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DIVISION: Office of Medicaid Management

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TO: Medical Assistance Directors and Medical Assistance Disability Review Units

FROM: Ann Clemency Kohler, Director
Office of Medicaid Management

SUBJECT: Extension of Federal Financial Participation (FFP) During Medicaid Redeterminations for Individuals with Substance Addiction Disorders

EFFECTIVE DATE: Immediately

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John Zalucki, (518) 473-2400 for claiming questions.

The purpose of this release is twofold: to advise local social services districts of a new federal regulation affecting federal financial participation (FFP) during redeterminations of Medicaid eligibility for individuals losing Supplemental Security Income (SSI) due to the changes brought about by the federal drug addiction and alcoholism (DAA) provisions and by welfare reform, and to advise upstate districts of the need to manually claim FFP for affected DAA cases.

Previously, in GIS 96 MA/014, GIS 96 TA/DC016, GIS 96 TA/DC047, and in 96 LCM-60, districts were informed of the changes in the federal disability criteria for evaluating individuals with substance abuse disorders, the timeframes, notification and appeals procedures which the Social Security Administration (SSA) would be using when such individuals were terminated from SSI, and the procedures for redetermining their continued eligibility for Medicaid.

In recognition of the large volume of redeterminations which the states have been required to perform, the Health Care Financing Administration (HCFA) adopted a policy on January 13, 1997 which allows the states to claim FFP during the redetermination process for up to 120 days from the date the agency is advised by SSA that an individual is no longer eligible for SSI. This easement will continue until 12/31/97, unless it is extended.

Therefore, effective immediately, FFP for Medicaid may be claimed for up to 120 days, for any individual whose SSI has been terminated due to the DAA provisions. In New York City, FFP is automatically claimed through the Stenson closing date. Upstate, when SSI is terminated due to the loss of disability, Medicaid is automatically continued as federally non-participating (FNP) to the end of the calendar month following the month in which SSI cash benefits were terminated, pending an evaluation for continued Medicaid pursuant to Stenson et al v. Blum. Therefore, FFP is not automatically being claimed upstate, and upstate local districts must claim manually for this period. Similarly, FFP is available for an additional 120 days for a Medicaid-only, SSI-related individual whose disability is under review or is yet to be reviewed under the new DAA provisions. When redetermining Medicaid eligibility, local districts can extend the "MA To Date" on WMS for two additional months to maximize the 120 day period.

For instructions on the procedure for submitting manual claims, see the Office of Financial Management's Fiscal Reference Manual, volume 1, chapter 7, page 12 (issued 2/10/97). For background information regarding retroactive FFP claiming, see 86 ADM-27, Retroactive Aid Category Changes.