

# Phase II - Module 8

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## History of NC Medicaid

North Carolina's Medicaid program has a rich history dating back to its inception in January 1970. Here are some key points:

1. **Establishment:** Medicaid was created as a joint federal and state program under the Social Security Amendments of 1965. North Carolina formally adopted Medicaid in January 1970.
2. **Purpose:** The program was designed to provide health coverage for low-income individuals, including adults, children, pregnant women, seniors, and people with disabilities.
3. **Growth and Impact:** Over the years, Medicaid has expanded to cover a significant portion of North Carolina's population. As of 2019, it supported the health and well-being of 2.2 million North Carolinians and covered more than 65,000 births annually.
4. **Medicaid Expansion Debate:** The debate over Medicaid expansion has been a contentious issue in North Carolina. While some argue that expansion would bring more federal funds and improve health outcomes, others are concerned about the potential costs and impacts on the healthcare system.
5. **Recent Developments:** In recent years, North Carolina has made strides in integrating physical and behavioral health, promoting value-based payment, and addressing non-medical drivers of health like housing stability and food security.

Medicaid has played a crucial role in improving health outcomes and providing financial security for many North Carolinians.

## What is Medicaid?

Medicaid is a health insurance program designed to assist low-income individuals and families who cannot afford healthcare costs.

### Types of Medicaid in North Carolina

- **Family and Children's Medicaid:** This program supports low-income parents/caretakers, pregnant women, and children in North Carolina. With the expansion of NC Medicaid, it now also includes individuals aged 19-64.
- **Adult Medicaid:** This program serves individuals who are 65 and older, disabled, blind, or receiving Medicare A/B.

NC Medicaid offers various programs to help cover some or all healthcare costs, depending on the individual's or family's income and, in some cases, resource limits.

## Funding and Administration

Medicaid is jointly funded by the federal government and individual states.

- **State Administration:** Each state establishes and administers its own Medicaid programs, determining the type, amount, duration, and scope of services within broad federal guidelines.
- **Mandatory and Optional Benefits:** States are required to cover certain “mandatory benefits” (e.g., inpatient hospital stays) but can choose to provide additional “optional benefits” (e.g., hospice care). Each state must meet minimum federal requirements but can offer extra coverage beyond these mandates.

## NC Medicaid’s Covered Services

NC Medicaid provides a range of services to meet the health needs of eligible individuals and families, ensuring they receive necessary medical care within the program’s guidelines.

## Knowledge Check

Which best describes North Carolina’s Medicaid?

- a. A welfare payment
- b. Obama care coverage
- c. Health insurance program for low-income individuals and families

NC Medicaid is jointly funded by North Carolina and the Federal Government. Who is responsible for administering the program in North Carolina?

- a. Federal Government
- b. International Government
- c. North Carolina Government

## How to Apply for NC Medicaid

Individuals can submit applications through the following ways:

- In person – applicants can present in person to apply for themselves, their family or another person for whom they are the legal/authorized representative for Medical Assistance. Individuals may apply for all Medicaid programs at their local department of social services.
- Mail- individuals may apply by mail by downloading the DHB-5200 application for Health Coverage & Help Paying Coasts and all the appropriate appendices at: <https://www.ncdhhs.gov/dma/medicaid/applications.htm> and mail it in or drop it off at their local department of social services.
- Online -ePASS – individuals can apply for benefits online through ePASS (Electronic Pre-Assessment Screening Service) at <https://www.epass.nc.gov>.

- Federally Facilitated Marketplace (FFM) – individuals can apply online for Insurance Affordability programs through the FFM at <https://www.healthcare.gov/>
- Fax – Individuals may fax the completed DHB-5200 to the appropriate local department of social services
- Email - Individuals may email the completed DHB-5200 to the appropriate local department of social services
- Phone – individuals may apply by telephone by calling their local department of social services.

## Knowledge Check

Which of the following are ways an individual can apply for Medicaid in NC?

- a. Telephone
- b. Fax
- c. By mail
- d. Online
- e. All of the above

Which type of submitted application for Medicaid services would be dated the date of the interview with the application and not the date the signed application was received in the agency?

- a. Telephone application
- b. Application dropped at front desk
- c. FFM electronic application

## Application Guidelines

A Medicaid application is considered complete if it meets the following criteria:

1. It is legible.
2. It is signed by an authorized individual on behalf of the applicant.
3. It includes a mailing address.
4. It provides the full name, sex, and date of birth for at least one applicant.
5. It indicates that at least one person on the application is marked as “applying.”

If any of these criteria are not met, the application is deemed “**incomplete.**” In such cases, the application is marked as “**Administrative,**” and the application date is protected while verifications are pursued to complete the application. The exception to this process is if no one on the application is marked as applying; these applications are keyed and then “**Administratively Denied.**”

## Who Can Apply for Medicaid?

1. **Self-Representation:** Anyone can apply on their own behalf, including minors under the age of 18.
2. **Power of Attorney (POA):** An applicant's verified POA can apply. If the POA is not verified, the application is considered "incomplete," and verification must be obtained before authorization.
3. **Authorized Representative (A/R):** An applicant's verified A/R, who is legally authorized or designated in writing by the applicant, can apply. If the A/R is not verified, the application is "incomplete," and verification must be pursued before authorization. Designation of Authorized Representative Form DHB-5202-C must be signed by both the a/b and the authorized representative.
4. **Parent/Caretaker:** A minor applicant's parent or caretaker can apply, regardless of whether they live with a minor child.
5. **MAGI Household Member:** Any adult member of the applicant's Modified Adjusted Gross Income (MAGI) household can apply, regardless of the applicant's age or whether the adult member resides with the applicant.
6. **Responsible Person:** A person acting responsibly for a minor child, or an incapacitated individual can apply. Proof of incapacity for an adult or the date of birth for a minor must be provided; otherwise, the application is "incomplete."

## Medicaid Application Submission Guidelines

Medicaid applications must be signed to be considered valid. The date the signed application is received by the local agency is recorded as the application date. The only exception to this rule is for telephone applications, where the application date is the date of the telephone interview.

If an application is submitted without a signature, the unsigned DHB-5200 form is not considered a valid application. It will be returned to the submitter along with the DH-5104 form, advising them to sign and return the application to be evaluated for Medicaid services.

## Requirements for F&C Medicaid Programs – Determining Eligibility

Before evaluating program-specific criteria, each Medicaid applicant must meet certain basic requirements. These prerequisites apply universally, regardless of the specific Medicaid program being considered. Only after these basic requirements are satisfied can eligibility be determined. Key examples include citizenship or immigration status, identity verification, Social Security Number (SSN) enumeration, and residency.

If an applicant fails to meet these basic requirements, the caseworker cannot proceed with evaluating eligibility under specific program guidelines such as MAF (Medical Assistance for Families with Dependent Children), MIC (Medicaid for Infants and Children),

MPW (Medicaid for Pregnant Women), or MXP (MAGI Adult Group Medicaid Expansion). These requirements are applicable only to individuals seeking Medical Assistance benefits for themselves.

### Basic Requirements for All NC Medicaid Programs:

- ✓ Citizenship or Immigration Status: Must be a U.S. citizen or a qualified alien (with exceptions).
- ✓ Proof of Identity: Must provide proof of identity.
- ✓ Residency: Must be a resident of North Carolina.
- ✓ Medicaid from Another State: Cannot be receiving Medicaid from another state (with exceptions).
- ✓ Social Security Number (SSN): Must provide a valid SSN or apply for one if eligible.
- ✓ Inmate Status: Must not be an inmate of a public institution (e.g., state prison).
- ✓ Income Requirements: Must meet income requirements.

These foundational criteria ensure that only eligible individuals proceed to the next stage of the Medicaid application process.

### Desk Reference/Forms/Manual/Notices

**IMPORTANT NOTE:** Instructors may refer to Manual references to assist in teaching this portion of the class but, it is not necessary to show students.

TYPE	TITLE	REFERENCE
Manual	Family and Children's Medicaid, Health Benefits/NC Medicaid - Income	<b>MA-3330</b>
Manual	Family and Children's Medicaid, Health Benefits/NC Medicaid - Citizenship	<b>MA-3332</b>
Manual	Family and Children's Medicaid, Health Benefits/NC Medicaid – Post Eligibility Verification	<b>MA-3205</b>
Manual	Family and Children's Medicaid, Health Benefits/NC Medicaid – State Residency	<b>MA-3335</b>
Manual	Family and Children's Medicaid, Health Benefits/NC Medicaid – Modified Adjusted Gross Income (MAGI)	<b>MA-3306</b>
Form	Application for Health Coverage & Help Paying Costs	<b>DHB-5200</b>
Form	Designation of Authorized Representative	<b>DHB-5202 C</b>
Notice	Notice of Incomplete Application	<b>DHB-5104</b>
Desk Reference	U.S. Citizenship Documentation Desk Reference	<b>DMA-5178</b>
Form	North Carolina Residency Declaration	<b>DHB-5152</b>

## Program Specific Requirements

These requirements apply to specific F&C Medicaid programs:

- **Child Under Age 21:**
  - Birth to age 19: MAFC, MICN/1, and MAFM
  - Age 19/20: MAFN and MAFM
- **Aged 19-64:** MXP
- **Over Age 21:** Must meet kinship and living arrangement requirements to be evaluated as a “caretaker” (MAFC, MAFM)
- **Pregnant:** MPW, MAFM
- **Not Pregnant:** MXP, MAFD
- **Medicare Part A and/or B:** Must not be entitled to or enrolled in Medicare Part A and/or B (MXP only)
- **Parent/Caretaker of a Child Under Age 21:** The child must currently be enrolled in health coverage that provides Minimum Essential Coverage (MEC) (MXP only)
- **Resource Requirements:** Must meet resource requirements if required by the Medicaid program (MAF/M only)

These criteria ensure that applicants are evaluated appropriately based on their specific circumstances and the Medicaid program they are applying for.

## Verifying Basic Requirements Electronically

The agency must verify all possible information through electronic sources. Caseworkers are required to use the Online Verification System (OVS) for every application and recertification of Medicaid applicants/beneficiaries (a/b). OVS provides access to data from various sources, including the Social Security Administration, NC Employment Security Commission, Child Support Services, and NCDMV.

Additionally, caseworkers must use The Work Number (TWN) at every application and recertification for Medicaid a/b. However, TWN is only used for household members aged 14 or older.

For verifying the immigration status of documented immigrants, caseworkers must run the Systematic Alien Verification for Entitlements (SAVE) at every application and recertification. SAVE is only used for applicants/beneficiaries reported as documented immigrants and not for U.S. citizens or undocumented immigrants.

The agency is required to utilize these systems (OVS, TWN, SAVE) before requesting additional verifications from the applicant. Although not classified as “Electronic Sources/Verifications,” caseworkers should also attempt to obtain verifications through the register of deeds and vital records before asking the a/b to provide further documentation. These databases can be particularly useful for locating birth certificates to verify citizenship or to obtain residency verification for an application.



## Post Eligibility Requirements

**Reference:** MA-3205 Family and Children's Medicaid, Health Benefits/NC Medicaid – Post Eligibility Verification.

Certain requirements are only necessary **after eligibility has been established and Medicaid has been authorized**. These verifications are not requested or required from the applicant until that point.

The following are requirements for coverage but are considered Post Eligibility Verifications:

- **Third Party Recovery (TPR):** Verification of other insurance.
- **Application for Other Potential Benefits:** This includes Unemployment Insurance Benefits (UIB), Social Security Administration (SSA) benefits, and Retirement, Survivors, and Disability Insurance (RSDI).
- **Cooperation with Child Support:** Generally, adults applying for Medical Assistance (MA) for themselves must cooperate with Child Support if they have a child in the home who is also receiving Medical Assistance, and the child has a parent residing outside the home (absent parent).

## Basic Requirements

**Reference:** MA-3332 Family and Children's Medicaid, Health Benefits/NC Medicaid – Citizenship.

1. Each individual requesting Medicaid Assistance (MA) must provide or cooperate in obtaining proof of citizenship and identity. Once documented, no further requests are made unless the documents become questionable.
2. Immigrants who do not meet the citizenship requirement or have satisfactory immigration status are eligible for Medicaid only for emergency medical services.
3. Newborn babies born in the U.S. whose mother is covered by Medicaid for the delivery are exempt from having to provide further verification of citizenship and identity.

## Who is a US Citizen?

### US Citizen is:

- **Any person born** in one of the 50 states, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, the Mariana Islands, American Samoa, or Swain's Island.
- **Any person born outside** of the United States to a US citizen.
- **Any person born outside** of the United States who has been approved by USCIS as a naturalized citizen.
- **Any person born outside** of the United States who was under the age of 18 on February 27, 2001, and meets all the following criteria:



- While under the age of 18, they resided permanently in the United States in the legal and physical custody of a US citizen parent.
- Had at least one US citizen parent (by birth or naturalization).
- Was a lawful permanent resident before the age of 18.

### Verifying U.S. Citizenship with OVS

Caseworkers should first attempt to verify U.S. citizenship electronically via OVS, as it is the preferred verification source. Here's how to demonstrate this process to students:

1. Navigate to the **Online Data** tab on the application/case.
2. Select the **OVS Folder** on the left-hand side of the screen.
3. Click **Request Online Data**.
4. Toggle into the results, then click the **List Actions Menu** to view the OVS results and check if U.S. citizenship is verified.

**NOTE:** If this can not be verified electronically it can be verified manually by using the DMA-5178 form.

### Who is an Immigrant?

Individuals who reside in the U.S. but are not U.S. citizens are considered immigrants. Here are the different categories:

- **Documented Immigrants:** Immigrants who possess valid documentation.
- **Undocumented Immigrants:** Immigrants in the U.S. without proper documentation, in violation of U.S. immigration law.
- **Qualified Aliens:** Individuals with certain lawful statuses.
- **Non-qualified Aliens:** Immigrants who do not meet the specific requirements of a qualified alien for Medicaid purposes.

Please note there is much more detailed information regarding qualified aliens and non-qualified aliens that we will not delve into for the sake of time.

### Common Immigration Documents

The following are examples of the most common documents provided:

- 1-551 Permanent Resident Card
- I-776 Employment Authorization Card
- 1-94 Arrival/Departure Records
- Foreign Passports
- I—688 Employment Authorization Document

### Verifying Immigration Status with SAVE

For any applicant or beneficiary (a/b) who attests to being a documented immigrant, the SAVE system must be used at every application and recertification. The verification should

be saved to the a/b's file. The primary method to access this information is through NC FAST, but it can also be retrieved via the online service outside of NC FAST if necessary.

**Exception: Trafficking Victims** - Trafficking victims, who are survivors of severe human trafficking, along with their immediate family members (spouse and/or children), are exempt from the five-year bar. They should be evaluated for regular (full) Medicaid.

Here's how to demonstrate this process to students:

1. Open the Insurance Affordability application (IAA) or Insurance Affordability (IA) for recertification/COC.
2. Verify "Citizenship Status" and "DHSID Details" on the Evidence Dashboard.
3. Click the Online Data Tab and select the SAVE folder.
4. Click the Request SAVE Data hyperlink on the SAVE Data Requests page.
5. In the SAVE Data Request Wizard, check the box next to the individual(s) and click Next.
6. Skip the attachments page and click Next on the summary page.
7. Check the SAVE folder for responses. If there's an error, retry the request.
8. Click the toggle next to the date to view SAVE responses.
9. Click the List Actions Menu next to the household member and select View.
10. Review the SAVE data to confirm the immigration status and potential benefits eligibility.

## Residency Requirements for NC Medicaid

To be eligible for NC Medicaid, applicants must meet specific criteria, including residency requirements. Here's a clearer breakdown:

1. **Residency Verification:** Applicants must be residents of North Carolina, and the agency must verify this residency.
2. **Residency Criteria:**
  - **Physical Presence:** The applicant must be physically present in North Carolina with the intent to reside here, **or**
  - **Job Commitment:** The applicant has entered the state with a job commitment, **or**
  - **Job Seeking:** The applicant is actively seeking employment in North Carolina.
3. **Proof of Residency:** Verification of residency must be obtained by the county or provided by the applicant.

The *DHB-5152* North Carolina Residency Declaration can be completed by either:

- a. **An individual who has social, family, or economic ties with the applicant** and has personal knowledge of the applicant's intent to reside in North Carolina for employment purposes or with a job commitment, **OR**
- b. An applicant who **self-attests** to being **homeless**.

## Household Composition

The Affordable Care Act (ACA) redefined the criteria for determining household composition and countable income for Family and Children's Medicaid applicants. This two-fold change involved:

1. **Redefining the MAGI Household:** Adjusting how individuals are included in the applicant's Modified Adjusted Gross Income (MAGI) household.
2. **Updating Countable Income Types and Disregards:** Modifying the types of income considered and the disregards allowed during the eligibility determination process.

## MAGI Medicaid Budgeting

MAGI Medicaid budgeting is now based on the individual's tax filing status or a modified set of rules if the individual does not file taxes or meets one of the three possible exceptions.

1. To determine eligibility under the MAGI budgeting methodology, the applicant must provide information on how taxes will be filed the next time taxes are due.
2. MAGI has changed the categories of countable income and allowable deductions.
3. If an individual meets an "exception," they move from eligibility determination under "tax filer" rules to determination under "non-filer" rules.
4. MA-3306 addresses these changes. Please review this policy section and refer to it for any questions regarding these changes.

## MAGI Counting Income – Tax Household Chart

The MAGI (Modified Adjusted Gross Income) Counting Income Chart for North Carolina's Department of Health and Human Services (NC DHHS) is a crucial tool for determining whose income counts in various household scenarios, such as tax-filer or non-filer households. This chart is essential for understanding eligibility for Medicaid and other health benefits.

Caseworkers will use the results from the MAGI Household Composition Chart to determine the applicant's placement on the Counting Income – Tax Household Chart (refer to the chart in the Forms and Notices folder).

- For tax filers and tax dependents who do **not** meet an exception, caseworkers will use the "Counting Income using Tax Household Rules" columns (Columns 1 or 2).

- For non-filers or tax dependents who **do** meet an exception, caseworkers will use the “Counting Income using Non-filer Household Rules” columns (Columns 3, 4, or 5).

This chart determines which MAGI household members’ income will be counted in the applicant’s eligibility determination, based on whether the applicant is in a “tax filer household” or a “non-filer household.”

- Even if a person’s income should be counted, the caseworker must still determine if the individual’s specific income type is “countable” for MAGI Medicaid budgeting.

**MAGI budgeting DOES NOT apply to:**

- Supplemental Security Income (SSI) recipient
- Medicaid for the Aged Blind and Disabled (MAA, MAD, MAB) and Medicare Qualified Beneficiaries (MQB)
- Individuals requesting home and community-based services such as Community Alternative Program (CAP), Program for All Inclusive Care for the Elderly (PACE), and long-term care (including Family and Children’s program if long term care budgeting applies)
- Medically Needed (all programs including State Foster Home Fund (HSF) and Medically Needy Medicaid for Families (MAF/M)).

**NOTE:** See additional helpful charts located in the Forms and Notices folder.

## **Child Support**

To receive Medicaid, under most aid program/categories, when the applicant/beneficiary is a parent OR caretaker, they must cooperate with the local Child Support Services Agency in identifying any absent parents of children in the home who are applying for or already receiving Medicaid.

Child support requirements apply to both MAGI and Traditional budgeting methodologies for Family & Children’s Medicaid.

When to send an IV-D Referral:

- The minor child has a parent/parent(s) not living in the home **AND**
- The caretaker is receiving Medicaid for himself/herself & the child(ren) **OR**
- The caretaker is not applying for or receiving Medicaid but applies for child(ren) only **AND** requests services through Child Support Enforcement **AND** agrees to cooperate.

The IV-D referral is a communication tool, within NC FAST, between NC Medicaid and Child Support Services.

Remember there are always exceptions for sending and not sending the IV-D referral.

## Confidentiality

According to North Carolina General Statutes, it is unlawful to obtain, disclose, use, authorize, or permit the use of any personal information of individuals applying for or receiving public assistance, except for the administration of public assistance and social services programs.

### Information NOT Considered “Confidential”

County and state agencies may release general information to anyone requesting it, provided the information does not identify specific clients. This includes:

1. Non-identifying statistical information
2. General information about the scope of any programs administered by the Division of Health Benefits (DHB)
3. Written policies relevant to the administration of the Medicaid program

## Documentation

Documentation is particularly important in NC FAST (North Carolina Families Accessing Services through Technology) for several reasons:

1. **Efficiency and Accuracy:** Proper documentation ensures that all data entered into the system is accurate and up to date, which is crucial for the efficient processing of applications and services.
2. **Integrated Services:** NC FAST aims to streamline and integrate various services provided by the NC DHHS. Accurate documentation helps in coordinating these services effectively, ensuring that families receive comprehensive support.
3. **Case Management:** Detailed records are essential for effective case management. They help social workers and other professionals track the progress of individual cases, make informed decisions, and provide appropriate interventions.
4. **Compliance and Accountability:** Documentation helps ensure compliance with state and federal regulations. It also provides a clear record of actions taken, which is important for accountability and auditing purposes.
5. **Communication:** Good documentation facilitates communication between different departments and agencies involved in providing services. This ensures that everyone has access to the same information and can work together more effectively.
6. **Training and Support:** Documentation, such as instructional guides and job aids, is crucial for training staff and supporting them in using the NC FAST system effectively.

These points highlight why meticulous documentation is a cornerstone of the NC FAST system, ensuring that it operates smoothly and effectively to serve the needs of North Carolina families.

## Wrap-Up

- **NC Medicaid:** Managed by the North Carolina Department of Health and Human Services (NCDHHS), this program provides medical coverage to eligible low-income individuals and families, ensuring access to necessary healthcare services.
- **Eligibility Requirements:** Citizenship or satisfactory immigration status is required for all Medicaid programs. Verification is typically done through electronic sources like SOLQ-IC and SAVE.
- **Residency Verification:** Applicants must be North Carolina residents. Only one form of verification is needed, and the same verification can be used for all applicants. The address on the verification must match the address reported on the application.
- **MAGI Budgeting:** Based on tax-filing status, determining who is filing taxes and who is claimed as a tax dependent. Applicants fall under either “Tax Filer Rules” or “Non-Filer Rules,” depending on their situation and any exceptions.
- **Confidentiality:** The agency is responsible for protecting applicants’ confidential information, using it only to establish eligibility, determine assistance amounts, provide services, and conduct or assist in investigations or legal proceedings related to the programs.

## Cited Sources

NC FAST Phase I Training Curriculum

Buncombe County Department of Social Services Training Curriculum

NCDHHS Energy Programs Policy Manuals [EP Policies/Manuals – NCDHHS Policies and Manuals](#)

NC FAST HELP

[https://ncfasthelp.nc.gov/FN\\_B/FN\\_B/server/general/projects/FAST\\_Help/FAST\\_Help.htm](https://ncfasthelp.nc.gov/FN_B/FN_B/server/general/projects/FAST_Help/FAST_Help.htm)