

# ARKANSAS REGISTER

## Transmittal Sheet



Sharon Priest  
Secretary of State  
State Capitol Room 017  
Little Rock, AR 72201-1094

For Office  
Use Only: Effective Date 2/3/98 Code Number 016.20.98--004

Name of Agency Department of Human Services  
Department Division of County Operations  
Contact Person Joie Wallis 682-8253  
Statutory Authority for Promulgating Rules Ark. Code Ann. 20-76-201 et seq., and Ark. Code Ann. 25-15-201 et seq.

Intended Effective Date		Date
<input checked="" type="checkbox"/> Emergency	Legal Notice Published . . . . .	
<input type="checkbox"/> 20 Days After Filing	Final Date for Public Comment . . . . .	
<input type="checkbox"/> Other	Filed With Legislative Council . . . . .	
	Reviewed by Legislative Council . . . . .	
	Adopted by State Agency . . . . .	<u>1-1-98</u>

### CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted  
In Compliance with Act 434 of 1967 As Amended.

[Signature]  
Signature

Director, Division of County Operations  
Title

1-28-98  
Date

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ARK. REGISTER DIV.  
98 FEB -3 AM 10:55  
STATE OF ARKANSAS  
SECRETARY OF STATE



# Arkansas Department of Human Services

## Division of County Operations

Donaghey Plaza South  
P.O. Box 1437  
Little Rock, Arkansas 72203-1437  
TDD (501) 682-8275

January 30, 1998

The Honorable Sharon Priest  
Secretary of State  
State Capitol, Room 017  
Little Rock, AR 72201-1094

Re: Emergency Promulgation - MS 98-2, Medicaid for Qualifying Individuals - 1 and  
Qualifying Individuals - 2

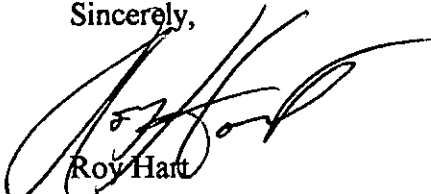
Dear Ms. Priest:

Pursuant to Ark. Code Ann. 25-15-201, et Seq., we are requesting an emergency promulgation of the attached rules to implement policy regarding eligibility requirements and procedures for two new Medicaid groups, Qualifying Individuals - 1 and Qualifying Individuals - 2.

Section 4732 of the Balanced Budget Act of 1997 authorized coverage for these individuals. States are to begin accepting applications in January 1998.

An emergency exists because failure to implement this policy effective January 1998 will result in lost Medicaid benefits to needy Arkansans and put us at risk of losing federal dollars for the Medicaid program for non-compliance with federal law.

Sincerely,



Roy Hart  
Director

RH:RK:JCW:ad

Attachments

cc: files

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SHARON PRIEST  
SECRETARY OF STATE  
STATE OF ARKANSAS  
BY \_\_\_\_\_

# MANUAL TRANSMITTAL

## Arkansas Department of Human Services

### Division of County Operations

☒ Policy ☐ Form ☐ Policy Directive

Issuance Number MS 98-2

Medical Services Policy Manual

Issuance Date 01-01-98

From: Roy Hart, Director

Expiration Date Until  
Superseded

Subj: New Policy

<u>Pages to be Deleted</u>	<u>Dated</u>	<u>Pages to be Added</u>	<u>Dated</u>
MS 2000-2005	7-1-97	MS 2000-2005	1-1-98
MS 2010-2010.1	8-1-94	MS 2010-2010.1	8-1-94
MS 2072-2072	8-1-94	MS 2072-2073.2	1-1-98
None		MS 2073.2-2073.3	1-1-98
None		MS 2073.3-2073.5	1-1-98
None		MS 2073.5-2074.1	1-1-98
None		MS 2074.1-2074.3	1-1-98
None		MS 2074.3-2074.5	1-1-98
None		MS 2074.5-2074.6	1-1-98
MS 2075-2075.1	10-15-96	MS 2075-2075.1	10-15-96

#### Summary

The Balanced Budget Act of 1997 created two new Medicaid groups. These are Qualifying Individuals-1 (QI-1) and Qualifying Individuals-2 (QI-2). Policy and procedures for determining eligibility for these individuals have been added to the Medical Services Policy Manual effective January 1, 1998.

Inquiries to: Terri Wright, 682-8258  
Ann Dawson, 682-8254  
Boyce Lovett, 682-1562

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STATE OF ARKANSAS  
BY \_\_\_\_\_

27. Pregnant Women found presumptively eligible by a Qualified Provider for ambulatory prenatal care. Re. MS 5600;
28. Individuals eligible for the U-18 category. Re. MS 6000;
29. Title IV-E and other Foster Children. Re. MS 6000 and 7000;
30. Non-Title IV-E Adoptive Children with Special Needs. Re. MS 6590;
31. Individuals eligible for the Medically Needy Program. Re. MS 7000;
32. Refugees eligible for Medicaid under "special eligibility period" criteria of the Refugee Resettlement Program;
33. Women found eligible for Family Planning Waiver services and whose benefits are limited to family planning services only. Re. MS 5900;
34. Individuals found eligible for Transitional Employment Assistance related Medicaid. Re. MS 2085;
- \* 35. A Qualifying Individual - 1 whose income is at least 120% but less than 135% of the Federal Poverty Level and who meets all other requirements for the category will be eligible for payment of the Medicare Part B premium. Re. MS 2073; and
- \* 36. A Qualifying Individual - 2 whose income is at least 135% but less than 175% of the Federal Poverty Level and who meets all other requirements for the category will have a portion of the Medicare Part B premium paid. Re. MS 2074.

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SECRETARY OF REVENUE

## 2005

Date Specific Eligibility

With date specific eligibility, for most Medicaid categories, an individual's or family's eligibility may begin or end on any day of a month.

When eligibility is established, eligibility will begin on the day the application was registered, unless retroactive coverage is needed. If retroactive coverage is needed and if eligibility is established for a retroactive period, eligibility can begin up to 3 months prior to the date of application (but not on the first day of the third retroactive month unless the application was filed on the first day of a month).

Eligibility for most Medicaid categories under date specific eligibility may be terminated at any time. The end date of eligibility will be the last day of the 10 day advance notice period, unless a recipient requests a hearing within the advance notice period.

There are some Medicaid categories in which eligibility may not begin or end on any day of a month. These categories are: QMB (MS 2047), SMB (MS 2051), QDWI (MS 2048), and TM (MS 2061). Information about the begin and end dates for these categories is found in the eligibility section for each category.

## 2010 Supplemental Security Income (SSI) Eligibles

Individuals who have been determined eligible for SSI benefits by the Social Security Administration (SSA) are eligible for Medicaid (i.e., recipients of straight SSI benefits, Mandatory State Supplements, SSI conditional payments and SSI presumptive disability payments).

The County Office is notified of SSI eligibles by printout as SSA makes information available to the Office of Information Systems (OIS). OIS will mail Medicaid ID cards to all SSI eligibles at certification.

SSA will notify OIS via the State Data Exchange system of changes for this group of eligibles. The County Office will notify the local SSA District Offices by means of a lead form, RVI-302, regarding current changes reported by/for individuals within this group (e.g., SSI recipient enters a nursing home).

## 2010.1 National Correction Procedure

The National Correction Procedure is a process for notifying the Social Security Administration (SSA) of changes that could affect SSI/Medicaid eligibility and/or the amount of State supplementation payments.

When information is received that is not reflected on the latest "SSI Recipient" printout, the County Office will submit the information to SSA via the SSA-3911, Report of Change-SSI Data. The following information can be reported:

Recipient's Name	Resources
Sex	Unearned Income Type
Date of Birth	Unearned Income Stop Date
Payee Name, Mailing Address, Zip Code	Unearned Income Amount
SSI Living Arrangement	Unearned Income Frequency
Date of Death (month, year)	Unearned Income Claim/ID Number
Marital Status	Earned Income Period
Residence Address, Zip Code	Earned Income Wage Estimate
State, County of Jurisdiction	Net Self-Employment Income Estimate

In addition, the County Office will properly identify the recipient and/or any other individual, the reason for submittal, and the County Office Worker requesting the change. Supporting documentation will be submitted if available.

The county officer worker will complete Parts I and II of the SSA-3911. Completion and routing are self-explanatory with the following exceptions:

Item 8. - Enter Bureau of Supplemental Security Income, 1200 Main Tower Bldg., Dallas, TX 75202,

Item 10. - Enter the information from the "SSI Recipient" printout that needs correction,

2072

County Office Responsibilities - Inpatient Psychiatric  
Care Referrals

The County Office is responsible for investigation and follow-up on each referral received from the State Hospital. An initial investigation will be made on all referrals to determine whether the patient is already eligible for Medicaid.

When it is determined that the patient is Medicaid eligible, a notice of the patient's eligibility status will be forwarded to the State Hospital by interagency memorandum. The notice will include the following items (if known): the recipient's name, his ten digit Medicaid ID Number, his aid category, date of birth, SSN, and Medicare Claim Number and/or other health insurer information. Correspondence will be mailed to: Director, Social Work Dept., State Hospital, 4313 W. Markham, Little Rock, AR 72201. No other action will be required for known Medicaid eligibles.

If a referred patient is not Medicaid eligible, the County Office will take steps necessary to secure and process an application for assistance in accordance with the requirements specified in MS 2071.

The State Hospital will be responsible for reporting when the patient is discharged. Discharge from the State Hospital by itself may not make the patient ineligible for Medicaid. The County Office will treat reported actions in accordance with the policies applicable to the category.

\* 2073

Qualifying Individuals-1

Section 4732 of the Balanced Budget Act of 1997 (Public Law 105-33) created the Qualifying Individuals-1 group of Medicaid eligibles. These are individuals who would be QMBs except that their income exceeds the QMB income level, and is at least 120% but less than 135% of the Federal Poverty Level.

2073.1

Scope of Services

QI-1s will not be eligible for the full range of Medicaid benefits. QI-1s will be eligible for payment of their Medicare Part B premium only. No other Medicare cost sharing charges will be covered.

Unlike QMBs and SMBs, a QI-1 may not be certified in another Medicaid category for simultaneous periods. A QI-1 may not be approved for a spend down and as a QI-1 for simultaneous periods. An individual who is eligible for both QI-1 and spend down will have to choose which coverage is wanted for a particular period of time.

Individuals eligible for the QI-1 program will not receive a Medicaid card.

2073.2

Application Process

Application will be made on Form DCO-777 by the individual requesting assistance, his/her authorized representative, or a person acting responsibly on the applicant's behalf.

When both members of a couple apply, separate applications will be completed and registered for each individual.

Other forms to be completed during the application process are the DCO-86, DCO-662, DCO-707, and DCO-769.

Applications will be registered on WIMA in Category 58.

The county office worker will have a maximum of 45 days to dispose of the application by approval, denial, or withdrawal.

### 2073.3 Eligibility Requirements

To be certified as a QI-1, an individual must meet the same requirements as a Qualified Medicare Beneficiary (with the exception of income). Each eligibility requirement will be verified and documented in the case record.

1. Categorical Relatedness - A QI-1 must be aged, blind, or disabled as specified at MS 3321 - 3323.
2. Medicare Part A Entitlement - The individual must be entitled to and receiving Medicare Part A Hospital Insurance and Medicare Part B Medical Insurance (MS 2047.3).
3. Citizenship or Alien Status - A QI-1 must meet the citizenship/alien status requirements as specified at MS 3324.
4. Residency - A QI-1 must be an Arkansas resident (Re. MS 2200).
5. Social Security Enumeration - A QI-1 must meet the Social Security enumeration requirement as specified at MS 1390.
6. Resources - Countable resources may equal but cannot exceed twice the current SSI resource limitations. The current QI-1 resource limits are:

Individual	\$4,000
Couple	\$6,000

Resources are determined according to Long Term Care guidelines (MS 3330 - 3337). No penalty will be imposed for transfer of resources.

7. Income - Countable income must be at least 120%, but less than 135% of the current Federal Poverty Level. (See note below.)

Effective 4/1/97 these levels are:

	<u>120%</u>	<u>135%</u>
Individual	\$ 789.00	\$ 887.62
Couple	\$1061.00	\$1193.62

The LTC guidelines at MS 3340 - 3348 will be applied when determining countable income. The Supplemental Security Income exclusions at MS 3348 will be given. Inkind Support and Maintenance will be considered.

For couples, their combined net countable income, after all disregards and exclusions, will be compared to the couple's standard in determining the eligibility of each member of the couple. In determining eligibility for only one member of a couple, the procedures for deeming of income at MS 2111 - 2111.5 will apply.

Note: In determining eligibility each year between January 1 and April 1, the Social Security Cost of Living Adjustment (COLA) for the year will be disregarded until April 1; i.e., the SSA amount to be considered in the QI-1 budget will be the amount for the previous year. The current year's SSA amounts will not be considered until April 1 when the new Federal Poverty Level income limits become effective.

#### 2073.4 Period of Eligibility

##### A. Medicaid Begin Date

The beginning date of eligibility for payment of the Medicare Part B premium will be the first day of the month following the month of QI-1 certification (i.e., completion of the DCO-57). For example, if a QI-1 application is certified on June 15, the effective date of eligibility will be July 1.

##### B. Retroactive Coverage

QI-1 eligibility cannot begin earlier than the first day of the month following the month of certification. Retroactive coverage will not be authorized for QI-1's. If retroactive coverage is needed, eligibility will need to be determined in another category.

#### 2073.5 System Procedures for Disposition of Application

##### A. Approval - If all eligibility requirements are met, the application may be approved for QI-1. The county office worker will complete the following tasks:

1. Complete Form DCO-57 for a Category 58 approval and submit for data entry on WASM.
2. The Medicaid Begin Date entered on WASM will be the first day of the month following the month of certification.
3. In Field 49 of Form DCO-57, a unit size of one (1) will be entered for an individual. For a couple, whether or not both members apply, a unit size of two (2) will be entered.
4. The current income will be entered in the appropriate fields. The total SSI exclusions will be entered in the Unearned Exclusion field, and a "Y" will be entered in the MU field. The current 135% FPL amount will be entered in the MNIL field. The net income will be entered in the Net Countable field. There must be a deficit of at least \$ .01 in the Deficit/Excess field.
5. Notify applicant of approval by Form DCO-700 or DCO-55.

##### B. Denial - If the applicant does not meet all the eligibility requirements, the application will be denied. The county office worker will complete the following tasks:

1. Record pertinent information in case narrative to verify the denial decision.

2. Complete denial data on DCO-777.
  3. Notify applicant of denial by DCO-700 or DCO-55.
- C. Withdrawal - If the applicant wishes to withdraw the application, the county office worker should obtain a signed statement from the applicant stating that he/she wishes to withdraw the application. The worker will then follow the above procedures for denying an application.

## 2073.6

ChangesA. Disregard of SSA Cost of Living Adjustment (COLA)

The SSA COLA increases which are received in January of each year will be disregarded for QI-1 applicants and recipients until the month after the new Federal Poverty Levels are issued to county offices. The new FPLs are usually issued in March with an effective date of April 1.

When county offices receive the new QI-1 income limits, the individual's income, including the January COLA increase, will be compared to the new income limit to determine if eligibility will continue.

If an individual or couple is ineligible due to the COLA increase, a DCO-700 will be sent as advance notice of closure. The case will be closed when the notice expires.

B. Reevaluations

QI-1 reevaluations will be conducted annually. All eligibility factors will be redetermined. Forms DCO-777, DCO-707, and DCO-769 will be completed.

C. Closure

If a change occurs that affects eligibility, a ten (10) day advance notice of closure will be issued via DCO-700 or DCO-55, unless advance notice is not required (Re. MS 3633). Form DCO-57 will be completed for closure effective the date that the notice expires.

\* 2074 Qualifying Individuals-2

Section 4732 of the Balanced Budget Act of 1997 (Public Law 105-33) created the Qualifying Individuals-2 group of Medicaid eligibles. These are individuals who would be QMBs except that their income exceeds the QMB income level, and is at least 135% but less than 175% of the Federal Poverty Level.

2074.1 Scope of Services

QI-2s will not be eligible for the full range of Medicaid benefits. QI-2s will be eligible for payment of a portion of their Medicare Part B premium only. No other Medicare cost sharing charges will be covered. The amount of the portion to be paid in 1998 is \$1.07 per month.

Unlike QMBs and SMBs, a QI-2 may not be certified in another Medicaid category for simultaneous periods. A QI-2 may not be approved for a spend down and as a QI-2 for simultaneous periods. An individual who is eligible for both QI-2 and spend down will have to choose which coverage is wanted for a particular period of time.

Individuals eligible for the QI-2 program will not receive a Medicaid card.

## 2074.2 Application Process

Application will be made on Form DCO-777 by the individual requesting assistance, his/her authorized representative, or a person acting responsibly on the applicant's behalf.

When both members of a couple apply, separate applications will be completed and registered for each individual.

Other forms to be completed during the application process are the DCO-86, DCO-662, DCO-707, and DCO-769.

Applications will be registered on WIMA in Category 78.

The county office worker will have a maximum of 45 days to dispose of the application by approval, denial, or withdrawal.

## 2074.3 Eligibility Requirements

To be certified as a QI-2, an individual must meet the same requirements as a Qualified Medicare Beneficiary (with the exception of income). Each eligibility requirement will be verified and documented in the case record.

1. Categorical Relatedness - A QI-2 must be aged, blind, or disabled as specified at MS 3321 - 3323.
2. Medicare Part A Entitlement - The individual must be entitled to and receiving Medicare Part A Hospital Insurance and Medicare Part B Medical Insurance (MS 2047.3).
3. Citizenship or Alien Status - A QI-2 must meet the citizenship/alien status requirements as specified at MS 3324.
4. Residency - A QI-2 must be an Arkansas resident (Re. MS 2200).
5. Social Security Enumeration - A QI-2 must meet the Social Security enumeration requirement as specified at MS 1390.
6. Resources - Countable resources may equal but cannot exceed twice the current SSI resource limitations. The current QI-2 resource limits are:

Individual	\$4,000
Couple	\$6,000

Resources are determined according to Long Term Care guidelines (MS 3330 - 3337). No penalty will be imposed for transfer of resources.

7. Income - Countable income must be at least 135%, but less than 175% of the current Federal Poverty Level. (See note below.)

Effective 4/1/97 these levels are:

	<u>135%</u>	<u>175%</u>
Individual	\$ 887.62	\$1150.62
Couple	\$1193.62	\$1547.29

The LTC guidelines at MS 3340 - 3348 will be applied when determining countable income. The Supplemental Security Income exclusions at MS 3348 will be given. Inkind Support and Maintenance will be considered.

For couples, their combined net countable income, after all disregards and exclusions, will be compared to the couple's standard in determining the eligibility of each member of the couple. In determining eligibility for only one member of a couple, the procedures for deeming of income at MS 2111 - 2111.5 will apply.

Note: In determining eligibility each year between January 1 and April 1, the Social Security Cost of Living Adjustment (COLA) for the year will be disregarded until April 1; i.e., the SSA amount to be considered in the QI-2 budget will be the amount for the previous year. The current year's SSA amounts will not be considered until April 1 when the new Federal Poverty Level income limits become effective.

#### 2074.4 Period of Eligibility

##### A. Medicaid Begin Date

The beginning date of eligibility will be the first day of the month following the month of QI-2 certification (i.e., completion of the DCO-57). For example, if a QI-2 application is certified on June 15, the effective date of eligibility will be July 1.

##### B. Retroactive Coverage

QI-2 eligibility cannot begin earlier than the first day of the month following the month of certification. Retroactive coverage will not be authorized for QI-2's. If retroactive coverage is needed, eligibility will need to be determined in another category.

#### 2074.5 System Procedures for Disposition of Application

##### A. Approval - If all eligibility requirements are met, the application may be approved for QI-2. The county office worker will complete the following tasks:

1. Complete Form DCO-57 for a Category 78 approval and submit for data entry on WASM.
2. The Medicaid Begin Date entered on WASM will be the first day of the month following the month of certification.
3. In Field 49 of Form DCO-57, a unit size of one (1) will be entered for an individual. For a couple, whether or not both members apply, a unit size of two (2) will be entered.
4. The current income will be entered in the appropriate fields. The total SSI exclusions will be entered in the Unearned Exclusion field, and a "Y" will be entered in the MU field. The current 175% FPL amount will be entered in the MNIL field. The net income will be entered in the Net Countable field. There must be a deficit of at least \$ .01 in the Deficit/Excess field.

5. Notify applicant of approval by Form DCO-700 or DCO-55.
- B. Denial - If the applicant does not meet all the eligibility requirements, the application will be denied. The county office worker will complete the following tasks:
1. Record pertinent information in case narrative to verify the denial decision.
  2. Complete denial data on DCO-777.
  3. Notify applicant of denial by DCO-700 or DCO-55.
- C. Withdrawal - If the applicant wishes to withdraw the application, the county office worker should obtain a signed statement from the applicant stating that he wishes to withdraw the application. The worker will then follow the above procedures for denying an application.

## 2074.6

ChangesA. Disregard of SSA Cost of Living Adjustment (COLA)

The SSA COLA increases which are received in January of each year will be disregarded for QI-2 applicants and recipients until the month after the new Federal Poverty Levels are issued to county offices. The new FPLs are usually issued in March with an effective date of April 1.

When county offices receive the new QI-2 income limits, the individual's income, including the January COLA increase, will be compared to the new income limit to determine if eligibility will continue.

If an individual or couple is ineligible due to the COLA increase, a DCO-700 will be sent as advance notice of closure. The case will be closed when the notice expires.

B. Reevaluations

QI-2 reevaluations will be conducted annually. All eligibility factors will be redetermined. Forms DCO-777, DCO-707, and DCO-769 will be completed.

C. Closure

If a change occurs what affects eligibility, a ten (10) day advance notice of closure will be issued via DCO-700 or DCO-55, unless advance notice is not required (Re. MS 3633). Form DCO-57 will be completed for closure effective the date that the notice expires.

## 2075

DDS Alternative Community Services

Public Law 97-35, Section 2176, the Omnibus Budget Reconciliation Act of 1981, allows states the option of providing home and community based services, as an alternative to institutionalization, to a limited number of individuals with a developmental disability who would otherwise require an ICF/MR Level of Care.

The DDS Alternative Community Services Waiver Program was implemented in Arkansas on September 1, 1989, as a program designed to meet the needs of individuals who meet the ICF/MR level of care and who experience various health and social problems, thereby preventing unnecessary institutionalization and reducing health costs.

Individuals found eligible for the Waiver Program will receive the full range of Medicaid benefits, in addition to the Waiver services listed below.

Waiver services include: Case Management, Consultation Services, Crisis Abatement Respite Care Services, Integrated Supports Services, Physical Adaptation/Adaptive Aids, Specialized Medical Supplies, and Supported Employment Services.

Crisis abatement respite care services can be provided in a recipient's home, other place of residence, or temporary placement within the community such as an intermediate care facility for the mentally retarded (ICF/MR) or a DDS licensed community group home.

2075.1 Eligibility Requirements

Waiver applicants must meet the following eligibility requirements:

1. Must be developmentally disabled as determined by the Division of Developmental Disabilities Services (DDS).
2. Must be AFDC or SSI cash payment recipients, or AFDC-NG recipients or must be Categorically related Aged, Blind, or Disabled individuals who would be Medicaid eligible if in an institution (Re. MS 3321 & 3322).
3. Citizenship - Citizen of the United States or a lawfully admitted alien (Re. MS 3324).
4. Residency - Resident of Arkansas (Re. MS 2200).
5. Social Security Enumeration (Re. MS 1390).
6. Child Support Enforcement Requirement (Re. MS 1310).
7. Income - Gross income cannot exceed the current LTC income limit. Income is determined and verified according to LTC guidelines (Re. MS 3340). SSI exclusions (Re. MS 3348) are not allowed from gross income in determining eligibility.

If the Waiver applicant is living in the home of his/her parents, the parental income/resources will be disregarded in determining Waiver eligibility. Any contributions made to the applicant by the parents will be counted as unearned income. In-Kind Support and Maintenance will not be considered as income to Waiver recipients.