

# NEW MEXICO HUMAN SERVICES DEPARTMENT

P.O. Box 2348 Santa Fe, NM 87504-2348



## INTERDEPARTMENTAL MEMORANDUM

MAD-GI: 04-03

DATE: April 9, 2004

### MAILED ELECTRONICALLY

TO: ISD AND MAD STAFF

FROM: *C. Ingram* CAROLYN INGRAM, DIRECTOR, MEDICAL ASSISTANCE DIVISION  
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THROUGH: *R. Beardsley* ROBERT D. BEARDSLEY, BUREAU CHIEF, CLIENT SERVICES BUREAU

BY: *Liz Martinez* LIZ MARTINEZ, CLIENT SERVICES BUREAU

SUBJECT: **AUTOMATIC CLOSURE OF CERTAIN MEDICAID CATEGORIES**

In 1997, when managed care was implemented, the automatic closure of Medicaid categories was suspended. As part of the Medicaid cost containment initiatives, Category 032, 035-F and 072 Medicaid cases will once again close automatically by ISD2 if the recertification is not completed in the month in which it is due (the expiration month).

### Notification to Medicaid Clients

Beginning with April MISC 1 & 2 which runs on April 9, ISD2 will generate a Notice of Expiration to Category 072 (JUL), Category 032 (KID), and Category 035-F (Family Planning) cases with a certification period that expires in May 2004. In every month after April 2004, ISD2 will generate a Notice of Expiration to these Medicaid categories at least 45 days before the certification period is set to expire.

The Notice of Expiration notice will advise clients that a new application is needed along with all the proof of income and health insurance available to the family. A face-to-face interview is not necessary to complete the recertification process, if the client provides the needed information.

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### **Processing Medicaid Cases**

At the time the Notice of Expiration is sent, an action item (#132) will post to the worker's Q screen: "Recertification needs to be scheduled". The action item will post to the ACTI screen within the case itself.

As part of the process, the worker must send an application (MAD023) to the client as soon as the Q screen message is posted. You may also use the "Recertification Due" report from Dispatch that lists cases with a PR due in the following month.

### **Category 035-F Cases**

The closure process for this category will not occur on the business day before the "SEMIANNUAL WARNING NOTICE MAILED". These cases will be issued a Notice of Closure at Month End when the case auto closes if a PR is not completed in the expiration month.

### **Category 072 And Category 032 Cases**

The closure process for these categories will occur on the business day before the "SEMIANNUAL WARNING NOTICE MAILED" as noted on the 2004 ISD2 Production Calendar. The calendar was issued with ISD GI 03-32. The last day to work these cases before the closure process occurs is referred to as the "deadline" for purposes of this GI.

If a case is not recertified by the deadline of each month, ISD2 will generate a Notice of Closure with reason code 235 "failure to reapply for benefits." The notice will be generated the same date that the SR Warning Notices are generated and will be sent on the same day that the SR Warning Notices are sent.

Because some Medicaid cases are on managed care (SALUD!), it is important to recertify the eligibility of these cases by the deadline. This allows for timely notification to the Omnicaid-Medicaid eligibility system and for payment of the monthly capitation. If the recertification is completed before the deadline in the expiration month, Medicaid eligibility and SALUD! enrollment will continue uninterrupted for the new certification period.

Workers can complete the recertification until the last working day of the expiration month.

Refer to *Processing the Medicaid Recertification After the Deadline*. If recertifications are completed by the last working day of the expiration month, a file will go from ISD2 to Omnicaid showing eligibility and SALUD! enrollment for ongoing benefit month.

### **Conversion of Overdue Certification Periods**

On April 3-4, 2004 action was taken to convert the PR end date for all Category 032, 035-F and 072 Medicaid cases which previously had an overdue PR. This action staggered the overdue PR end date to a future date in 2004. Action was also taken to convert the PR start dates to reflect a 12- month certification period. The overdue PR end dates can be viewed on any previous benefit month prior to the ongoing month (May). These cases are now included as part of each worker's ongoing caseload and there are no longer any overdue PRs for Categories 032, 035-F and 072.

### **Completing Recertifications That Were Begun Prior To Conversion**

Prior to the April 3-4 conversion of overdue PR end dates to future PR end dates, workers may have initiated the recertification process by sending applications to clients on cases that had an overdue PR end date. If workers have received completed applications with all the necessary proof, proceed as follows:

- Enter the new information using the “D” function in benefit month 05/04
- Manually determine gross income and apply the appropriate work related, day care and other applicable deductions, per policy.
- Compare the countable income to the 2004 Federal Poverty Level for the household size and category.
- If the countable income is more than the applicable income standard manually close the case with a “T-601”.
- If the case is not eligible for reasons other than excess income, close with the appropriate reason code.
- If an appropriate closure is made to a case on or before “Last Day to Make Changes,” (4/16/04) the case will close on Month End, effective 4/30/04.
- If an appropriate closure is made to a case after “Last Day to Make Changes,” (4/16/04) the case will close effective 5/31/04. This should be avoided by entering “Y” on FAEL in “WAIVE-10-DAY-NOTICE” field. This will close the case effective 4/30/04.
- If the countable income is less than the applicable income standard, take no further action. The worker should file all pertinent documents in the case file until the case is due for a recertification according to the converted future PR end date. In this instance, document in the case file that the PR was not completed due to “PR Date Conversion.”

### **Processing the Medicaid Recertification After the Deadline**

It is possible to recertify an eligible Medicaid case after the deadline by completing a reinstatement “J/D” and recertification “C/F” on ISD2 for the ongoing month. You must complete the “C/F” function immediately after the “J/D” function or the recertification will not be complete.

### **Examples**

(1) The client is mailed a Notice of Expiration notice on April 9. The recertification process must be completed by the deadline (May 20<sup>th</sup>). On May 3<sup>rd</sup> the client files an application and provides proof of income. The client claims no other health insurance coverage. There is no other questionable information. The worker must process the application by May 20<sup>th</sup> in order for Medicaid eligibility and SALUD! enrollment to continue uninterrupted. The worker will use a “C/F” function for benefit month of June. The case is automatically given a new 12-month certification period.

(2) The client is mailed a Notice of Expiration notice on April 9. The recertification process must be completed by May 20<sup>th</sup>. On May 10<sup>th</sup> the client files an application. There is no documentation attached to the application. The worker reviews the application and finds that the client indicated there is earned income. The worker must send a WYSN form asking for proof of income. The due date for the proof is May 20<sup>th</sup>. On May 20<sup>th</sup> a notice of closure was generated. The client sends in proof of income on May 24<sup>th</sup>. The worker can still work the case by reinstating and recertifying using "J/D" and "C/F" functions for benefit month June. The worker does this on May 24<sup>th</sup>. The case is automatically given a new 12-month certification period during the "C/F" functions. A file will go from ISD2 to Omnicaid showing that the case is active for purposes of eligibility and SALUD! enrollment for benefit month June.

(3) The client is mailed a Notice of Expiration notice on April 9. The recertification process must be completed by May 20<sup>th</sup>. On May 20<sup>th</sup> a notice of closure was generated. On May 21<sup>st</sup> the client files an application. There is no documentation attached to the application. The worker reviews the application and finds that the client indicated there is earned income. The worker must send a WYSN form asking for proof of income. The due date for the proof is May 31<sup>st</sup>. The client sends in proof of income on May 28<sup>th</sup>. The worker can still work the case by reinstating and recertifying using "J/D" and "C/F" functions for benefit month June. The worker does this on May 28<sup>th</sup>, the last working day of the month (Month End). The case is automatically given a new 12-month certification period during the "C/F" functions. A file will go from ISD2 to Omnicaid showing that the case is active for purposes of eligibility and SALUD! enrollment for benefit month June. The data will reflect on Omnicaid on June 1.

(4) The client is mailed a Notice of Expiration notice on April 9. The recertification process must be completed by May 20<sup>th</sup>. On May 20<sup>th</sup> a notice of closure was generated. On May 28<sup>th</sup> the client files an application. There is no documentation attached to the application. The worker reviews the application and finds that the client indicated there is earned income. The worker must send a WYSN form asking for proof of income. The due date for the proof is June 7<sup>th</sup>. The client sends in proof of income on June 5<sup>th</sup>. The worker can still work the case by reinstating and recertifying using "J/D" functions for benefit month June and "J/D" and "C/F" functions for July. The worker should not adjust the PR end date for June during the "J/D" functions. The case is automatically given a new 12-month certification period during the "C/F" functions in July. The worker does this on June 5<sup>th</sup>. The case is automatically given a new 12-month certification period. A file will go from ISD2 to Omnicaid showing that the case is active for purposes of eligibility. The data will reflect on Omnicaid after June 5<sup>th</sup>. The clients in the case are not enrolled in SALUD! for the month of June.

(5) The client is mailed a Notice of Expiration notice on April 9. The recertification process must be completed by May 20<sup>th</sup>. On May 5<sup>th</sup> the client files an application. There is no documentation attached to the application. The worker reviews the application and finds that the client indicated there is earned income. The worker must send a WYSN form asking for proof of income. The due date for the proof is May 15<sup>th</sup>. On May 20<sup>th</sup> a notice of closure was generated. The client sends in proof of income on May 25. The recertification process was not completed by the end of the expiration month. The worker was not able to complete the recertification before Month End. The worker works the case on June 2. The worker must complete the "J/D" functions for benefit month June and the "J/D" and "C/F" functions for July. The worker should not adjust the PR end date for June during the "J/D" functions. The case is automatically given a

new 12-month certification period during the "C/F" functions in July. A file will go from ISD2 to Omnicaid showing that the case is active for purposes of eligibility. The data will reflect on Omnicaid after June 2. The clients in the case will not be enrolled in SALUD! for the month of June.

(6) The client is mailed an Notice of Expiration notice on April 9. The recertification process must be completed by May 20<sup>th</sup>. On May 10<sup>th</sup> the client files an application. There is no documentation attached to the application. The worker reviews the application and finds that the client indicated there is earned income. The worker must send a WYSN form asking for proof of income. The due date for the proof is May 20<sup>th</sup>. On May 20<sup>th</sup> a notice of closure was generated. The client sends in proof of income on June 4<sup>th</sup>. The recertification process was not completed by the end of the expiration month due to the client's failure to provide mandatory verification. The case should not be processed as a recertification. It should be registered as a new case with an application date of June 4. A file will go from ISD2 to Omnicaid showing that the case is active for purposes of eligibility. The data will reflect on Omnicaid after June 4th. The clients in the case will not be enrolled in SALUD! for the month of June.

**In examples 3, 4, 5 and 6, workers may receive calls from clients stating they are unable to obtain medical services for June. The workers should advise the clients that their providers must verify eligibility and SALUD! enrollment for June.**

If you have questions concerning these programming changes and procedures, please contact the ISD2 Help Desk at 827-7244 or [HSDISD2HD@state.nm.us](mailto:HSDISD2HD@state.nm.us).