

# TRANSMITTAL LETTER FOR MANUAL RELEASES

STATE OF MARYLAND  
DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
BENEFICIARY SERVICES ADMINISTRATION  
DIVISION OF ELIGIBILITY SERVICES  
201 WEST PRESTON STREET  
BALTIMORE, MARYLAND 21201

410-767-1463

1-800-492-5231 extension 1463

**MANUAL: Medical Assistance**

**EFFECTIVE DATE: April 1, 2004**

**RELEASE NO: MR-118**

**ISSUED: March 2004**

**APPLICABILITY:** institutionalized persons in Institutions for Mental Disease; DES 1000.

---

<u>Item</u>	<u>Remove Pages</u>	<u>Insert Pages</u>
<u>Chapter 5 – Non-Financial Eligibility</u> (Institutions for Mental Disease - eligibility exclusion for non-elderly adults)	500-12a – 500-12b	500-12a – 500-12b
<u>Chapter 10 – Eligibility for Institutionalized Persons</u>		
Policy Alert 10-7 (recipients institutionalized in an Institution for Mental Disease)	Policy Alert 10-7 pp. 5-10 DES 1000 after p. 10	Policy Alert 10-7 pp. 5-10 DES 1000 after p. 10

## COMMENTS

In Chapter 5 and Policy Alert 10-7, the Medical Assistance (MA) eligibility exclusion is clarified for a non-elderly adult institutionalized in an Institution for Mental Disease (IMD). Recipients who are under 21 years old or aged 65 or older may remain eligible for MA coverage when they are admitted to an IMD for a long-term care stay. However, federal policy prohibits MA coverage for persons aged 22 through 64 years old while they are institutionalized in an IMD. If a recipient is admitted to an IMD before age 21, the recipient may remain MA eligible in the IMD until the earlier of when the recipient:

- Is unconditionally discharged or no longer requires the IMD services; or
- Reaches age 22.

The DES 1000 “Certification of Institutionalization & HealthChoice Disenrollment,” which is attached to Policy Alert 10-7, is revised to reflect this clarification of federal policy about the MA IMD exclusion. Printed copies of the DES 1000 are available from the DHMH Mental Hygiene Administration. Since the form will not be reprinted until the existing supplies are depleted, a revised version of the form is attached to Policy Alert 10-7 for information purposes, to clarify how the form is used. The MA eligibility case manager and the DHMH HealthChoice Enrollment Section must be notified through the DES 1000 when a recipient is admitted to an IMD, is discharged from an IMD, or transfers to a different IMD. However, the DES 1000 is not used when an IMD resident is admitted to a hospital for acute care, because this is not considered a discharge from long-term care.

- The DHR Office of the Inspector General (OIG) receives a quarterly report from the Department of Corrections (DOC) listing the inmates in DOC and Baltimore City Jails. The OIG checks the CARES database to match individuals on the DOC report. When a match is found, they send a report on the inmate with a cover letter to the FIP Assistant Director at the local department of social services (LDSS). The documents are then given to the appropriate supervisor to distribute to the Case Manager.
- 1. The report is divided into three sections:
  - a) The top section contains information that is constant (e.g., district office, person's name and address, client ID, type of benefit, etc.).
  - b) The middle section contains DOC information, including contact telephone numbers.
  - c) The last section contains questions regarding the action that was taken on the case. The Case Manager must complete this section and return it to the OIG.
- 2. When the Case Manager receives the match report from the OIG, the case must be reviewed and appropriate action taken to determine whether the information on the report requires the case to be closed and timely notice sent.
- 3. The OIG allows 90 days for the LDSS to take appropriate action on the case and return the completed DOC match report. If the report is not returned, an overdue notice is sent to the LDSS.
- When the Case Manager receives a "Conflicting Data Report" (DHMH 4541) from DHMH (e.g. because DHMH has learned of an incarceration) the case must be reviewed to resolve the conflicting information, and determine whether the individual is still entitled to Medicaid eligibility. The green copy of the DHMH 4541 is to be returned to DHMH (the address is on the back of each page of the document), advising the Department of Health and Mental Hygiene of the resolution reached.
- FIA Action Transmittal 98-46, issued May 15, 1998, presents policies and procedures to facilitate applications by certain inmates for the Family Investment Administration (FIA) programs and services they will need when released from incarceration (e.g., Medical Assistance; Food Stamps; Temporary Cash Assistance; Transitional Emergency, Medical and Housing Assistance). The special population for this pre-release assistance is limited to terminally ill or chronically mentally ill inmates who are in need of hospitalization. The Department of Human Resources and Department of Public Safety and Correctional Services reached an agreement for interaction between staff from the local departments of social services (LDSSs) and the Division of Corrections (DOC).
- Male and female inmates incarcerated under the care and custody of the Commissioner of Corrections, who meet the following criteria, are to be identified and screened by DOC staff as potential recipients of FIA services and programs:
  - Inmates who will reside in Maryland upon release;
  - Inmates who are serving a sentence and have a projected release date within 6 months;
  - Inmates who do not have detainers that would result in incarceration in another jurisdiction; and
  - Inmates with an AIDS/HIV+ infection requiring medical treatment, a terminal illness, or a diagnosis of chronic mental illness requiring inpatient care upon release.
- The Division of Corrections is responsible for:
  - Identifying all inmates who meet the criteria for pre-release assistance with FIA applications;
  - Making a referral to the LDSS between 60 and 45 days prior to the inmate's expected release including a release plan, an application for benefits, and all the verifications and documentation necessary for the LDSS to determine eligibility for benefits;
  - Conducting the required face-to-face interview for benefits, assisting with completing the DHR/FIA application form, and forwarding the application and accompanying information to the LDSS at least 45 days before the release date; and

- When the inmate is released, notifying the LDSS and instructing the inmate to report to the LDSS.
- The LDSS is responsible for:
  - Reviewing and processing the FIA application and accompanying materials, and requesting additional information or making a referral to the State Review Team, if necessary; and
  - Upon notification by DOC of the inmate's release, finalizing the eligibility determination within 10 days of release if all of the required information has been submitted or within 10 days after the information is received, and sending the appropriate notice to the applicant with a copy to the DOC social worker.

#### **H. Institution for Tuberculosis or Institution for Mental Disease (IMD).**

A person between **22 and 64** years old who is institutionalized in a State tuberculosis hospital or an IMD is not entitled to Medical Assistance coverage and may not be covered until or unless his/her status is changed from that of an inpatient in one of the above facilities to that of a community resident or an inpatient in another type of medical institution, such as a general hospital or nursing facility.

If an individual enters an IMD before age 21, the recipient may remain MA eligible as an institutionalized person in the IMD up to the 22nd birthday. If the recipient is discharged from the IMD and then is readmitted and institutionalized at age 21 or older, the recipient loses MA eligibility. Therefore, MA covers a recipient's services in an IMD for individuals under age 21 until the **earlier** of the date that the recipient:

- Is determined to no longer require the IMD services;
- Is unconditionally discharged from the IMD;
- Reaches age 22; or
- Loses MA eligibility for other reasons.

An IMD includes such long-term care facilities as:

- Psychiatric hospital,
- Residential treatment center (RTC),
- Regional Institute for Children and Adolescents (RICA),
- Intermediate care facility-alcoholic (ICF-A), and
- Residential drug-free treatment program.

See Policy Alert 10-7 in Chapter 10 for more information about policies and procedures related to institutionalization in an IMD.

#### **I. Conditional Release or Convalescent Leave from an Institution for Mental Disease.**

A person on conditional release or convalescent leave from an IMD is not considered to be institutionalized in the IMD, with one exception. An individual younger than age 22 who is receiving inpatient psychiatric services for individuals under 21 is considered institutionalized in an IMD until the earlier of the date that the individual is unconditionally released from the IMD or reaches age 22. For purposes of this section, conditional release includes placement in foster care. Conditional release or convalescent leave must involve a change of residence to community residence, not to a licensed and certified long-term-care facility, in order to alter the person's institutionalized status. The person will be considered a community resident beginning with the first full month of deinstitutionalization.

An Institution for Mental Disease (IMD) means a hospital, nursing facility, or other medical institution of more than 16 beds that is primarily engaged in providing diagnosis, treatment, or care of individuals with mental diseases or substance abuse problems. IMDs include such long-term care facilities as psychiatric hospitals, residential treatment centers (RTCs), Regional Institutes for Children and Adolescents (RICAs), intermediate care facilities-alcoholic (ICF-As), and residential drug-free treatment programs.

The effective date of institutionalization for an individual admitted to an Institution for Mental Disease (IMD) is based on the person's age. Once a person is considered institutionalized, the status is retained until discharge. An institutional stay is not interrupted and an individual is not considered discharged due to short visits home (e.g., weekend, overnight) or hospitalization for acute, sub-acute, or rehabilitative services. The effective date of institutionalization is determined as follows:

1. Children under 21 years old. Children are considered institutionalized as of the first day of the first full calendar month of residency in an IMD.
2. Adults 65 or more years old. An aged person is considered institutionalized as of the first day of admission to the IMD if the admission lasts for 30 days or more.
3. Adults 21 through 64 years old. Non-aged adults are considered institutionalized in an IMD, and so ineligible for Medical Assistance, as of the 30<sup>th</sup> consecutive day after admission to the IMD, or as of the 60<sup>th</sup> cumulative day of residency in one or more IMDs during a calendar year.

For children (under 21 years old) and elderly adults (65 or more years old), the following applies when the person is admitted to an IMD for a continuous period of institutionalization:

- Medical Assistance (MA) eligibility is redetermined based on long-term care rules.
- If enrolled in HealthChoice, the person must be disenrolled from the managed care organization (MCO) as of the date that the institutionalized status is considered to begin.
- If an individual enters an IMD before age 21, he or she may remain MA eligible as an institutionalized person in the IMD up to his or her 22<sup>nd</sup> birthday. If a recipient is

discharged from an IMD and then is readmitted and institutionalized at age 21 or older, the recipient loses MA eligibility and MA does not cover the IMD services. Therefore, MA covers a recipient's IMD services until the earlier of the date that the recipient:

- (1) No longer requires the services;
- (2) Is unconditionally discharged; or
- (3) Reaches age 22.

For adults between the ages of 21 and 64, admission to an IMD for a continuous period of institutionalization causes the person to become ineligible for MA. When a non-aged adult is considered institutionalized in an IMD, the following applies:

- If enrolled in HealthChoice, the person must be disenrolled from the MCO effective the date that the institutionalized status is considered to begin.
- For recipients of Supplemental Security Income (SSI) or Temporary Cash Assistance (TCA), their MA eligibility is not terminated unless their eligibility for the cash program ends. However, MA is prohibited from paying for the cost of their IMD services.
- For medically needy and other MA recipients who are not automatically eligible, their MA eligibility must be terminated with timely notice.

MCO-enrolled recipients requiring specialty mental health services (e.g., IMD services) receive those services through Maryland Health Partners. Maryland Health Partners is the Administrative Services Organization (ASO) contracted by DHMH's Mental Hygiene Administration to assist the local Core Service Agencies (CSAs) with specialty mental health systems management. The ASO handles service preauthorization and claims payment for all MA recipients requiring mental health services, whether or not they are enrolled in HealthChoice. The ASO also administers mental health services for persons who do not qualify for MA but cannot afford to pay for their own care.

The DES 1000, "Certification of Institutionalization & HealthChoice Disenrollment", is a four-part snapshot form. It is used by IMDs to notify the HealthChoice

Enrollment Section in DHMH and the MA case manager (Financial Agent, LDSS MA eligibility technician, or DHMH Division of Eligibility Waiver Services) of a recipient's admission to or discharge from an IMD. The authorizing agent for this form is the ASO (Maryland Health Partners), rather than DHMH's Utilization Control Agent for other long-term care services (Delmarva). A revised copy of the DES 1000 and a list of the IMDs are attached to this Policy Alert for your reference.

### Procedures

When a MA case manager or financial agent is notified through the DES 1000 of an IMD admission:

- The admission date specified in Part III, IV, or V of the DES 1000 is compared with the admission date in Part I;
- The recipient's age is determined; and
- It is confirmed that the recipient is institutionalized in an IMD.

#### **1. For a recipient admitted for a long-term care stay in an IMD who is a child (younger than 21) or an elderly adult (aged 65 or older):**

- A completed and signed MA long-term care (LTC) application is obtained from the recipient or representative. The DHR/FIA CARES 9708 is used for a child and the DHR/FIA CARES 9709 for an adult.
- The MA case manager or financial agent initiates an unscheduled redetermination. Eligibility is determined in a LTC coverage group--"L" track for SSI recipients or adults, or "T" track for children or TCA adults.
- The date that the person is considered institutionalized is specified in Part III or V of the DES 1000.
- The ASO's authorizing signature on the DES 1000 is used as the level of care certification, rather than the DHMH 257.

The MA case manager or Financial Agent uses the following CARES procedures to complete the unscheduled redetermination:

a) For a recipient **who is the only member receiving benefits in his or her existing community MA assistance unit (AU)**:

- Go in through “O” Interview.
- The “ADDR” Screen should reflect that the individual is residing in a long-term care facility (IMD).
- Include information on the authorized representative on the “AREP” Screen.
- Enter the appropriate valid value code “MD” (Mental Disease Facility) under “Living Arrgmt” on the “DEM1” Screen for the new AU.
- Evaluate countable assets to ascertain whether a disposal has taken place within the applicable look-back period.
- Complete the “INST” Screen, including:
  - Institution Type. Use “NH” (Nursing Home);
  - CARES Vendor ID (Prov ID);
  - Date of Admission (Entry Date);
  - Level of Care (Level Auth). Use “U” (Under 21 Psychiatric) for children under 21 years old or “L” (LTC Hospital) for adults aged 21 or aged 65 or older; and
  - Requested Begin-Pay Date (LTC Payment Auth Date).
- After completing the Interview, go to “Done”. This will simultaneously close out the community AU and allow you to process the new LTC AU.
- Process (“P”) and Finalize (“Q”) the case.

b) For a recipient **who is in an existing community MA AU with other members receiving benefits** (e.g., spouse, parents, children):

- Select “J” (Screening) to rescreen the case.
- Select “Long Term Care” from the “KIND” Screen.
- When you get to the “INCH” Screen, “PF20” to find a match for the recipient.

- Continue to follow the procedures outlined in a) above. The recipient must be entered as Head of Household (“SE”). This will terminate the recipient’s eligibility in the community MA case.
- If a child is a member of an active TCA AU when institutionalized in an IMD, the child may remain in both the TCA AU and the MA LTC AU. Follow TCA policies that address when a child who is placed out-of-home must be removed from the TCA AU.
- Eligibility must be redetermined for the remaining members of the MA community AU, unless it is coverage group F01 for an active TCA AU.

**2. For a recipient institutionalized in an IMD who is 21 years old:**

- If the recipient is 21 years old when admitted, the procedures in #3 or #4, as appropriate, are followed.
- If the recipient was admitted before age 21 and remains in the IMD for a continuous period of institutionalization, the recipient is covered by MA for IMD services until the earlier of the date that the recipient: (a) is determined by the ASO to no longer need IMD services, (b) is unconditionally discharged from the IMD, (c) reaches age 22, or (d) loses MA eligibility for other reasons.
- When an institutionalized person in an IMD reaches age 22, the procedures in #3 or #4 are followed.

**3. For a recipient admitted for a long-term stay in an IMD who is between 22 and 64 years old:**

Since individuals aged 22 through 64 are not MA eligible if they are institutionalized in an IMD, their MA eligibility must be cancelled with timely notice. The date that the individual is considered institutionalized is specified in Part IV of the DES 1000. The MA case manager or financial agent uses the following CARES procedures to terminate MA eligibility:

- Complete the unscheduled redetermination i.e., rescreen, etc. following

the procedures given in #1b) above. The person must be entered as Head of Household (“SE”).

- On the “DEM1” Screen, enter valid value code “MD” (Mental Disease Facility). This will generate the Closure code “220” – “Failed Age Requirement.”
- Use freeform text to indicate the reason for the case closure on the Notice of Denial.

**4. For a recipient admitted for a long-term care stay in an IMD who is between 22 and 64 years old and is MA eligible as a recipient of SSI or TCA:** Eligibility for MA is retained unless eligibility for the cash assistance program ends. However, MA is prohibited from paying for the cost of their IMD services.

**Procedures after eligibility determination for a recipient institutionalized in an IMD:**

- All case activity should be documented in the CARES narrative.
- Retain the original DES 1000 in the case record.
- When a recipient transfers from one IMD to another, a new DES 1000 form should be received by the MA case manager to confirm admission to the new facility. “Transfer” should be checked in Part VI of the DES 1000.
- When a recipient is transferred from an IMD to an acute, sub-acute, or rehabilitative hospital (not a long-term care facility) and then returns to the IMD, the hospitalization is not considered a discharge and does not interrupt the recipient’s institutionalization in the IMD. Since hospitalization does not impact the recipient’s MA long-term care eligibility, a DES 1000 is not used.
- When a recipient is discharged from an IMD to the community, the facility should send a DES 1000 to notify the MA case manager (DEWS, financial agent, or LDSS) and the DHMH HealthChoice Enrollment Section. The recipient’s eligibility should be redetermined for community MA. If the recipient is being discharged from an IMD for persons under 21 years old, the policies and procedures in Policy Alert 10-9 and its Supplement are followed to redetermine eligibility for community MA.

**PLEASE CHECK REQUESTED ACTION:**  
 **CERTIFICATION OF INSTITUTIONALIZATION & HEALTHCHOICE  
DISENROLLMENT**  
 **NOTIFICATION OF DISCHARGE FROM LONG-TERM CARE**

TO: DHMH DEWS/LDSS/LHD Case Manager  
District Office: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

TO: DHMH HealthChoice  
Enrollment Section, Room L-9  
201 W. Preston Street  
Baltimore, Maryland 21201

**Part I. Recipient Identification**

Last Name \_\_\_\_\_ First \_\_\_\_\_ M.I. \_\_\_\_ D.O.B. \_\_\_\_\_  
M.A. Number \_\_\_\_\_ Social Security Number \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_  
Date of Admission to the Facility \_\_\_\_\_

**Part II. Facility Identification**

Name \_\_\_\_\_ CARES Vendor ID Number \_\_\_\_\_  
Address \_\_\_\_\_ MMIS Provider ID Number \_\_\_\_\_  
\_\_\_\_\_ Facility Phone Number \_\_\_\_\_  
\_\_\_\_\_ Facility Contact Person \_\_\_\_\_

**Part III. Recipient Under 21 Years Old**

To be completed after *one full calendar month* in the facility.  
This certifies that this individual has been admitted to the above facility. The first full month of institutionalization began on \_\_\_\_\_ / 1 / \_\_\_\_\_.

**Part IV. Recipient Aged 21 Through 64**

To be completed after *the 30<sup>th</sup> consecutive day* in the institution or after the *60<sup>th</sup> cumulative day during a calendar year* in an institution.  
This certifies that this individual has been institutionalized in the above facility  
 For 30 consecutive days, effective \_\_\_\_\_  
 For 60 days during the calendar year, effective \_\_\_\_\_

**Part V. Recipient 65 Years Old or Older**

To be completed after the *30<sup>th</sup> consecutive day* in the facility.  
This certifies that this individual was admitted to the above facility on \_\_\_\_\_ and is considered institutionalized on that date.

**Part VI. Discharge Information For Recipients**

To be completed *upon discharge from the facility*.  
This certifies that this individual was *discharged from the above facility* on \_\_\_\_\_ to  
 Transfer \_\_\_\_\_  
 Home \_\_\_\_\_  
 LTCF \_\_\_\_\_  
 Other \_\_\_\_\_

**Facility Certification: Signature** \_\_\_\_\_ **Date** \_\_\_\_\_ **Phone** \_\_\_\_\_

**Administrative Services Organization Authorization:**

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_ **Phone** \_\_\_\_\_

## INSTRUCTIONS

### Facility:

1. Complete Part I and II for all Medical Assistance recipients admitted to your facility.
2. Follow the instructions in section III, IV and V to determine *when* to complete and submit this form for each recipient.
3. The facility's authorized representative ***must*** sign and date the form.
4. Submit the entire, completed, signed form to the Administrative Services Organization (ASO) for their signature.
5. When the ASO returns the signed form to you:
  - a. Send original to the Medical Assistance Case Manager
  - b. Send the second copy to the DHMH HealthChoice Enrollment Section
  - c. Retain the last copy for your files.

### Administrative Services Organization:

1. Review form to determine that the period from the date of admission through the effective dates specified in the certification (Part III, IV, or V) is an authorized inpatient stay at this facility.
2. If the period is fully authorized, sign the form, retain the last copy for your files, and return the original and all other copies to the facility.
3. If any portion of the period from admission to date specified in the certification section is not authorized by your organization, do not sign the form, but return it to the facility, noting the discrepancy.

### Case Manager:

1. Check the date specified in Part III, IV, V against the admission date in Part I.
2. Redetermine eligibility based on the recipient's institutionalized status.
  - a. For recipients younger than 21 or 65 or older, redetermine eligibility in a long-term care coverage group (T track or L track) effective the date specified in the certification (Part III or V).
  - b. For medically needy recipients aged 21 through 64, ***cancel*** eligibility with timely notice due to residency in an institution for mental disease.
3. Retain the original form in the case record.
4. Take ***no action*** for recipients of ***SSI or TANF (Temporary Cash Assistance)***.

### HealthChoice Enrollment Section:

1. Disenroll the recipient from HealthChoice effective the date specified in the certification section (Part III, IV or V).
  - a. For Part III or V, use disenrollment code C8.
  - b. For Part IV, use disenrollment code B2 or B1, as appropriate.
2. Retain form for your files.

### Discharge Notification - To Be Completed By the Facility:

**Please Note: A hospitalization where the person is readmitted to your facility is not a discharge.**

1. Complete Parts I and II. Indicate the date of discharge and destination in Part VI.
2. The facility's authorized representative must sign and date the form.
3. Send the original to the MA case manager specified at the top of the DES 1000.
4. Send the second copy to the DHMH HealthChoice Enrollment Section.
5. Retain the last copy for your files.