TO: Local District Commissioners, Medicaid Directors

FROM: Judith Arnold, Director
Division of Eligibility and Marketplace Integration

SUBJECT: Renewal Processing for MAGI Eligibility Groups Beginning January 2014

EFFECTIVE DATE: Immediately

CONTACT PERSON: Local District Support Unit
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The purpose of this General Information System (GIS) message is to inform local departments of social services of the policy for processing Medicaid renewals for individuals in a Modified Adjusted Gross Income (MAGI) eligibility group with an Authorization "From" date of January, February or March 2014.

In accordance with recent clarification received from the Centers for Medicare and Medicaid Services (CMS) regarding the effective date of the Affordable Care Act (ACA) provisions for individuals with active Medicaid coverage as of December 31, 2013, Medicaid recipients who are in one of the MAGI eligibility groups who renew with a "From" date of January, February or March 2014, must have the benefit of pre-ACA rules, and if found income ineligible under pre-ACA rules, must be budgeted under MAGI-like rules. For these renewals, Medicaid eligibility cannot be discontinued based on pre-ACA rules without performing a MAGI-like budget.

Because MAGI-like budgeting will not be available to districts until the February WMS/CNS Migration (February 18, 2014), districts are required to take the following actions for renewals mailed out in October, November and December, with Authorization "From" dates of January, February and March, 2014. These instructions also apply to renewals mailed out in January 2014 with an Authorization "From" date of April 2014, if the district is ready to re-determine eligibility and MAGI-like budgeting is not yet available.

The following instructions apply to renewals of households containing an individual in a MAGI eligibility group. This would include households with the following Budget Types: 01 – LIF/ADC-Related, 02 – S/CC, 05 – SSI-Related/LIF ADC-Related and 06 – SSI-Related/S/CC.

If a renewal is not returned or required documentation is not received, the case should be closed following regular closing procedures.

Note: If a case is closed due to failure to renew or provide required documentation, and the individual provides the required renewal/documentation within 30 days of the date of the closing, eligibility must be re-determined. If the individual is determined ineligible under pre-ACA rules for a time period prior to January 1, 2014, the case should be denied. If the re-determination is for a period on or after January 1, 2014, and the individual is determined ineligible under pre-ACA rules, the case should be pended until MAGI-like rules are available. Individuals in a MAGI eligibility group who

comply with renewal requirements more than 30 days following the date of closing and on or after January 1, 2014, will be referred to New York State of Health (NYSOH) for an eligibility determination. An Administrative Directive will be issued with further information.

For returned renewals where eligibility is being re-determined, if the Budget Type is 05 or 06, the budget/case should be separated into an 01 or 02 budget/case, as applicable, and an 04 budget/case for the SSI-related recipient. The renewal for the SSI-related recipient can be processed following regular renewal processing instructions.

For 01 and 02 Budget Types, if by applying pre-ACA eligibility rules, the individual is eligible for Medicaid, including FHPlus, eligibility must be re-authorized for a new 12 month period with the exception of FHPlus which cannot be authorized beyond December 31, 2014. If based on pre-ACA rules an individual is income ineligible or was eligible for Medicaid or FHPlus and is now eligible for Family Planning Benefit Program only, the individual's coverage must be extended until eligibility can be re-determined based on MAGI-like rules (following the February WMS/CNS Migration).

- **New York City** – Cases set for discontinuance due to excess income will be held based on the closing reason code (excess/over income codes) and extended under the Graus extension process. The closing transaction will be held by EDITS. A special mass re-budgeting of the cases held will occur following the February WMS/CNS Migration using MAGI-like rules.
  - If eligible after the mass re-budgeting, a CNS notice will be system-generated, the budget will be moved to "current" and the "From" date will be updated.
  - If ineligible, a CNS notice will be system-generated based on the MAGI category and associated Federal Poverty Level.
  - If one person on the case is eligible and another person is ineligible, the case will be referred to HRA for manual action to close the ineligible individual(s) and continue coverage for the eligible household member(s).

  In NYC similar logic will apply to Medicaid Separate Determinations and Transitional Medicaid. Individuals found to have excess income will be forwarded on a daily basis to NYSOH for processing under MAGI rules until MAGI-like budgeting is available on WMS. The method of execution will be different and will vary by whether the individual has their Temporary Assistance or SSI case closed or if the individual is denied Temporary Assistance.

  If, when making a separate Medicaid eligibility determination for an effective period of January 1, 2014 or later, but prior to the availability of MAGI-like rules, a discontinued Temporary Assistance recipient or SSI recipient (Rosenberg/Stenson) who is in a MAGI eligibility group, is determined to have excess income or is only eligible for FPBP, the NYC worker will use Rejection Code HH8 "HX Applicant Submission" (Case Level) or HH9 (Line Level). The CNS notice will notify the applicant that his/her information was referred to NYSOH for an eligibility determination. NYC will send a daily file to Maximus containing demographic information for these individuals/cases for further processing in NYSOH. The data requirements and file format is to be finalized in the next couple of weeks.

For denied Temporary Assistance individuals (Reynolds) where the individual is determined to have excess income under pre-ACA rules, EDITS will convert excess income denial code(s) to Rejection Code HH8 or HH9, as applicable and refer the individual/case to Maximus for processing in NYSOH. This process also includes re-applications within 30 days of closing if the re-application is on or after January 1, 2014, and the individual is not eligible under pre-ACA rules.

- **Upstate Renewals Processed by the Enrollment Center** – The Enrollment Center will identify MAGI eligibility group individuals and if ineligible under pre-ACA rules (including going from Medicaid or FHPlus to FPBP), the individuals' current coverage will be extended until a MAGI-like budget can be applied. If a case contains both eligible and ineligible household members, coverage for all household members will be extended until a MAGI-like budget can be applied. In this mixed household situation, individuals who are eligible under pre-ACA rules and not eligible under MAGI-like rules will have coverage authorized under pre-ACA rules for the remaining months of the 12 month authorization period (FHPlus will not be extended beyond December 31, 2014). Proper notification will be sent.

- **Upstate renewals** – For individuals determined eligible under pre-ACA rules, coverage is to be authorized for a new 12 month period using existing notices (FHPlus cannot be authorized beyond December 31, 2014). If an individual is ineligible under pre-ACA rules (including going from Medicaid or FHPlus to FPBP) the current coverage must be extended until eligibility can be re-determined under MAGI-like rules. To ensure no gaps in coverage pending a redetermination of eligibility under MAGI-like rules, districts may extend coverage for 12 months. Districts should use Undercare Transaction Code 05 (Change) to extend coverage. Use of this transaction code will ensure that a new continuous save date is not created for a child. Districts should issue a CNS notice using reason code C05 (Continue Unchanged).

  Once MAGI-like budgeting is available, districts are instructed to re-determine eligibility for individuals who were not found eligible under pre-ACA rules as soon as practicable.

Individuals Applying on a Renewal – For renewals received prior to January 1, 2014 where an individual in a MAGI eligibility group is being added to case, if the new applicant is not Medicaid eligible based on pre-ACA rules, the individual's application should be denied. If the renewal is received on or after January 1, 2014, and the applicant is ineligible under pre-ACA rules, eligibility should be pended until MAGI-like rules can be used to determine eligibility.

Further information regarding CNS notices and processing cases with a MAGI-like budget will be available to districts in an upcoming Administrative Directive.