIES

DATE: 8/26/13

SUBJECT: Health Coverage for Workers with Disabilities

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

I. BACKGROUND

North Carolina is authorized to provide Medicaid for disabled/blind workers under the Health Coverage for Workers with Disabilities Act (G.S. 108A-54.1). Health Coverage for Workers with Disabilities (HCWD) provides an incentive for persons with disabilities to go to work or to increase their hours of work while protecting their Medicaid eligibility.

Health Coverage for Workers with Disabilities was implemented in November of 2008, providing eligibility for disabled individuals with incomes of 150% or less of the federal poverty level (FPL) (See MA-2180, Health Coverage for Workers with Disabilities). In May of 2009, the income limit was raised to 200% of FPL with the requirement that those whose income exceeds 150% FPL must pay an enrollment fee. The policy increasing the income limit was rescinded following a CMS directive that the enrollment fee, required by state legislation, was a violation of the American Recovery and Reinvestment Act (ARRA) Maintenance of Effort requirements (MOE).

As a result of subsequent conversations, CMS came to the understanding that imposing cost sharing requirements on individuals who would become eligible in an expansion of an existing program did not implicate MOE. Consequently, DMA is now able to reintroduce HCWD eligibility for those with incomes up to 200% of FPL.

II. POLICY PRINCIPLES

A. Income

1. To be eligible for HCWD, the a/b must have countable income, after applicable deductions and disregards, less than or equal to 200% of the federal poverty level (See [MA-2250, Income, IX.F. & G.](#)).
2. Individuals with countable income above 150% FPL cannot have unearned income in excess of 150% FPL.

B. Enrollment Fee

If countable income is above 150% but equal to or less than 200% of the federal poverty level, the a/b must pay a \$50 enrollment fee for each twelve month certification period. The enrollment fee is collected by the county and retained to offset administrative expenses. There is no enrollment fee for retroactive coverage.

1. Determine if an Enrollment Fee is Due

- a. Calculate the amount of total countable net income for the individual.
- b. If this amount exceeds 150% of FPL but is equal to or less than 200% of FPL, an enrollment fee is due. (Those in this income range must have unearned income at or below 150% of FPL.)

2. Notification of Enrollment Fee

Upon determination that an a/b is eligible for HCWD and that his income exceeds 150% of FPL, notify the applicant in writing that an enrollment fee of \$50 is due. (See [Attachment 1](#))

- a. Give the a/b at least 12 calendar days to pay the fee.
- b. If 12 calendar days exceeds the 45/90 day processing standard, pend until you receive notice of payment, or until the first workday after the due date for payment.

Allow for the exclusion of days when income verification is received and the application must pend beyond 45/90 days in order to notify the applicant and receive the enrollment fee. The exclusion of days begins on the day of the request for the fee and ends on the day the fee is received or on the 13th calendar day, whichever occurs first. Use HCW code for this purpose. Refer to MA-2304, Processing the Application.

- c. Inform the office or individual responsible for collecting the fee of the date by which the fee must be paid and the date when the IMC must be informed of payment or nonpayment. Do not send a termination notice prior to the day after the payment is due.

3. Payment/Collection/Notification

- a. Each county is responsible for establishing procedures for collection of enrollment fees.

- (1) Determine which methods of payment (i.e. cash, money order, certified check) are acceptable. Do not accept a non-certified check in payment.
 - (2) Partial payment is not allowed. The entire fee must be paid prior to approval of the application.
 - b. Determine what office and/or person(s) are responsible for collection of enrollment fees for HCWD. This decision must be communicated in writing to all staff who are determining eligibility for HCWD.
 - c. Establish procedures for communication between the IMC staff and the fee collector for:
 - (1) Identification of case/individuals who must pay an enrollment fee, and
 - (2) The amount of the fee due, and
 - (3) The date by which the fee must be paid, and
 - (4) The time frame and method for notification to the IMC that the fee has been paid, or
 - (5) Notification that the a/b refused to pay, or failed to pay the fee by the date due.
 - d. The enrollment fee may be paid with funds provided by individuals or organizations other than the applicant, including county funds. The total of enrollment fees due offset the county's reimbursement for administrative purposes.
4. Decision Following Payment or Non-Payment
 - a. Upon receipt of notification from the fee collector that the enrollment fee has been paid, authorize eligibility.
 - b. Upon receipt of notification from the fee collector that the a/b refused to pay the fee, or failed to pay the fee, deny the application. If it is a redetermination, terminate after timely notice. (See II.B.2. above for notice time frame requirements.)
 - c. If no communication has been received from the fee collector on the first workday following the date on which the fee was due, contact the collection agency/person to verify status. If payment has not been made, document the contact and deny the application for non-payment of the fee. If it is a redetermination, terminate after timely notice. (See II.B.2. above for notice time frame requirements.)

5. HCWD Applicants Currently in Other Programs

a. HCWD Applicant in a Full Coverage Program

If the income is over 150% of FPL, collect the enrollment fee of \$50 before authorizing.

b. HCWD Applicant Receiving MQB Only

If the income is over 150% of FPL, collect the enrollment fee of \$50 before authorizing.

c. HCWD applicant with fewer than twelve months left on existing certification period.

If the individual has fewer than twelve months left on his certification period an enrollment fee is not due.

C. Certification Period

The ongoing certification period for HCWD is twelve months. The beneficiary may be entitled to one, two or three months of retroactive eligibility depending upon medical need.

III. EIS REQUIREMENTS

A. Sub-Program Codes

1. For the Basic Coverage Group, enter the following sub-program codes:

a. If countable income is at or below 150% of FPL enter B1.

b. If countable income is greater than 150% through 200% of FPL enter B2.

2. For the Medically Improved Coverage Group, enter the following sub-program codes:

a. If Countable income is at or below 150% of FPL enter M5.

b. If Countable income is greater than 150% through 200% of FPL, enter M6.

Note: Individual must be a B1 or B2 prior to becoming a M5 or M6.

B. Federal Poverty Level Indicator

Enter the appropriate federal poverty level in the Federal Poverty Level Indicator. For poverty level indicator codes, see the EIS Manual.

Note: The sub program codes and the FPL indicator are both located in the field labeled "sub-program." See EIS Manual Section 2600.

C. Income Limits and Medicaid Classification

1. Income greater than 150% FPL through 200% FPL.
 - a. **Unearned Income** cannot exceed 150% of FPL, even if total countable income is less than 200% of FPL.
 - (1) The **unearned income** for a single individual cannot exceed \$1,437.
 - (2) The **unearned income** for a couple cannot exceed \$1,939.
 - b. For living arrangement 10
 - (1) The income range for a single individual is \$1,437.01 - \$1,915 and the maintenance amount is \$1,915.
 - (2) The income range for a couple is \$1,939.01 - \$2,585 and the maintenance amount is \$2,585.
 - c. For living arrangement 11
 - (1) The income range for a single individual is \$ 958.01 - \$1,277; and the maintenance amount is \$1,277.
 - (2) The income range for a couple is \$1,293.01 - \$1,724; and the maintenance amount is \$1,724.
2. The Medicaid Classification must be N or G. Medicaid classification codes Q or B are not allowed for this group (income per se above the limit for these programs).

HCWD	Income Range (150+ - 200% fpl)	Unearned Income Cannot Exceed 150% fpl	Maintenance Amount
Living Arrangement 10	Single \$1,437.01 - \$1,915	Single \$1,437	Single \$1,915
(Med. Class N or G)	Couple \$1,939.01 - \$2,585	Couple \$1,939	Couple \$2,585
Living Arrangement 11	Single \$958.01 - \$1,277	Single \$1,437	Single \$1,277
Med Class N or G)	Couple \$1,293.01 - \$1,724	Couple \$1,939	Couple \$1,724

IV. EFFECTIVE DATE AND IMPLEMENTATION

This policy change is effective 7/01/2013. Apply this change to applications taken and redeterminations started on or after July 1, 2013 and for applications and redeterminations presently in process only for months beginning July 2013 or later.

Review all terminations and denials for excess income that were completed on or after July 1, 2013. Determine if the individuals would have been eligible under the expanded HCWD program. A list of all those potentially affected will be created on XPTR and the counties will be notified when the XPTR reports are available.

If you have any questions, please contact a Medicaid Program Representative

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(This material was researched and written by Wanda McLeoud, EIS Consultant and William Appel, Program Director, Division of Medical Assistance, Recipient and Provider Services)