



STATE OF NEW YORK DEPARTMENT OF HEALTH

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LOCAL COMMISSIONERS MEMORANDUM

DSS-4037EL (Rev. 9/89)

Transmittal No: 00 OMM LCM-3

Date: July 10, 2000

Division: Office of Medicaid
Management

TO: Local District Commissioners

SUBJECT: Medicaid Eligibility Authorization for Newborns

ATTACHMENTS:

- I. Dear Parent Letter
- II. Specifics of the Matching and Updating Process
- III. Reports
- IV. Systems Implementations
- V. Copy of Letter Sent to Hospital Administrators
About Newborn Initiative (not available on-line)

The purpose of this LCM is to provide districts with information about the implementation of Part G of Chapter 412 of the Laws of 1999. This legislation is related to timely Medicaid eligibility authorization for newborns.

BACKGROUND

Chapter 412 mandates that the State Department of Health (SDOH), or its designee, enroll infants born to women who are receiving Medicaid into the Medicaid Program, assign a client identification number (CIN), and issue an active Medicaid identification card as soon as possible, but no later than ten (10) business days from notification of the birth by a hospital. The provisions of the legislation are consistent with Section 366 of the Social Services Law and existing policy for Medicaid eligibility for newborns.

The legislation further identifies hospital responsibilities with respect to Medicaid newborns. Hospitals must report live births to women in receipt of Medicaid to the Department, or its designee, within five (5) business days of the birth. A hospital may face a financial penalty of up to \$3,500 per occurrence for each birth it fails to report in accordance with the established timeframes.

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Hospitals also must notify each mother, in writing upon discharge, that her newborn is deemed to be enrolled in the Medicaid Program and that she may access care, services, and supplies available under the Medicaid program for her baby, provided that she was in receipt of Medicaid at the time of the birth.

A Medicaid provider that furnishes medical assistance to the newborn will be eligible for Medicaid reimbursement whether or not the child has a Medicaid card or a CIN, provided that all applicable Medicaid program requirements are met with respect to the care and services provided, and the claim submitted. Providers must continue to determine if a newborn or mother is in a Medicaid Managed Care Plan (MCP). If either is enrolled, and the service to be provided is a covered service, the provider should contact the MCP before providing the service except in an emergency.

PROGRAM OVERVIEW

SDOH has created a new system that will, in most cases, automatically add a newborn to the mother's existing case in the Welfare Management System (WMS), significantly reducing the need for local district action. However, the fully automated system will not be in place until August, 2000 at the earliest. Consequently, we have established an interim manual process to handle establishment of Medicaid newborn eligibility through two (2) temporary units - one (1) unit is located in Albany and the other in New York City. Staff in these units will use the data on Medicaid births received from hospitals, perform an inquiry into WMS to find a match for the mother, and if a match is found, update cases with Medicaid eligibility information on the newborn, provided there is not already an unborn or newborn on the case. If no action is taken by the SDOH, an action may still be required by the LDSS (based on information furnished to the LDSS by SDOH).

The Interim Units will send appropriate client notices for actions they have taken. If the action is taken by the LDSS, the district is required to send appropriate client notices.

It should be noted that, in 00 OMM/INF-01, "Medicaid Coverage for Newborns", districts were advised to develop forms for transmitting unborn/newborn information between hospitals and districts. While established relationships between hospitals and districts should be continued, districts may not require that hospitals report births to them in addition to the SDOH reporting requirement. Any forms and/or procedures for reporting of births should be maintained for those instances in which SDOH is unable to find a match for a woman who is in receipt of Medicaid. Hospitals have been instructed to follow up with the district in these instances.

Hospital Requirements

Hospitals are required to give a letter in plain language to women who have delivered and are identified as being in receipt of Medicaid. To ensure that no woman whose child would qualify for Medicaid will be overlooked, SDOH is directing hospitals to provide this letter to all women who give birth in New York State. A copy of this letter is attached for your information (Attachment 1). The letter notifies a mother that if she was in receipt of Medicaid at the time she gave birth, her newborn also is entitled to Medicaid for the first year of life. This letter further advises the woman that her infant is eligible to receive medical services even while waiting for the newborn's Medicaid card. A toll-free number is provided in the letter, so those new mothers with questions or problems can contact a centralized unit in SDOH. The letter has been translated into Spanish, Chinese, Russian, Haitian-Creole and Arabic.

The process to be used to obtain information to update newborn eligibility will be based upon existing hospital reporting systems. Hospitals outside of New York City have an existing requirement (under NYS Public Health Law) to report all births to the New York State Bureau of Vital Records (within SDOH) via the Electronic Birth Certificate (EBC) process. Hospitals located in New York City are mandated to report births through the New York City Department of Health/Bureau of Vital Records on their version of the EBC. Consequently, in New York City, the New York City Department of Health/Bureau of Vital Records will serve as the SDOH designee in New York City for hospitals located in New York City to report under Chapter 412.

SDOH Matching and Update Process

Information on births reported by hospitals will be collected from these two (2) EBC sources. A merged file of information from New York City and the rest of the state will be created by the SDOH. This file will be passed to the Interim Units, and the information will be used to perform a WMS inquiry. When a match with information on the mother is found, we will add a newborn for Medicaid purposes to a woman's case if there is no unborn on the case, or open a new MA-Only case for the newborn. Coverage codes, categorical codes and other necessary data will be created for the infant from system defaults, based on information on the mother which is already in WMS.

During the interim phase, we will not convert an unborn that already exists in a mother's case to a newborn; however, this feature will be available when the automated system is implemented. Consequently, during the interim period, the district will be required to perform unborn to newborn conversions with updated demographics.

The WMS will be updated by Interim Unit staff to generate coverage for the newborn to the end of the authorization period for the case. We will be able to generate a full 13 months of coverage once the automated system is available. In the interim, it is essential that districts take the actions necessary to ensure the full 13 months of coverage for the newborn.

In view of the concern that eligible infants be provided with Medicaid as quickly as possible, it is important that infants are not penalized in instances in which a woman may not have eligibility on WMS (e.g., for reasons such as a delay in finalizing a recertification on the part of the district, etc.). Therefore, if SDOH staff finds a match on a woman who is not currently in receipt of Medicaid, but who was in receipt within three (3) months prior to the date of birth, we will create a new Medicaid-only case for that infant, with eligibility established through the child's first birthday.

When the infant is added to the case for Medicaid purposes, or if a new MA-only case is created for the newborn (as in the instance in which the mother's case was closed within the last three months), a Medicaid card will be generated and sent to the appropriate address, and a manual client notice will be sent to the mother.

Managed Care

If the mother is enrolled in a Medicaid managed care plan (MCP), SDOH will enroll an unborn, a newborn added to a case or a newborn for whom an MA-only case has been opened into the mother's MCP. If, during the match process, the newborn is identified as having already been added to the mother's case, and the mother is in an MCP, but the newborn is not, SDOH

will not enroll the newborn into the mother's MCP. Additionally, there are certain exceptions to MCP enrollment (see Attachment 2, the section "Managed Care Implications" for further detail on these exceptions).

(Detailed information on the matching and updating process is found in Attachment 2.)

SDOH Reporting to Hospitals

SDOH will report back to hospitals on a daily basis regarding the results of the matching process via hard copy (paper) reports. If a match was found, information on that match will be reported back to hospitals, along with the CIN of the newborn. Hospitals also will be notified if no match was found, along with some basic information on the reason a match was not found (e.g., multiple matches found, no eligibility found, etc.). If no match was found, hospitals will use the existing procedures they have worked out with local districts to process Medicaid newborns.

On a monthly basis, SDOH will report to each hospital the extent to which it has complied with the new requirements, in terms of timely reporting of births to women in receipt of Medicaid. This will enable hospitals to gauge the effectiveness of their internal data collection and reporting processes.

SDOH Reports to Districts

The matching/updating process will generate reports to districts on a daily basis through hard copy (paper) reports. (A sample report may be found in Attachment 3.) Some of these reports will be informational in nature (e.g., notifying the district that an infant has been added to the case of a

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recipient, etc.). Other reports will require some action on the part of the local district. For example, if a woman's demographic information (such as name, Social Security Number (SSN), and date of birth) matches more than one CIN, a report of the multiple matches will be generated. The district is to review its records to determine the correct case, add the newborn to that case (or create a separate case for the infant, if appropriate), and send the appropriate client notice.

The addition (or new case generation) of an infant through the new automated process constitutes documentation of the birth; therefore, no additional verification of birth may be required on recertification for Medicaid purposes (although existing documentation requirements remain for public assistance).

There may be instances in which the Interim Unit incorrectly adds an infant to a recipient's case, or a new case is opened incorrectly, based on an incorrect match. Additionally, there may be instances in which the mother does not want Medicaid for her baby, and requests that the baby be taken off Medicaid. Should a district become aware of such an instance, the case should be closed or the infant deleted by the district, as appropriate, and the relevant client notice sent. **It is important to note that the intent of the new statute is to provide Medicaid coverage to eligible infants, and that districts must exercise caution in deciding to end Medicaid coverage for an infant. Districts are also reminded that the infant's Medicaid eligibility is not contingent upon provision of documentation that may be required for Temporary Assistance and/or food stamp purposes.**

Please note that infants will be added as MA-only. If the case involves TA and/or food stamps, there will be no impact on those existing budgets on WMS. However, a notification to the district of the child's birth should trigger the appropriate actions for recipients in receipt of Temporary Assistance and/or food stamps. More detailed information on TA and/or food stamp implications is found in the following section.

For a complete description of existing Medicaid policies regarding newborns and unborns, please refer to 00 OMM/INF-01.

Notices

Until the automated newborn system is available, in most instances Interim Unit staff will manually enter the newborn in WMS as Medicaid eligible and send a client notice of eligibility and Fair Hearing rights.

When SDOH is notified by a hospital that the infant is deceased, a manual client notice ("Notice of Medical Assistance Coverage for Infant") will be sent by the Interim Unit.

In instances in which the hospital has notified SDOH that the infant has died, a copy of the client notice will be sent to the local district.

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Temporary Assistance and Food Stamps

1. Temporary Assistance (TA)

The newborn child is automatically eligible for Medicaid if the mother was in receipt of Medicaid at the time of the birth. However, for TA, a notification to the district of the child's birth should trigger the appropriate action. That action may be to request necessary information such as verification that the infant is living with the mother, or application for a Social Security Number (SSN) for the infant or information about individuals who may now have to be included in the Assistance Unit. The mother should also be informed about what she needs to do related to IV-D (child support). Please see PASB XII - E-1.2 and 1.2. If verification necessary for determining continuing eligibility for TA is not received, that may result in closing of the TA case. The newborn (and any other Medicaid eligible case members) must be continued on Medicaid.

Generally, a determination about the eligibility of a new household member should be made within 30 days of the individual joining the household. As long as the case remains otherwise eligible for TA, the benefits for the infant must go back to the child's date of birth if the mother has provided the necessary documentation within six months of the birth or by the next recertification, whichever is later (Vega v. Perales).

Districts were informed about "TANF Reportable Individuals" in October 8, 1999 and January 7, 2000 "Dear IM Director" letters. A child who is on the TA or Child Assistance Program (CAP) case for MA-only (Individual Categorical Codes 40 or 41) must be coded with individual status code "07 - Active" and MA coverage code "01 - Full Coverage" rather than "08", "04". The Individual Categorical Codes of 40 or 41 will be the indicator that the child is not actually receiving TA.

Note: Individual categorical code 40 is not used in New York City. The child will be identified as "AC" (Active); "RJ" (Rejected), etc., for each program area: TA, FS and Medicaid.

2. Food Stamps

For Food Stamps, the timeframe for the addition of a newborn is the same as for the addition of any household member. Please see FSSB VI-B-2.1 for timeframes when verification is requested and received within ten days after the change is reported. Please see FSSB VI-2.2 for timeframes when verification is received more than ten days after the request for verification.

If, for any reason, the child will not be added to the TA case, it is important to remember to include the child in the Food Unit for food stamps when appropriate.

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Issuance of Temporary Cards

There may be instances in which an infant is in need of medical services before receiving her or his Medicaid card. In these instances, the mother may seek assistance from the local district in getting a temporary Medical Assistance Authorization Card for use in obtaining care for her child.

In instances in which a card has been issued for the infant as an "unborn", mothers should be advised that these may be used to obtain services while awaiting the card for the newborn.

Card Generation

The newborn's new Medicaid card will be generated through the normal card generation process.

If there are questions related to reports received from SDOH, or related to WMS updates by the the Interim Unit(s), please call (877) 463-7680.

Sincerely,

Kathryn Kuhmerker
Deputy Commissioner
Office of Medicaid Management