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INFORMATIONAL LETTER

TRANSMITTAL: 99 INF-6

TO: Commissioners of
Social Services

DIVISION: Temporary
Assistance

DATE: April 7, 1999

SUBJECT: Medicaid Determinations When Public Assistance Is
Denied or Closed or the PA Application is Withdrawn

**SUGGESTED
DISTRIBUTION:** Income Maintenance Directors
CAP Coordinators
Food Stamp Directors
Medical Assistance Directors
Staff Development Directors

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Office of Medicaid Management Contact: Representatives
at (518) 474-9130 or, in NYC, (212) 613-4330

ATTACHMENTS: None

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
97 ADM-23 97 ADM-21 82 ADM-5		360-2.1 360-2.6(b)			GIS98MA/001
DOH Releases 97CMM/ADM-2 98CMM/INF-2					

The purpose of this release is to reinforce with social services districts (SSDs), the policy of the Office of Temporary and Disability Assistance (OTDA) and the Department of Health (DOH) with respect to providing Medicaid to all individuals and families who want and are eligible to receive Medicaid, regardless of their public assistance status or eligibility.

Social services districts have had the responsibility for:

- making separate determinations about Medicaid eligibility when a public assistance application is denied or closed, and
- determining if Medicaid eligibility should continue or not when an individual is sanctioned from the public assistance case for refusing to cooperate with a public assistance program rule, and
- referring applications to Medicaid for an eligibility determination when the public assistance application is withdrawn but not the Medicaid application.

The responsibility of the SSD to provide appropriate Medicaid coverage is an important part of welfare reform. As Federal and State welfare reform set expectations that individuals and families will become self-sufficient within a time limited period, the role of the social services district in helping to remove barriers to self-sufficiency has become more vital. Concern about health care costs is often one of these barriers.

NOTE: Because of issues that have arisen due to the de-linkage of Medicaid and public assistance, the focus of this release is Medicaid. However, we also want to stress the importance of food stamps, child support services and child care to the individual or family working toward self-sufficiency. Many of the following areas will apply not only to Medicaid but also to food stamps, child support services and child care.

The following are some important areas for SSDs to include in worker training and procedures:

APPLICATION IS MADE FOR PUBLIC ASSISTANCE BUT NOT MEDICAID: When the applicant does not request a Medicaid determination, does the worker ask if the applicant also wants Medicaid? An individual may need Medicaid and think that Public Assistance eligibility will include Medicaid eligibility. It is important for the worker to ask why the applicant is not requesting Medicaid.

DIVERSION: Some individuals or families applying for public assistance are diverted from PA by meeting a need that eliminates the need for PA. The worker should explain that Medicaid eligibility may exist even though the family no longer wants PA. If the Medicaid box is checked on the application, the case must be referred for a separate determination.

SEPARATE DETERMINATIONS (when a PA applicant/recipient is applying for or receiving Medicaid): The SSD is responsible for making the determination of Medicaid eligibility when a public assistance application is denied or the case is closed. The SSD should assure that the person making the determination is knowledgeable about the different Medicaid income levels that apply to children, people who are disabled or pregnant and families with children.

NOTE: The PA worker should inform applicants/recipients that they may have both Medicaid and other health insurance coverage (with the exception of Child Health Plus). In addition, applicants/recipients should be informed that Medicaid will consider paying their health insurance premiums, if cost effective.

CHILD HEALTH PLUS: The Child Health Plus (CHPlus) Program is intended to serve uninsured children who are not financially eligible for Medicaid. When the PA worker determines that the family income is high enough to make the family ineligible for PA, a separate determination for Medicaid is particularly important. If this is not done, the family who later applies for CHPlus and appears financially eligible for Medicaid will be referred back to the social services district to obtain a determination of Medicaid eligibility before CHPlus coverage can be approved.

Districts must ensure that, when ineligibility for PA is based on a financial determination, all appropriate Medicaid budgeting methodologies for the children have been explored. All children under age 19 who are determined financially ineligible for Medicaid should be referred to CHPlus.

USING THE CORRECT WMS INDIVIDUAL AND CASE LEVEL REASON CODES: WMS has been programmed to take the correct Medicaid action depending on the individual or case action. For this reason, it is important that workers use correct coding in WMS whenever PA is denied or closed, or when an individual is sanctioned.

EXAMPLES:

1. **Transitional Medical Assistance**

A PA/Medicaid case is closed due to new or increased earnings. The family has been receiving PA and Medicaid during three of the past six months. The family has a dependent child living in the home. The family is entitled to Transitional Medicaid (TMA). If the worker enters the correct case closing reason code (E31 - Excess Income - Increased Earnings - TMA Eligible), and the correct Individual Categorical Codes (13 or 26 for adults, 01-09 for children) the correct Medicaid action will occur. A TMA case will be opened.

2. **Drug/Alcohol Requirements**

A PA/Medicaid A/R is sanctioned for not cooperating with the Drug/Alcohol screening, assessment, or treatment requirements. If

the appropriate coding is used, the proper Medicaid extension or in the case of denials, the appropriate notice language, will be generated.

Medicaid will continue or must be separately determined when:

- the individual is under age 21;
- the individual is age 65 or over, certified blind or certified disabled (Individual Categorical Codes 10, 11, or 12);
- the individual is pregnant (Individual Categorical Code 15, 36, 42, 43, or 48), or
- the individual is an adult in a Family Assistance case, or a Safety Net Assistance (FP) case where a deprivation is present, i.e., absence, incapacity, or unemployment of the principal wage earner. (Individual Categorical codes 01 - 08 for a child; Individual Categorical Codes 13 or 14 for an adult).

Medicaid will not continue for:

- single individuals and childless couples who are over age 21, under age 65, and not blind or disabled (Individual Categorical Code 09), or
- At the present time, adults in intact households where no deprivation is present (Individual Categorical Code 09 for the child, and Individual Categorical Code 26 for an adult).

NOTE: Identifying whether or not a deprivation exists is necessary for Medicaid reporting and claiming purposes. It is **NOT** a necessary step in determining the correct PA category.

3. Employment Requirements

A person is sanctioned for non-cooperation with employment requirements. Medicaid has no employment requirements. A PA/Medicaid applicant who fails to cooperate with employment requirements must have Medicaid eligibility determined. Use of the appropriate individual reason code will drive the continuation of Medicaid. This is true regardless of the individual's age, case type or family composition.

USING IMPROPER CODING TO OVERRIDE THE MEDICAID ACTION: DOH has run reports of cases that show active PA cases that have members with MA coverage code "04 No Coverage - Ineligible". There are legitimate uses of that code. For example, an applying mother may choose not to apply for Medicaid for her child who has excellent health insurance through an absent parent. Coverage code "04" must not be used to suppress Medicaid coverage to sanctioned individuals who are entitled to the MA coverage.

ADDITIONAL INFORMATION: Questions regarding the Department of Health (DOH) releases, or requests for copies of the DOH releases, may be directed to the Office of Medicaid Management at (518) 474-9130 or (212) 613-4330.



Patricia A. Stevens
Deputy Commissioner
Division of Temporary Assistance



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