



DATE: March 6, 2014

OPERATIONS MEMORANDUM #14-03-01 Medicaid

SUBJECT: Medical Assistance (MA) “Grandfathering” Processing Under the Affordable Care Act (ACA) for Renewals, Semi-Annual Reporting and Reported Changes in March 2014

TO: Executive Directors

FROM: Tom Strickler
Director
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PURPOSE

To provide instruction on how to process income changes on MA budgets in the month of March 2014 due to “Grandfathering” requirements.

BACKGROUND

The Centers for Medicare and Medicaid Services (CMS) has recently provided guidance regarding the “Grandfathering” regulations pertaining to Medicaid beneficiaries under the ACA. Individuals who were opened for Medicaid on or before December 31, 2013 should not have Modified Adjusted Gross Income (MAGI) based income methodologies applied to them until March 31, 2014, if the result of applying those methodologies would be ineligibility for Medicaid prior to March 31, 2014.

DISCUSSION

Effective with the posting of this Ops Memo, any processing of income changes on MA budgets prior to March 31, 2014 must not result in ineligibility for MA due to MAGI-based income methodologies, if that budget was opened on or before December 31, 2013. Process any March 2014 MA income changes, Renewals or SARs for these December cases in accordance with the directions in this Ops Memo.

MA-only cases containing individuals whose eligibility is based on MAGI methodologies:

Individuals in the following MAGI coverage groups have their MA eligibility based on MAGI methodologies and will require special processing of income changes for March 2014:

- Pregnant Women.

- Children ages 0-18.
- Parents/Caretakers of children ages 0-18.

Note: The child must be ages 0-17 OR age 18 and a full-time secondary or vo-tech student for individuals to be considered in the Parents/Caretakers group.

When processing an MA-only case that contains any recipients in a MAGI coverage group currently open in a PC/PU, PS or a child less than 19 in a TC/TU category, workers should do the following:

- Renewal or SAR: **Do not** process a SAR or Renewal on these cases in the month of March 2014. Hold the SAR or Renewal for processing beginning April 1, 2014. In April 2014, process the case as usual and take the appropriate action on the case.

Should a recipient fail to provide the March 2014 Renewal or SAR timely, follow normal procedures for failure to provide the Renewal or SAR.

- Other Change in Income: **Do not** process the income change. Hold the income change for processing in April 2014.

Note: "Grandfathering" does not impact individuals already open in a MAGI MA category. For any reported change, process MAGI MA categories as normal.

Cases containing only MA budgets which are not based on MAGI methodologies:

The following groups of individuals do not have their MA eligibility determined based on MAGI methodologies, and should be processed as normal:

- Individuals for whom income determinations are not required, such as individuals receiving Supplemental Security Income, federal and state foster care or adoption assistance recipients and recipients of Breast and Cervical Cancer Prevention and Treatment services.
- Individuals who are eligible on the basis of being aged, blind or disabled.
- Individuals evaluated for Long Term Care facility services or Home and Community Based Services.
- Individuals evaluated for Medicare cost-sharing assistance.

- Individuals evaluated for MA coverage as Medically Needy Only.
- Individuals evaluated for MA coverage in General Assistance (GA)-related MA categories.

Combination MAGI MA and SNAP and/or Cash cases

When processing a case containing a combination of MA recipients in a MAGI coverage group and a SNAP and/or Cash budget, workers should do the following:

- Renewal or SAR: Process the Renewal or SAR on all budgets timely in the month of March, so that SNAP and Cash timeliness is not affected. If the Eligibility Result Summary screen in eCIS shows that the MA budget(s) failed the income test, return to the Program Request Questions screen and choose MG 27 from the Special Category dropdown for any individual whose budget failed due to MAGI income. Click “Next” to return to the Eligibility Result Summary screen and re-run eligibility. The individuals who were previously failing should now show eligible for MG 27. Finalize the case, issue a 966 A (MAGI eligible) notice and narrate the change.

Should a recipient fail to provide the March 2014 Renewal or SAR timely, follow normal procedures for failure to provide the Renewal or SAR.

- Other Change in Income: Process the income change timely. If the Eligibility Result Summary screen in eCIS shows that the MA budget(s) failed the income test, return to the Program Request Questions screen and choose MG 27 from the Special Category dropdown for any individual whose budget failed due to MAGI income. Click “Next” to return to the Eligibility Result Summary screen and re-run eligibility. The individuals who were previously failing should now show eligible for MG 27. Finalize the case, issue a 966 A (MAGI eligible) notice and narrate the change.

Important: When processing an MG 27 Special Category Request, make sure that the 966 A notice is selected from the option dropdown. The 966 option dropdown also has the 966 F or 966 G options, which should not be sent in this circumstance. Change the 966 notice option to A (MAGI Eligible).

Note: Narrative for cases that require a Special Category should include the fact that MG 27 was authorized for individuals to avoid closure of MA due to MAGI income methodology, per this OPS Memo.

After March 2014, any MAGI MA budgets that were processed as a special category request due to the instructions in this Ops Memo must be reviewed again at the next SAR or other income change that occurs on the case, whichever comes first.

Important: Only those MAGI MA budgets that were opened with a Special Program Request in March 2014 should be reviewed at the next SAR and eligibility should be run at that point.

NEXT STEPS

1. Share and review this information with appropriate staff members.
2. Contact your Area Manager with any questions.
3. The policy and procedures in this Operations Memorandum are effective immediately upon posting.