

MEDICAID WELFARE REFORM IMPLEMENTATION REVIEW

NORTH DAKOTA

I. Description of Review Process

Health Care Financing Administration (HCFA) representatives conducted an on-site review of certain aspects of North Dakota's Medicaid program the week of May 11-14, 1999 and on August 27, 1999. The review team consisted of Judy Rhoades from HCFA Central Office and Betty L. Strecker from HCFA Denver Regional Office (RO). This report contains information gathered through reviews of the State's documents, policies and procedures, case reviews, and discussions with State Medicaid representatives and other relevant parties identified below. It is also important to note that Betty L. Strecker worked at the Grand Forks County Social Service agency from November 1969 to August 1977 and for the North Dakota Department of Human Services, Medicaid Division from October 1977 to May 1998. As such, the findings in this report on the status of North Dakota's Medicaid program, with respect to the areas addressed, are limited to information gathered from these sources and Ms. Strecker's personal knowledge and experience with the North Dakota Medicaid program.

On May 11, 1999, an entrance interview was conducted with staff from the North Dakota Department of Human Services which included Yvonne Smith, Deputy Director, David Zentner, Medicaid Director, Kevin Iverson, TANF Administrator, Blaine Nordwall, Legal Services, John Opp, Economic Assistance Director and Program Administrators Curtis Volesky, Marella Krein, Brenda Peterson and Judy Kadramas. The review team also interviewed Medicaid policy staff members Curtis Volesky, Marella Krien and Brenda Peterson.

The review team met on May 12 in Bismarck, North Dakota with Burleigh County Social Service staff Georgian Leingang, Economic Assistance Supervisor, Jackie Vetter, Lead Worker, and Curtis Volesky, State Medicaid Policy Administrator. The review team also conducted case file reviews and interviewed attendees.

A meeting was held in Jamestown, North Dakota on May 13 with Stutsman County Social Service staff Elise Miller, Economic Assistance Supervisor, North Dakota Regional Supervisor of Economic Assistance Deb Peterson, and Curtis Volesky, State Medicaid Policy Administrator. The review team also conducted case file reviews and interviewed attendees.

An exit interview was conducted on May 14 with the State agency staff. Our review findings indicated that the State had made the changes necessary to properly determine eligibility for the Section 1931 group. There were no negative findings at that time to share.

On August 25, 1999, a meeting was held in Grand Forks, North Dakota with Grand Forks County Social Service staff Ed Christ, Economic Assistance Supervisor, Lead Workers Annette Rugroden and Corine Ralston, and Marella Krien, State Medicaid Program Administrator (via telephone). The review team also conducted case file reviews and

completed the interview protocol.

Subsequent to the review, the State and local advocacy groups were given the opportunity to comment on the review team's findings. This report may reflect these comments in whole or part as well as information that updates the findings to reflect actions the State has taken since the review. A copy of the full comments from the State is appended to this report.

The May review was conducted because the RO was aware that North Dakota continued to provide Medicaid automatically to the TANF population even though the income deductions and income standard were higher for TANF than they were for the Section 1931 group. The TANF program had developed a new computer system and their conversion to the new system was a phased-in approach. The result was that individuals applying for or receiving TANF were determined eligible for Medicaid based on TANF criteria whereas individuals not applying for or receiving TANF were determined eligible for Medicaid based on Section 1931 criteria. There was a lack of comparability between cash recipients and non-cash recipients in the Section 1931 group. There also was a severe lack of cooperation and communication between the TANF and Medicaid programs staff. As discussed below, the State subsequently corrected the situation in January 1999.

II. Case Reviews

In each county agency, we reviewed nine terminated cases (three Section 1931 Medicaid-only cases, three Section 1931/TANF cases, three transitional Medicaid cases) and three cases in which the caretaker relative was sanctioned. All of the cases were properly determined and no irregularities were noted.

North Dakota has a uniform case file policy, which made reviewing case files in each county a very simple process. Uniform dividers were identified with material all filed properly in chronological order under the appropriate heading. One case file is used for all programs and generally one worker manages the case for all programs for which the individual is eligible. This practice also makes the transfer of a case when a client moves from one county to another more efficient. In addition, most of the information is in the computer system. We reviewed the notices that had been sent to the recipients and found that the reason and citation for the action was clearly stated. The reverse side of each notice contains the right to fair hearing information.

III. State Organization

The North Dakota Medicaid program is a State supervised and county administered program. There are 53 counties with 51 county social service agencies. North Dakota is a 209(b) State.

In the mid 1980's, the County Directors Association established the Eligibility Technician Concerns Task Force, comprised of an eligibility worker from each of the 8 regions in the State, 3 eligibility supervisors, 1 regional representative, the President of the North Dakota Chapter of the National Eligibility Workers Association, 2 county directors, the

Executive Director of the Department of Human Services, and a representative from each of the following programs: Medicaid, Food Stamps, TANF, Fuel Assistance and Child Support Enforcement. The group meets on a quarterly basis to resolve policy and procedural issues and generally to keep the lines of communication open between those who make and those who implement the rules. Eligibility workers in North Dakota generally seemed to feel that they have a vested interest in the programs that they administer.

IV. Eligibility and Enrollment Processes

A. Section 1931

The welfare reform provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) amended Title IV-A of the Social Security Act by eliminating the Aid to Families with Dependent Children (AFDC) program and replacing it the Temporary Assistance for Needy Families (TANF) block grant. PRWORA severed the eligibility link between receipt of cash assistance and Medicaid but added a new Section 1931 to the Act to preserve Medicaid for low-income families with children. Under Section 1931, States must extend Medicaid eligibility to low-income families who meet the pre-welfare reform State plan AFDC standards in effect as of July 16, 1996. Under Section 1931, States have the option to lower their income standards (but not below the AFDC standards in effect as of May 1, 1998) and States can opt to use higher income and resource methods than the methods used under the July 1996 AFDC State plan. States can also increase their income or resource standards based on a percentage that does not exceed the percentage increases in the Consumer Price Index that have occurred since July 16, 1996.

North Dakota's Section 1931 State plan was approved on August 19, 1998 with an effective date of July 1, 1997. The State plan covered low-income families and children using the AFDC standards and methods in effect as of July 16, 1996.

In 1997, the TANF program had developed a new computer system and was converting former AFDC cases to TANF. However, the State was using TANF eligibility criteria rather than Section 1931 criteria to determine if these cases and if persons applying for TANF were eligible for Medicaid. (TANF eligibility criteria differed from Section 1931 criteria in that the TANF income deductions and standards were higher.) Persons applying for Medicaid only were determined eligible using the Section 1931 criteria. As a result, the State was using two sets of eligibility criteria to determine if persons were eligible for Medicaid under Section 1931. The lack of comparability between cash recipients and non-cash recipients in the Section 1931 group is not in compliance with Federal rules (Section 1902(a)(17) of the Social Security Act). The State also may have erroneously enrolled persons in Medicaid who did not meet the Section 1931 criteria but did meet the higher TANF standards.

HCFA advised the State in 1998 to either make their TANF and Section 1931 eligibility policies the same or to delink eligibility for Section 1931 from receipt of TANF and make an independent Medicaid eligibility determination on TANF cases. The State

chose to delink Medicaid from TANF and make independent Medicaid determinations. The Medicaid staff had, prior to the May 1999 review, rewritten Section 1931 policy and procedures, developed a manual budgeting process (that was automated in March 1999), and conducted statewide training for the approximate 300 eligibility workers. Through interviews, the Medicaid State agency staff and the county social service agency staff demonstrated a thorough understanding of the Section 1931 provisions but expressed concern that the decision to conduct separate Medicaid eligibility determinations created an unwelcome increase in their workload.

North Dakota amended its 1931 State plan, which was approved in March 1999 with an effective date of January 1, 1999. While not electing to completely align its TANF and Section 1931 eligibility criteria, North Dakota did align the two programs to a greater degree. The State amended its State plan to adopt the same income and resource disregards for Section 1931 as are available under TANF.¹ The income standard for TANF, however, remains higher than that for Section 1931.

Children Protected by Section 4913

Section 211 of the PRWORA revised the definition of childhood disability under the SSI program. The new definition is more stringent than the old definition and resulted in the loss of SSI benefits for some children. Section 4913 of the Balanced Budget Act of 1997 provided a remedy for this. Under §4913, children who were being paid SSI on August 22, 1996 and who but for section 211 would continue to be paid SSI are categorically eligible for Medicaid as if they were SSI recipients. Thus children who continue to be disabled under the disability rules in effect prior to welfare reform and who continue to meet the other SSI eligibility requirements will be eligible for Medicaid unless the State operates under the provisions of section 1902(f) of the Social Security Act. 1902(f) States operate their Medicaid plans "notwithstanding any other provision of this (title XIX) title." Consequently, North Dakota which is a 1902(f) State provides Medicaid to former SSI children using the State's own eligibility rules in its approved State plan. Note that §4913 only pertains to children actually receiving SSI-derived Medicaid benefits prior to welfare reform; disabled children who apply for SSI-derived Medicaid

¹ Section 1931 income disregards currently include \$90 or 27% of earned income, whichever is greater; children's earnings; participation in Job Corps; stepparent income for 6 months; non-recurring lump sums and occasional small gifts; general assistance; no time limit on the \$30 and 1/3 earned income deduction (which had been limited to 4 mos.); all reasonable child care and adult dependent care expenses; TANF cash grant. In addition, families have the right to "opt" a child out of the assistance unit and no gross income tests are applied. Resource disregards include \$5,000 for one person or \$8,000 for two or more; the value of one vehicle; joint assets owned with an SSI recipient; nonrecurring lump sum income until 2 months after receipt; real or personal property under certain circumstances; burial monies set aside (up to \$3000); and the asset value of a life estate. In addition, no time limits are imposed on efforts to sell real property and the State provides for full-month rather than last-day-of-the-month eligibility.

following PRWORA must meet the post-PRWORA definition of childhood disability.

As a §1902(f) State, North Dakota is not required to cover §4913 children. The review focused on whether the §4913 children in North Dakota maintained Medicaid eligibility under any other category of assistance.

In a letter dated October 2, 1998, HCFA provided directions to the States on the reinstatement of §4913 children who had been dropped from Medicaid coverage. The letter advised States that SSA would provide lists of children whose cash benefits were terminated effective July 1, 1997 or who lost SSI subsequent to that date. These lists included not only the §4913 children, but also children who lost SSI due to non-cooperation with the disability redetermination process. States were directed to determine whether or not each child on the list is covered by §4913 and, if so, whether or not the child lost Medicaid eligibility. States were further instructed to reinstate Medicaid eligibility for such children and, after re-opening the case, to determine whether or not the child still qualified for Medicaid, either as a disabled child or on some other basis.

In response to the October 2, 1998 letter, State Medicaid staff manually reviewed each of the lists provided by SSA to determine the current Medicaid status of each child on the lists and ensure that coverage under Medicaid had been appropriately maintained. The State did not find any cases in which a §4913 child's Medicaid benefits were inappropriately terminated.

North Dakota followed the same process with respect to the most recent lists provided by SSA in April 2000. Fifty-four children were identified as potential §4913 children from these lists. Of these, the State found that 25 remain on Medicaid; 10 were not on Medicaid when §4913 became effective; and 19 were closed for appropriate reasons (e.g. failed to provide information to establish continued eligibility, child turned 18, etc.)

Finally, the review team did not determine whether or not an *ex parte* review was done for each of the 19 closed cases prior to their closure.

C. Application

Application Forms and Processing. Federal Medicaid regulations at 42 CFR §435.906 require States to provide individuals with an opportunity to apply for Medicaid *without delay*. Regulations at 42 CFR §435.911 require that Medicaid eligibility be determined within 45 days from the date of application (90 days for disability cases).

North Dakota has a joint Medicaid/TANF/Food Stamps application. The form initially examined was 22 pages long, in English only, and accompanied by a 9-page booklet which included general program information and described applicants' rights and responsibilities. The application erroneously requests the SSN and citizenship/immigration status of all household members. Section 1137 of the Social Security Act prohibits States from requiring the SSN or citizenship/immigration status of non-applicant household members on applications for Medicaid.² The State has revised the application to make it somewhat

²For separate child health programs under SCHIP, States cannot require non-applicants to provide information pertaining to citizenship or immigration status and they are prohibited from requiring either applicants or non-applicants to provide a SSN.

shorter (16 pages) and deleted the request for SSN and citizenship/immigration status for household members who are not applying for Medicaid. The revised application is in English-only and does not include a separate booklet. The new application became effective October 1, 2000.

There is no Medicaid-only application form but, for families wanting only Medicaid benefits, the joint application may be mailed in for Medicaid. To make this option clear to families, the new application states that it can be mailed for purposes of Medicaid. If additional information is needed, eligibility workers either send a letter or call the applicant to explain what is needed. Any additional information also can be mailed-in. A face-to-face interview is not required for Medicaid, but eligibility workers prefer to meet with the applicants at the office to explain the application process and what is needed as well as to explore the applicant's options and explain program benefits more effectively. County eligibility workers also are available upon request to go to an applicant's home, nursing home or hospital to assist with the application process. Social workers employed by hospitals and nursing homes often can assist the family in providing the necessary information as well.

North Dakota uses an automated system for determining TANF eligibility, called TEEM. For its Medicaid and Food Stamp programs, the State uses a separate FAMIS computer system, called Technical Eligibility Computer System (TECS). The State is in the process of enhancing TEEM to make Medicaid eligibility determinations under all eligibility categories, including §1931. The State expects this process to be completed by June 2001.

Currently, when a family applies only for Medicaid, TECS is used. The worker enters both financial and non-financial information, identifies which family members are to be included in the assistance unit and makes a determination as to which Medicaid eligibility category these family members might be eligible, entering the corresponding code for the category selected into the computer. TECS then compares the family income to the appropriate income standard to determine eligibility and automatically generates an appropriate notice reflecting the determination.

When a family applies for both TANF and Medicaid, an eligibility worker conducts an interactive interview and enters the information into TEEM. TEEM then checks whether or not the family meets all eligibility criteria for TANF and §1931 Medicaid except for income eligibility. If the family meets these other criteria, the worker then enters the financial information into a stand-alone PC system necessary to determine whether or not the family is income-eligible for §1931 Medicaid.³ If the family is not eligible for §1931, the worker enters the financial information into TECS, identifies which family members are to be included in the assistance unit and chooses an eligibility category, the code for

³ If the family is income-eligible for §1931, it necessarily will be income-eligible for TANF as well. If it is not eligible for §1931, it still may be eligible for cash assistance, as the income-eligibility level for TANF is higher than that for §1931. However, TECS and TEEM do not interface, and the review team did not make any findings with respect to the final steps in determining TANF eligibility.

which is entered into TECS. TECS then determines whether or not the individuals in the assistance unit are eligible for Medicaid under the category selected and automatically generates an appropriate notice.

The RO found workers to be very knowledgeable about correct policy and procedures. The review team examined some cases involving families applying for benefits to confirm that the new policy and procedures were being properly implemented and that the determination of Medicaid eligibility is not being delayed because of ineligibility for TANF or missing information needed to process TANF eligibility.

To ensure that Medicaid applications are processed within the 45 or 90 day time period established under Federal law, the State has developed a Standard of Promptness Report. This report is closely monitored by State and county staff, as well as regional supervisors. The review team found that time limits are exceeded only if there is documentation to justify the delay.

Eligibility workers in North Dakota are trained to check for Medicaid eligibility in all categories, and most have completed specialized course work and obtained certification from the University of North Dakota. Eligibility workers generally carry generic caseloads (i.e. handling multiple programs for each of their clients) and turnover is low. An informal survey completed in April 1998 found that eligibility workers averaged 11 years 3 months in their posts. As a result of their across-the-board training and program management, workers seemed well versed in operative policies and procedures.

Caseload size and distribution vary depending on the size of the county, with most workers carrying different types of cases (i.e. TANF, Medicaid, Food Stamps, etc.) State law prohibits eligibility workers from having more than 65 TANF cases at a time—to ensure that services are provided to TANF households. Total caseloads, consisting of cases involving a variety of benefit programs, generally average somewhat below 200 cases per worker. The Denver RO found caseload size generally to be manageable.

Based on the policy and process adopted in the spring of 1999, the workers' thorough understanding of same, and the close monitoring of the Standard of Promptness Report, the review team found that applications for Medicaid are being processed in a timely manner, regardless of the status of the TANF application.

D. Civil Rights Requirements

Although the Office for Civil Rights of the U.S. Department of Health and Human Services (OCR) did not participate in the review, a copy of this report will be shared with OCR for its further review and consideration. OCR is available to provide States with technical assistance to comply with their obligations under the civil rights law.

Title VI of the Civil Rights Act of 1964 requires States to ensure that non-English speaking persons, or those with limited English proficiency (LEP), have a meaningful opportunity to apply for and benefit from public benefit programs. North Dakota has a very small non-English speaking population. In fact, according to the 1990 census, the

entire non-citizen population is less than 2% of the State's population. Spanish-speaking seasonal migrant workers arrive in the Red River Valley along the eastern border and along the western border of the State in May and leave in July; some return for the Fall harvest. The Migrant Health Council supplies interpreters in both areas of the State and some of the county agencies have hired bilingual staff. There is also a population of immigrants in the Fargo area. The Lutheran Social Services there is a resource for interpreters. The Denver RO has found that these procedures to be effective in providing LEP applicants with a meaningful opportunity to apply for benefits where a significant population exists.

V. TANF Terminations, Redeterminations and *Ex Parte* Reviews

Because the two programs are not linked, in policy or in the computer, automatic termination of Medicaid eligibility with termination of TANF does not appear to be an issue. When TANF benefits are terminated, the eligibility worker reviews the case for continued Medicaid benefits. Based on information available from TANF and Food Stamp files, workers first attempt an *ex parte* review; if necessary, the worker sends the family a redetermination form. If the TANF case is being closed due to the family's moving out of State or excess resources, or because there are no children residing in the home, Medicaid benefits also will be terminated. If ineligibility is due to excess income, the family is automatically moved into Transitional Medical Assistance.⁴ If the reason for TANF case closure is that an absent parent has returned to the home, the case is reviewed for poverty-level eligibility. When TANF ends, the worker must enter information into the TECS system necessary to evaluate continued Medicaid under another category. The cases reviewed confirmed that cases involving the termination of benefits are being handled appropriately.

Both the TANF and Food Stamp programs have monthly reporting requirements, and information from these reports is used to review Medicaid eligibility—on an *ex parte* basis—whenever information from one of these reports reflects a change in circumstances (generally, a change in income) which might affect Medicaid eligibility.⁵ For income changes only, the eligibility worker does a new income computation to determine continued Medicaid eligibility but does not change the scheduled Medicaid redetermination date; primarily because family income can fluctuate month to month. If

4 HCFA generally requires States to evaluate families terminated from TANF for any reason to be evaluated for §1931 Medicaid eligibility prior to being placed on TMA. However, since the income standard for §1931 in North Dakota is more stringent than that for TANF, while income disregards are the same, a family which loses TANF due to excess income, cannot qualify for §1931 Medicaid. Therefore, placement in TMA is appropriate. For further discussion of TMA, see section II.E, *Providing Transitional Medicaid*.

5 Most caseworkers handle the Medicaid, Food Stamps and TANF cases for any given family. If the caseworker for Medicaid does not handle the family's Food Stamps and TANF cases, information from the TANF or Food Stamps caseworker is forwarded to the Medicaid worker.

the family reports substantial changes, the eligibility worker redetermines Medicaid eligibility and moves the date of the next regularly scheduled redetermination back 12 months from the date eligibility was reviewed based on the TANF and/or Food Stamps monthly report. If the new information results in the family no longer being eligible for Medicaid, the family will be placed in TMA, if eligible; otherwise, the system generates a ten-day advance notice to close the case.

A face-to-face interview is required for the Food Stamp recertification and eligibility workers can process continued eligibility for both Food Stamps and Medicaid during the interview. Medicaid, however, does not require a face-to-face interview. As indicated on the form, families can return the form by mail, in which case the eligibility worker completes the Medicaid redetermination and arranges an interview to complete the Food Stamp recertification. If the redetermination form is not returned, a 10-day advance notice to terminate Medicaid is sent out, advising the recipient to call or visit the office to continue benefits.

Interviews with State and local staff and the review of closed cases in each of the counties visited revealed that eligibility workers consistently pursue all categories of coverage before closing a Medicaid case. As discussed, *ex parte* reviews are routinely done based on information obtained from the TANF and Food Stamp files and monthly reviews.

Providing Transitional Medicaid.

Section 1925 of the Social Security Act requires States to provide extended Medicaid benefits – called Transitional Medical Assistance (TMA) -- to families who, because of hours of work, income from employment or the loss of an earned income disregard lose their eligibility for Medicaid under the §1931. Since, prior to the enactment of PRWORA, eligibility for AFDC and Medicaid were linked, TMA traditionally had been triggered by the termination of cash benefits. The review focused on whether or not the State has changed its TMA policy and practice, so that TMA no longer is triggered by the termination of cash assistance, but rather by the termination of Medicaid eligibility under §1931.

Whenever the system determines that a family is ineligible for §1931 or TANF benefits due to increased earned income or loss of earned income disregards, the family is automatically transferred to TMA and an appropriate notice of TMA eligibility is generated. TECS generates TMA notices for non-cash families no longer eligible for §1931. If a family is transferred to TMA from TANF, TEEMS generates the appropriate notice. The TEEMS tracks receipt of Medicaid in 3 of the previous 6 months for both Section 1931 and TANF cases since this is an eligibility condition for TMA.

In the last month of a family's TMA benefits, workers also complete an *ex parte* review of Medicaid eligibility under other categories. If additional information is needed, a redetermination form is sent to the family for completion. All categories of coverage are pursued before a case on TMA is closed.

Interviews with workers revealed a thorough understanding of TMA policy and

procedure. In addition, correct TMA policy was followed in the cases reviewed.

Notices.

Not all notices pertaining to Medicaid and TANF were reviewed. But most of those that were reviewed clearly and concisely stated the agency's decision or action taken as well as the reason for, and authority supporting, it. Where appropriate, a single notice may have information pertaining to both TANF and Medicaid (e.g. where the same action has been taken with respect to both programs for the same reason). In other cases, notifications with respect to each of the two programs are kept separate. The reverse side of each notice contains the right to fair hearing information. Closing notices for families and children also include a referral to and toll free phone number for the State Children's Health Insurance Program as well as to the Caring Program for Children, an independent program for children not eligible for Medicaid or SCHIP funded by voluntary donations.

However, there was one notice included in the materials reviewed which some reviewers thought new recipients receiving it might be confused as to whether they had been determined eligible. The italicized language quoted below is the source of the reviewers concern.

“Listed at the bottom of this notice are your Medicaid identification numbers. You must give these numbers to all providers of medical services so they can bill Medicaid. *Eligibility must still be verified.*”

Please take your Medicaid ID card with you when you go to the clinic, doctor, hospital, or to receive any other medical care.”

The review team is concerned that a recipients who receive this notice might be confused as to whether or not they'd been determined eligible or not, especially persons who are not subject to any spenddown.

The State has explained that once the State makes an eligibility determination, the eligibility information is entered into the State's computer system and a notice containing the language above is sent to the new recipient. County office staff, at the time of initial contact, also explain to new applicants that they will receive a notice with a Medicaid identification number, and that they should take the letter with them anytime they need services until the permanent card arrives because it may take several weeks for the card to be received. Until then the letter, with its eligibility number, is proof of eligibility and will be used by providers to dial into the State computer system to verify eligibility. North Dakota uses a point of sale system for verifying eligibility. This system relies on the “swiping” of a plastic card through the device or entering the eligibility number in the absence of the card. Once the permanent card arrives, it should be used in place of the letter. In either case, the provider uses the number on the notice to verify eligibility and to submit bills for Medicaid reimbursement. It is worth noting in this context, that the point of sale system permits providers to know instantly in addition to the patient's Medicaid eligibility whether there is third party liability, spenddown, and the amount of spenddown obligation remaining. Dial-up verification has been used in the state since

May 1988.

Subsequent to the review, the State, as part of its comments, reported that the referenced notice has been replaced. HCFA would be interested in reviewing the current notice.

VI. Program Assurances and Quality Control

Since 1978, State Medicaid policy staffs have provided two-day training sessions twice a year in seven different sites around the State. In addition, the State provides training when new policies or programs are implemented. Quarterly training is provided to the six regional representatives who, in turn, do on-site case file reviews and provide training in their counties on an ongoing basis. New workers take a one-week training course at the State agency.

North Dakota also conducts both positive and negative case action reviews. Quality Control findings are reviewed by the State Medicaid program staff and discussed with the appropriate regional representative and county eligibility worker. To ensure proper implementation of policy, the regional representatives also do on-site case file reviews on an ongoing basis. The review made no findings with respect to any particular areas targeted by the case action reviews.

VI. Other Issues

A. State Children's Health Insurance Program (SCHIP)

North Dakota has implemented Title XXI through a combination Medicaid expansion and a separate State child health program. The Medicaid expansion covers children up to age 18 with income at or below 100% of the federal poverty level (FPL). The State's separate child health program covers children up to age 19 with income up to 140% of the FPL. The review team made no specific findings with respect to the administration of the State's separate child health program.

B. Expanding Eligibility and Enrollment

1. Outstationing Eligibility Workers.

Section 1902(a)(55) of the Act requires States to provide for the receipt and initial processing of Medicaid applications at federally qualified health centers (FQHC) and disproportionate share (DSH) hospitals. The review team did not visit these facilities.

North Dakota has a total of four FQHC and DSH hospitals combined. One of these facilities is located across the street from the county Medicaid office. In this situation, rather than locate the eligibility worker inside the facility, the facility calls the Medicaid office whenever a worker is needed to assist in taking and processing an application. This has proven to be an effective practice to efficiently utilize staff time given the relatively low volume of applicants at the facility and still provide good service at the Medicaid office. According to the staff, application forms are available

and Medicaid staff is available to assist in completing an application at each of the FQHC and DSH facilities. A Medicaid eligibility determination worker will go to the facility if needed to complete the application process, but the State does not regularly locate State staff at these sites.

State Medicaid program staff also offer annual training for providers in order to facilitate proper Medicaid referrals from the provider community. State and county staff also provide annual training to a variety of banks, senior centers and civic groups in an effort to educate the general public about the program.

2. Simplified application process.

Applications for Medicaid can be mailed in, and no face-to-face interview is required. However, the only application currently available is the joint TANF/Medicaid/Food Stamps application. The effectiveness of the mail-in process likely would be enhanced by the development of a simplified, Medicaid-only application, which we would recommend that the State do. The RO understands that the State is considering the development of a joint Medicaid/SCHIP application if the legislature approves the recommended changes in the Medicaid asset limits, which may satisfy this recommendation, but only with respect to children.

3. Public Charge.

Because North Dakota's immigrant population is so small, the State has not done any publicity specifically about the public charge policy announced by the Immigration and Naturalization Service earlier this year. However, the State has provided training to county eligibility workers and the review team found those interviewed to be knowledgeable about the policy as well as the confidential nature of Medicaid information.

4. Expanding Eligibility.

The State has implemented nine less restrictive asset provisions and thirteen less restrictive income provisions for §1931 eligibility. (See footnote 1, above)

D. Computer Systems

North Dakota has encountered significant problems updating TECS, originally designed to handle the old AFDC, Food Stamp and Medicaid programs. TECS is a FAMIS-certified system, transferred from the State of Alaska in 1984, and enhanced a few years later to include Medicaid. With the passage of PRWORA, the State developed a new system, TEEM, to administer the TANF program. The State currently is updating TEEM to handle Medicaid eligibility determinations. The updates are expected to be operational in June 2001. The State is accessing funds from the \$500 million fund created by PRWORA for this purpose.

VIII. Consumer Advocacy Groups

The State agency and three county agencies visited were not aware of any advocacy groups for families and children, and the HCFA reviewers did not meet with any. The People Escaping Poverty (PEP) groups, which had been active in the eastern part of the State, and has not been active for some time, is making plans to reactivate their involvement in North Dakota. It should be noted, however, that PEP was represented on the Governor's Welfare Reform Task Force in 1995 and 1996 and was very vocal in the legislature.

IX. Promising Effective Practices

1. The State's uniform case file policy serves as a model that other States could emulate. The policy facilitates case reviews—not only by HCFA staff, but also supervisory, negative and positive case action reviews—as well as the transfer of cases between counties and workers.
2. We were impressed by the formation of the Eligibility Technician Concerns Task Force—particularly the regular meetings of the eligibility workers, supervisors, regional representatives, county directors, the Director of the Department of Human Services and representatives of various assistance programs who sit on the Task Force. Such meetings can serve as an effective way to communicate policy developments and new procedures to front-line staff as well as for front-line staff to communicate problems encountered in implementing new policies and procedures to key decisionmakers.
3. The State's use of a point of sale (POS) system for verifying eligibility, third party liability and tracking spenddown obligations has proved popular with both the provider and recipient communities.

X. Next Steps

1. Medicaid Application

We recognize the advantages of a joint application in coordinating different programs and simplifying the application process for families applying for multiple benefits. However, we are concerned that the State does not have a Medicaid-only application for those who want to apply only for health care coverage. The RO understands that the State is considering the development of a joint Medicaid/SCHIP application if the legislature approves the recommended changes in Medicaid asset limits, which may satisfy this concern, but only with respect to children. Under §1931, entire families with children may qualify for Medicaid even if they are not applying, or are not eligible, for TANF. In addition, while the State made significant progress in simplifying the joint TANF/Medicaid/Food Stamps application, it is still fairly long. Shorter applications have proven effective in other States in reducing barriers to families' accessing public benefit programs and we encourage North Dakota to

further simplify and shorten its application. HCFA staff is available to assist the State in such efforts.

State Comment: It is difficult to further shorten the combined application due to other program's requirements. The Medicaid related questions are needed to obtain information so program integrity can be maintained without having applicants complete additional paperwork. As mentioned, we are considering a shortened application, however, it would cover all family members.

HCFA Response. HCFA commends the State for considering development of a shortened application for families and urge the State to proceed as expeditiously as possible. We are available to provide technical assistance in the development or modification of any application forms, should the State seek it.

2. Section 4913 Children

As a 1902(f) State, North Dakota does not have to provide Medicaid to disabled former SSI children who lost SSI because of the new disability definition. Because the State has chosen to track Medicaid eligibility for such children if they had been receiving Medicaid on July 1, 1997, HCFA suggests that the State continue to monitor the SSI child lists to assure that no improper closings occur.

State Comment. We will continue to monitor the SSI child lists.

HCFA Response. The State's reply addresses HCFA's concern; we would further urge the State to develop a system to track these children so that their future eligibility under Section 4913 is protected, should they experience a break in coverage.

3. Consumer Advocacy Groups

We are concerned that the State does not have contact with consumer advocates. In North Dakota, we recently have learned about an organization called the Progressive Coalition, comprised of various advocacy organizations, including the Children's Caucus, the Community Action Association, the mental health association and others. Don Morrison (701-224-8090) can be contacted for further information. We encourage the State to develop an ongoing working relationship with consumer advocates.

State Comment. North Dakota has always worked with any consumer advocacy groups that express an interest in policies relating to Medicaid. Medicaid rules are always published and are open for comment and discussion before they are enacted. The Medicaid program also takes a liberal approach to policies whenever possible. As a result, there are currently no issues being addressed by advocacy groups.

It is not our intent to actively seek out such groups to create issues where we don't

believe there are any. If such a group, however, has any issues they would like to discuss, we will gladly do so.

HCFA Response.

We commend the State for its willingness to meet with advocates to discuss their issues and concerns. In commenting on the report, the following issues were raised by the North Dakota Progressive Coalition advocacy group.

Advocate Comment.

The representative for the North Dakota Progressive Coalition in her comments on this report expressed her concern that the process used by the State in publishing policies for comment before they are enacted is not effective or timely at involving advocates. She believes a better approach is to involve advocates in the policy developmental stage before the Department has invested too much time to be readily amenable to significant changes. She expressed interest in working with the State in a mutually beneficial partnership.

She also expressed a concern that a possible disconnect between the Director of DHS and policy staff exists since the Director meets with advocates quarterly yet the Department stated that they do not know of any advocacy groups. She brought to the State's attention several advocacy groups which are interested in being active in various areas of the State's Medicaid program. While she did not provide a complete list (but did provide a contact person), these groups address issues with child groups, low-income family groups and outreach.