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MEDICAID MANUAL (OFI Policy Manual, VOLUME II) TRANSMITTAL NO. 18

TO: County Departments of Family and Children Services
State DFCS Staff

FROM: Mary Dean Harvey, Division Director
Division of Family and Children Services

RE: Medicaid Policy Updates/Changes

PURPOSE: This manual transmittal updates Appendix A1 with the new ABD COLA increases. Other ABD changes are to Life Estate and Contracts, etc. The MT also includes policy changes requiring verification of income and resources for certain Family Medicaid COAs. For Children in Placement Medicaid, information is added regarding relative care placement and how to treat out of state emergency services.

DISCUSSION:

Specific changes to the Sections are discussed briefly under the Comments Section below.

UPDATES:

| Section | Instructions for Manual Maintenance | Page | Comment |
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| 2051 | Remove and Replace | 1 | Under client statement, added bullets that income and resources must be verified, added note that client statement is acceptable for RSM PgW and Newborn |
| | | 2 | 1 st and 2 nd bullet, changed to reflect that income and resources must be verified for FM COA's. |
| 2052 | Remove and Replace | 2 | Under application requirements, clarified that a new application is not needed when completing CMD for a current AU member, or when a case is being CMD'd to a higher COA when the same AU members will still be eligible. |
| | | 3 | Under step 4, update note that timely notice is required when completing CMD to 4MCS as well as TMA. |
| 2054 | Remove and Replace | 2 | 5 th paragraph, added sentence that Form 526 can't be signed earlier than 30 days prior to the first EMA date of service appearing on the form. |

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| 2111 | Remove and Replace | 1 | Corrected typo on reference last paragraph from Section 2054 to 2053, Retroactive Medicaid. |
| 2133 | Remove and Replace | 6 | Step 14, last bullet, changed in-home care from less costly only to less costly or equal to. |
| | | 8 | Added information on procedures for KB A/R turning 18 |
| 2150 | Remove and Replace | 9 | Under medical care purchases changed transportation cost to 48.5 cents per mile. Under medical care purchases, added guide dog information. |
| 2166 | Remove and Replace | 2 | Under reporting, updated note that income must be verified and added reference for minimum verification standards. |
| | | 4 | Step 6, updated note that income must be verified and added reference for minimum verification standards |
| | | 5 | Steps 1 and 3, updated note that income must be verified and added reference for minimum verification standards. |
| | | 6 | 3 rd bullet, updated to reflect that income must be verified and added reference for minimum verification standards. |
| | | 8-9 | 6 th block under “then” in chart, removed best practice of contacting by phone to obtain QRF information. |
| 2180 | Remove and Replace | 3 | Under verification, changed to reflect that income must now be verified, and added note that client statement is acceptable for RSM PgW. |
| 2182 | Remove and Replace | 2 | Step 5, updated to reflect that income must be verified. |
| 2184 | Remove and Replace | 3 | Step 3, added note that if A/R applies for RSM PgW after pregnancy is terminated, she must provide birth certificate, confirmation of birth or statement from medical provider as proof that she was PgW. |
| 2196 | Remove and Replace | 10 | 2 nd bullet under medical expenses, updated reimbursement rate for transportation costs. |
| 2205 | Remove and Replace | 3 | Step 2, NOTE, deleted information regarding Form 181 which is an obsolete form. Added information about the need for additional medical data. |
| | | 4 | Added paragraph at top of page outlining procedures for obtaining a SMEU decision on a stroke patient. |
| 2215 | Remove and Replace | 4 | 5 th bullet under declaration, removed reference to when application is needed. |
| 2301 | Remove and Replace | 8 | Updated verification section to reflect that resources must be verified. |
| 2308 | Remove and Replace | 1 | Added NADA website under 2 nd bullet of FMV. |
| | | 2 | Top of page, added that statement may be accepted as proof of amount owed on a vehicle. |
| 2310 | Remove and Replace | 1 | Under Family Medicaid, updated to state that verification of amounts is required if total resources is >75% of resource limit. |
| 2313 | Remove and Replace | 3 | Added new Step 3, for treatment of contracts that are not monthly payments. |

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| 2313 Cont. | | 5 | Step 6, added sentence at the bottom of paragraph to recompute penalty using outstanding balance if all or a part of the contract is returned. Redid chart in Step 7. |
| | | 6 | Special Considerations: Added 2 new bullets for treatment of payments on contracts that are made to a 3 rd party rather than the A/R and also treatment when the outstanding principal balance is depleted by using some of the money purchasing items for other people. |
| 2322 | Remove and Replace | 1 | Under “Non-FBR” added that an A/R can’t purchase a life estate interest in property in which A/R hasn’t lived or had ownership interest for at least a year prior to entering LA-D. |
| | | 2 | Under “Procedures”, 2 nd paragraph, added same as above. |
| 2334 | Remove and Replace | 1 | Under Family Medicaid, updated to state that verification of account balances is required if total resources is >75% or resource limit. |
| 2342 | Remove and Replace | 1-2 | Reword bottom of page 1 and top of page 2 regarding OBRA '93 Trans. Of assets. |
| 2405 | Remove and Replace | 3 | Last paragraph, added “for ABD Medicaid only” and another sentence stating terminated income in the application or subsequent months must be verified for Family Medicaid. |
| | | 5 | 1 st paragraph under verification, updated to reflect that income must be verified for all FM COAs except PgW and Newborn. |
| 2415 | Remove and Replace | 4 | Removed statement that statement of self employment can be accepted for Family Medicaid. |
| 2499 | Remove and Replace | 16 | Removed from Children in Placement: Follow 1996 AFDC budgeting for earned and unearned lump sums. (DCH – revert to current Medicaid policy). Replaced with: “For all AFDC related categories of Medicaid, a lump sum is treated as income in the month received and as a resource in any amounts thereafter. |
| 2502 | Remove and Replace | 6 | Clarify NOTE, Step 3, regarding Spousal Impoverishment. |
| 2578 | Remove and Replace | 1 | Step 3, clarified policy on transfer of assets by A/R in LA-D. |
| 2581 | Remove and Replace | 1 | 1 st sentence under “Basic Considerations”, removed that provider ID must end with S. Step 1, removed reference to AMN NH in 2 nd paragraph and in NOTE. |
| 2650 | Remove and Replace | 2 | Under actual budgeting, added note that actual income must be verified for all FM COAs except PgW and Newborn |
| 2653 | Remove and Replace | 2 | Under verification, added the verification requirements for income and procedures for calculation of missing check stubs using year to date. Under Step 1 of procedures, added note that A/R’s statement of |

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| 2653 Cont. | | | dependent care expense is acceptable. |
| | | 3 | Added Chart 2653.1, Minimum Verification Requirements. |
| 2667 | Remove and Replace | 1 | Under Basic Considerations, 4 th paragraph, updated to reflect that income on QRF must be verified. Step 1 under procedures, added statement that income must be verified. |
| 2712 | Remove and Replace | 3 | Chart 2712.1, updated to reflect new verification requirements for income and resources. |
| 2714 | Remove and Replace | 1 | Step 1, update to state that income/resources must be verified. |
| | | 2 | step 1, update to state that income/resources must be verified. |
| 2715 | Remove and Replace | 1 | Paragraph after last bullet, updated to state that income must be verified. |
| | | 2 | 7 th bullet, removed reference to accepting client statement. |
| | | 3 | 4 th bullet under loss or decrease in income, removed reference to accepting client statement. 4 th bullet under increase in income, removed reference to accepting client statement. |
| | | 4 | 7 th bullet under change in source of income, removed reference to accepting client statement. 7 th bullet under child support income, removed reference to accepting client statement. |
| | | 5 | 4 th bullet under loss of child support, removed reference to accepting client statement. |
| 2815 | Remove and Replace | 1 | Added reference to Section 2825 – AFDC Relatedness. |
| | | 3 | Inserted reference to Living with/Removal From rule of March 27, 2000. |
| 2820 | Remove and Replace | All | Corrected footer information. |
| 2825 | Remove and Replace | 1 | Added: “Reference this section for Living With/Removal Home Rule prior to March 27,2000.” |
| 2931 | Remove and Replace | 3 | Added sentence to bottom of NOTE that if one member of a spouse is getting Medicaid and LIS doesn’t automatically enroll ineligible spouse in Part D or LIS. Spouse would have to apply separately. |
| 2935 | Remove and Replace | 1 | 3 rd paragraph in procedures, changed provider for North Region to Southeastrans. |
| | | 2 | 1 st cell in chart changed North Region to Southeastrans and updated contact information. |
| Appendix A1 | Add '06 new limits to Section | 1-3 | Updated new financial limits. |
| Appendix C | Remove and Replace | 4 | Added 2 nd paragraph in non-emergency situations directing SSI A/Rs to report changes/corrections directly to CIC. Add GHP dedicated email address for DFCS use. |
| Appendix D | Remove and Replace | 19 | Replaced reference to Form 964 and Form 962. |

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| Appendix F | Remove, add or replace forms as indicated | | <ul style="list-style-type: none"> • Remove and Replace Overview. Page 3, under Secretary of State, email address changed. • Remove form 128 from section, no longer valid. • Corrected “NOTE” on Form 172. Remove and Replace • Add Form 173, Verification Checklist for all programs except ABD Medicaid • DMA Form 285, remove and replace. • Form number 963 has been assigned to Medicaid Notification Form. Remove unnumbered form/instructions and place new numbered form/instructions in numbered section. (In hard copy only.) • Remove old Form 5460 and replace with new form. • Add QIT Checklist. • Notice of Review of Annuity, 2nd paragraph, 2nd sentence, remove “Quarterly/yearly” to read only “Monthly installments”. Remove and Replace. • Notice of Review of Promissory Note, Loan or Property Agreement has been revised for use at application or review and to fill in the blank for resource limit. Remove and Replace. |
| Appendix G | Insert in front of MT 17 Cover Letter | | Adds Cover Letter for MT 18. |
| Appendix H | Remove Form 965 and Replace with new Form 965 | | Form 965, ABD Medicaid Supervisory Review, under NARR, the N/A, C and I row is shaded so that it won’t be used. |
| TOC 2300 | Remove and Replace | | Corrected heading for Section 2313. |
| TOC for Appendix F, Forms | Remove and Replace | | Added Form 173, Verification Checklist, and QIT Checklist. Medicaid Notification Form, Form 963, has been moved from unnumbered section to numbered section under Form 962. |
| TOC – Main | Remove and Replace | | |

Pen and Ink Changes:

Update the Record of Receipt of Manual Transmittals for ESS Policy Manual Volume 2, Medicaid.