
TWELVE MONTH TRANSITIONAL MEDICAID

REVISED 10/1/2019 – CHANGE NO. 06-19

Current Change Notice: 06-19

- MA-3405.VI.A.b.(2)., Reports due in the 4th month
 - If good cause is not determined by the second deadline in the 4th month, the case displays as a task in NC FAST. The task is a reminder for the caseworker to review the case and determine if good cause was provided.

I. INTRODUCTION

A beneficiary may receive up to twelve months of Transitional Medicaid (TMA) when ineligible for MAF-C because of new or increased income. The beneficiary must have been eligible for MAF-C in North Carolina in at least three of the six months immediately preceding the first month of ineligibility. There must be an eligible child receiving Medicaid or North Carolina Health Choice (NCHC) in order for the parent/caretaker relative to receive TMA. The transitional period may last up to 12 consecutive months.

When a beneficiary loses eligibility for MAF-C evaluate for TMA following policy in this Section. If eligible for TMA, the twelve-month period begins with the first month the beneficiary was ineligible for MAF-C. The caretaker relative must report earnings quarterly. The Medicaid program is MAF.

At any time during the TMA period that the beneficiary is no longer eligible for twelve months TMA, conduct an ex-parte review to determine ongoing eligibility in all Medicaid programs. An ex-parte recertification must begin no later than the 11th month prior to the end of the 12 months of TMA.

II. POLICY RULES

Evaluate for twelve- month TMA when a beneficiary loses eligibility for MAF-C.

To be eligible for twelve- month TMA, the beneficiary must:

A. Have been eligible for and received MAF-C in North Carolina in at least three of the six months immediately preceding the first month of ineligibility.

1. The person who caused ineligibility must have been in the household for these months.
2. MAF-C does NOT include months the case:
 - a. Received assistance which must be recouped, or

- b. Received assistance as the result of a request for an appeal, or
- c. Received assistance fraudulently as determined by a court.

B. Be ineligible for assistance because:

- 1. The parent/caretaker relative increased their earnings due to increased hours of employment (including beginning employment) or due to increase in rate of pay; or
- 2. An increase in earnings in combination with an increase in other income causing ineligibility for assistance.

C. Continue to have an eligible child in the home during the entire 12 months.

D. Live in North Carolina.

E. The parent/caretaker relative must be included in the month in which ineligibility for assistance began.

III. GENERAL PROVISIONS

During the transitional period, the beneficiary must complete Transitional Benefit Reports (TBR) to verify gross monthly earned income and child care expenses. These reports are generated automatically by NC FAST when the caseworker adds income reporting evidence. For keying instructions refer to NC FAST Job Aid: [MAGI – Transitional Medicaid](#).

The local agency must generate reports manually for the retroactive quarters.

IV. TRANSITIONAL MEDICAID

A. Eligibility Period

- 1. Transitional Medicaid may last up to 12 consecutive months beginning the first month the beneficiary was ineligible for assistance.
- 2. The beneficiary may **receive** at least the first six months of TMA. If the quarterly report is returned complete in the 4th month or if there is good cause, **TMA** may continue past the initial six months. Refer to Section VIII, Good Cause.

B. Notification

When the caseworker accepts the changed decision, NC FAST automatically generates DSS-8110T, Notice of Modification of Public Assistance which includes the DHB-5083 Notice of Transitional Benefits. The notice outlines the good cause reasons for not having earnings.

C. Additions to the Household During the Transitional Period

1. Once the TMA case is established, do not add any additional members.
2. When a financially responsible spouse or parent of a child in the household returns during the transitional period, include their gross income in the budget in the second and third quarter TMA period.
3. Individuals not included in the TMA household must apply and be found eligible in their own case.
 - a. Establish a separate Medicaid case.
 - b. Count as unearned income any contributions given to individuals in the other household.

D. Child Support Requirement

The parent/caretaker relative is not required to cooperate with Child Support while receiving TMA.

E. Changes in Income During the Transitional Period

The beneficiary's income cannot exceed 185% of the Poverty Income Limit in the 2nd and 3rd quarters of TMA. If the caseworker determines the income exceeds the income limit due to an increase in earnings, conduct an ex-parte review to evaluate under all other Medicaid programs.

F. Treatment of Parent/Caretaker Relative's Income with Children in Another Medicaid Case

If the parent/caretaker relative receives TMA and the children receive Medicaid in another case, count the income of the parent/caretaker relative in the children's case.

V. CHANGE IN SITUATION DURING THE TRANSITIONAL PERIOD

A. Parent/Caretaker Relative Stops Working

1. If the parent/caretaker relative reports they are no longer working, they are ineligible for twelve months TMA. This does not include a parent/caretaker relative who is temporarily out of work and plans to return to work.
 - a. A person who is not working, but is on the company's payroll, is considered temporarily out of work. An example is someone who works for a temporary agency but is between assignments.
 - b. If a parent/caretaker relative stops working and begins another job before the worker can take action, continue the TMA.
2. If the parent/caretaker relative had good cause for loss of earnings, continue TMA. Refer to Section VIII, Good Cause.
3. If during the twelve months TMA period, the parent/caretaker relative reports they stopped working without good cause, follow these steps:
 - a. Conduct an ex-parte review to evaluate each beneficiary for ongoing Medicaid in all other Medicaid programs. Refer to [MA-3410](#), Terminations, Deletions, and Ex-partes.
 - (1) If it is during the 2nd or 3rd quarter of the TMA, determine if good cause exists for not working. Refer to Section VIII, Good Cause.
 - (2) Good cause does not apply in the 1st quarter of Transitional Medicaid. This would be the only time when the parent/caretaker relative can be unemployed and eligible for Medicaid through the 6th month. To receive Transitional Medicaid after the 6th month, the parent/caretaker relative must be working.
 - b. For a child(ren) under age 19, determine whether any months remain in their 12-month continuous Medicaid period based on the last recertification.
 - c. If the beneficiary remains eligible under MAF-C, begin a new certification period. If the parent/caretaker relative remains in the household, the certification period is 12 months.
 - d. If the ex-parte review determines there is no eligibility under Medicaid or NCHC, send a timely notice to terminate.

- e. If the beneficiary later qualifies for TMA again, begin a new 12-month certification period.

B. Evaluation for Other Medicaid Programs

1. If a change occurs which impacts eligibility, evaluate for all other Medicaid programs.
2. Complete an ex-parte review.
3. If no eligibility exists, send the beneficiary a timely notice to terminate the case.

C. County Transfers During the Transitional Medicaid Period

1. If the beneficiary moves to another county, transfer the TMA case to the other county.

Refer to NC FAST Job Aid: [Completing a County Case Transfer](#).

2. If at the time of the transfer the transitional coverage changes, update the necessary information in NC FAST.

VI. OVERVIEW OF NC FAST TRACKING DURING THE TRANSITIONAL PERIOD

The beneficiary must complete a quarterly [Transitional Benefit Reports \(TBR\), DHB-5082](#), to report gross earned income. NC FAST automatically generates the reports and sends via central print.

Refer to NC FAST Job Aid: [MAGI-Transitional Medicaid Job Aid](#)

A. Automated Quarterly Reports

1. Quarterly Reporting

NC FAST generates a Transitional Benefits Report for TMA cases at the end of months three, six and nine. The TBR report shows which months the beneficiary is required to report gross earned income and includes the deadline for the reports to be returned.

2. Quarterly Reporting Deadlines

- a. The deadlines for the return of the quarterly reports are in the 4th, 7th, and 10th months of TMA.

b. Reports due in the 4th month

- (1) If the beneficiary does not return the quarterly report by the second deadline in the 4th month, the beneficiary has until the sixth month to prove good cause for failure to return the report. Refer to the [DHB-5084](#), Transitional Benefits Good Cause, for what is considered good cause.
- (2) If good cause is not determined by the second deadline in the 4th month, the case displays as a task in NC FAST. **The task is a reminder for the caseworker to review the case and determine if good cause was provided.**
- (3) **If good cause is not provided by the second deadline in the sixth month, the case shows up on the Operations & Maintenance (O&M) Transitional Medicaid Quarterly Report and if also due for a recertification, will show pending recertification report.**

If the beneficiary continues to be eligible in another Medicaid program authorize ongoing case and send the appropriate notice.

- (4) If ineligible, terminate and send timely notice.

c. Reports due in the 7th and 10th months

- (1) If the beneficiary does not return the quarterly report by the second deadline in the 7th or 10th month and good cause is not determined, the caseworker must complete the ex-parte process and evaluate for all other programs.

If the beneficiary continues to be eligible in another Medicaid program authorize ongoing case and send the appropriate notice.

- (2) If ineligible, terminate and send timely notice.

B. What Is A Complete Transitional Benefit Report

When the caseworker receives the TBR, they must review for changes and completion. A complete report is one that:

1. Is signed and dated by the beneficiary, and
2. Has reported income, and

- a. The beneficiary who is working must report gross income for the three months reporting period. The beneficiary is not required to provide verification of income unless the beneficiary reports a change.
 - b. If there is a change in income, request verification. Refer to the income Section located in [MA-3306](#), MAGI, for definition of change and what is considered adequate income verification.
 - c. If the beneficiary who is working does not provide income information for all three months, the report is incomplete. If the caseworker determines that the report is incomplete, circle the incomplete items in red ink and return it to the beneficiary. Retain a copy of the report in the case **record**.
 - d. If the beneficiary reports they are not working, follow instructions in Section V. Change in Situation During the Transitional Period.
3. Reports whether or not child care expenses were incurred.
 - a. If there is someone in the household who is working and has child care expenses, the beneficiary must report child care expense for each of the three months. The TBR must be signed by the child care provider.
 - b. If the beneficiary who is working did not have child care expenses, box 4 of the TBR report must be marked “no.”
 - c. If the beneficiary who is working does not provide child care information or if the child care information is incomplete, the report is incomplete. If the caseworker determines the report is incomplete, circle the incomplete items in red ink and return it to the beneficiary. Retain a copy of the report in for the case record.
4. Notify the beneficiary that the report is incomplete.
 - a. Advise the beneficiary to complete the circled items and to return the completed report by the second quarterly deadline.
 - b. Notify the beneficiary that if the information is not completed and returned timely, benefits may be terminated.
 - c. If by the second deadline, the beneficiary does not provide the requested information, and the caseworker does not find good cause, conduct an ex-parte review to determine continuing eligibility. See below Section D. Requirements For the 1st Quarter of TMA.

C. Determination of Good Cause

Determine good cause when:

1. The quarterly report is not returned by the 1st deadline in the 1st, 2nd, and 3rd quarters of TMA. The parent/caretaker relative has until the 2nd deadline to prove good cause. Refer to Section VIII, Good Cause. The beneficiary's statement of good cause is acceptable. Third party verification of good cause is required only if the beneficiary's statement is questionable.
2. The parent/caretaker relative had no earnings in one or more months in the 2nd or 3rd quarter. Refer to Section VIII, Good Cause. Acceptable evidence of good cause includes but is not limited to a statement from the employer, bill from the hospital, statement from a doctor, newspaper clipping, or a written collateral statement.

D. Requirements For the 1st Quarter of TMA

If a quarterly report is not returned by the second deadline in the fourth month, complete the ex-parte process. If the caseworker does not complete the ex-parte timely, extend the certification period one month at a time to allow for timely notice requirements.

1. If the quarterly report is not returned by the second deadline in the 4th month, determine if good cause exists for not returning the report. The deadline for determining good cause is in the 6th month.
 - a. In the 6th month the caseworker must:
 - Update income reporting evidence when good cause is established by the deadline and the TBR is received.
 - b. If good cause does not exist, conduct an ex-parte review to determine ongoing eligibility under all Medicaid programs.
 - (1) If the beneficiary continues to be eligible in another Medicaid program authorize ongoing case and send the appropriate notice.
 - (2) If ineligible, terminate and send timely notice. See above Section B. What Is a Complete Transitional Benefit Report.

E. Requirements for the 2nd and 3rd Quarters of TMA

In the 6th and 9th months of TMA, NC FAST generates quarterly reports for the appropriate cases.

1. If quarterly report status is not updated by the first deadline on the income reporting evidence, NC FAST mails a 2nd TBR report, DHB-5082, with a DHB-5084, good cause insert.
2. The beneficiary must return the quarterly report or establish good cause for not returning the report by the 2nd reporting deadline in the 7th or 10th month unless there is good cause for not returning the report.

Do not establish good cause for failure to return the TBR reports if:

- a. The caseworker knows that the parent/caretaker relative lost earnings without good cause in at least one month, or
 - b. The beneficiary's average gross monthly earnings exceed 185% of the poverty level.
3. If good cause is established by the second deadline, update the income reporting evidence.
 4. If the caseworker determines that the report is complete, the caseworker must evaluate the parent/caretaker relative's earnings.
 - a. Determine from TBRs if the parent/caretaker relative had no earnings in one or more months of the 2nd or 3rd reporting quarter.
 - b. If there were no earnings in one of the months, contact the parent/caretaker relative to establish the reason for the loss of earnings.
 - c. If the caretaker had good cause for loss of earnings, continue TMA. Refer to Section VIII, Good Cause.
 - d. If the loss of earnings was for other reasons and no good cause exists, conduct an ex-parte review to determine eligibility in all other Medicaid programs, authorize case.
 - e. If ineligible for another Medicaid program, take appropriate steps to terminate the case, following timely notice.
 5. 185% of Poverty Level Income Test
 - a. If the average gross monthly earnings minus the average child care expenses exceeds 185% of the poverty income level for the beneficiary, the household is ineligible for TMA.
 - b. To determine the average gross monthly income, add together the gross income of the parent/caretaker relative for every month. This includes

the earned income of any financially responsible relative if they have returned to the home. Do not allow for any deductions. Do not include any unearned income. Add the three months together and divide the sum total by three.

- c. To determine the average child care expense paid by the parent/caretaker relative, add the expenses for the three months and divide the sum.
 - (1) Child care expenses must be necessary for the parent/caretaker relative's employment. Do not include child care expenses paid by a third party or child care expenses paid for a month in which the caretaker had no earnings.
 - (2) There is no limit to the amount of child care expenses which can be deducted.
- d. Subtract the average monthly child care expenses from the average monthly earnings.
- e. Compare this amount to 185% of the Poverty Income Level for the number in the Transitional Medicaid Needs Unit in the third month of the quarter.
- f. If the net gross income exceeds 185% of the Poverty Income Level at the end of the 7th month:
 - (1) Conduct an ex-parte review to evaluate for all other Medicaid programs.
 - (2) If the beneficiary continues to be eligible in another Medicaid program, authorize ongoing case and send the appropriate notice.
 - (3) If ineligible, terminate and send a timely notice.
- 6. If the quarterly reports are not returned and/or good cause is not established, by the 2nd deadline in the 7th or 10th month, conduct an ex-parte review to determine eligibility in all other Medicaid programs.
 - a. If the caseworker does not complete the ex-parte timely, extend the certification period one month at a time to allow for timely notice requirements.
 - b. The case is displayed on the **Operations & Maintenance (O&M) Pending Recertification Report**.

7. In the tenth month, if all prior quarterly reports have been returned timely, the case will show on the O&M Pending Recertification report. T. Conduct an ex-parte review to determine eligibility in all other Medicaid programs.

If the caseworker does not complete the ex-parte timely, extend the certification period one month at a time to allow for timely notice requirements.

F. In the 11th Month of Transitional Medicaid

1. In the 11th month of TMA, conduct an ex-parte to determine if the household is eligible for Medicaid in another program.
3. Do not terminate TMA until eligibility or ineligibility has been established for all individuals in other Medicaid programs.
 - a. If the case is eligible for Medicaid in another Medicaid program, send the appropriate notice.
 - b. If the beneficiary is ineligible in another Medicaid program, send a timely notice.
4. If the caseworker does not complete the ex-parte timely, extend the certification period one month at a time to allow for timely notice requirements.

VII. GOOD CAUSE

Use the following information to determine if good cause exists.

A. Determine good cause when:

1. The quarterly report is not returned by the 1st, 2nd, and 3rd quarters of TMA.
 - a. The beneficiary has until the last day of the reported month to prove good cause.
 - b. The beneficiary's statement of good cause is acceptable.
 - c. Verification of good cause is required only if the beneficiary's statement is questionable.

2. The beneficiary had no earnings in one or more months in the 2nd or 3rd quarter.

A. Acceptable evidence of good cause

Acceptable evidence of good cause includes but is not limited to:

- a. A statement from an employer,
- b. A bill from the hospital,
- c. A statement from the doctor,
- d. A newspaper clipping, or
- e. A written collateral statement.

Refer to [DHB-5084, Good Cause Reasons for Not Returning Your Transitional Benefits Report Timely.](#)

C. Document the case as well as the evidence in NC FAST with the good cause reason.