

## **TANF/Medicaid State Review: Mississippi**

**Federal Government representatives conducted an on-site review of certain aspects of the Mississippi Medicaid program the week of November 1, 1999. This report contains information gathered through reviews of the State's documents, policies and procedures as specified below, case reviews, and discussions with State Medicaid representatives, consumer advocates and other relevant parties identified below. As such, this report is limited to the information gathered from these sources regarding Mississippi's Medicaid program as of November 1-5, 1999 with respect to the areas addressed.**

**Subsequent to the review, 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 in part, as well as information that updates the findings to reflect actions the State has taken since the review.**

### **I. Description of Review Process**

#### **A. Review Team:**

Team Leader: Sandra Staiano, HCFA, State Coordinator.

Team Members: Rita Nimmons, HCFA, Assistant State Coordinator and Janie Tapp, ACF.

Observer: Vernell Stewart-Britton, Chief, Division of Medicaid and State Operations, Medicaid Operations Branch, HCFA Region IV.

#### Review Team Roles:

The Federal team conducting the TANF/Medicaid review in Mississippi was comprised of two staff representatives and one supervisory observer from the Health Care Financing Administration (HCFA) Regional Office and one representative from the Administration for Children and Families (ACF). HCFA staff maintained the lead role throughout the review. HCFA staff developed the protocol relating to the entrance and exit conferences with the State. A variety of questions provided in the assessment tool were used to obtain information from Mississippi officials. HCFA staff also coordinated the survey schedules, travel arrangements, case record reviews and assessments, documentation reviews, and preparation of the preliminary and final reports. The roles of the team members varied at each location. One team member posed as a client at two locations while the other team members interviewed staff. The observer participated for the first three days and all other team members participated for the full five days. All team members conducted the entrance conference after meeting with the advocates. Two team members from HCFA and one team member from ACF conducted the exit conference.

**B. State and Local Offices Visited:**

Department of Human Services (DHS) local offices in Greenville (Washington County), Jackson (Hinds County), and Vicksburg (Warren County) were visited, as was the Office of the Governor, Division of Medicaid in Jackson. Administrative staff members from DHS central office were also present during the visit to the Division of Medicaid. Local offices in Hinds and Washington Counties were selected for site visits based on consensus that their populations were diverse and representative of the delta and suburban areas. Hinds County was also selected because of its proximity to the State Capital. As described more fully in Section I.E below, DHS completes the eligibility determinations for entitlement to Temporary Assistance for Needy Families (TANF), Medicaid, and Food Stamps.

Mississippi is a predominantly rural state. At the entrance conference with State administrative staff from DHS and the Division of Medicaid, State officials reported statistics which characterize Mississippi. Approximately 75% of the population live in non-metropolitan areas. Poverty levels, as a whole and for children, are 60% higher than the national averages. A greater percentage of children is born to single mothers and lives in one-parent families than in the nation as a whole. Approximately 30% of the population is illiterate.

Dates of Review: November 1-5, 1999. On Monday, November 1, 1999, a meeting was scheduled with the Mississippi Health Advocacy Program prior to the entrance conference with the State. On Tuesday, November 2, 1999, the selected sample cases were reviewed. On Wednesday, November 3, 1999, a visit to the Department of Human Services office in Greenville, MS was scheduled. The Greenville office is considered part of the Mississippi “Delta” region. On Thursday, November 4, 1999, visits were scheduled at the Department of Human Services offices in Jackson and Vicksburg. On Friday, November 5, 1999, an exit conference was conducted at the Office of the Governor, Division of Medicaid in Jackson, Mississippi.

**C. Background on Review Process:**

Prior to the review, a letter was mailed to the Medicaid Director, Anna Marie Barnes, and also to Donald Taylor, Director of the Department of Human Services. The letter explained the purpose and background of the initiative and outlined the evaluation process and the dates of the site visits. ACF assisted in the planning and contact with State staff in the Department of Human Services. The original review was scheduled for September, but was

rescheduled several times at the request of the Department of Human Services. The Office for Civil Rights (OCR) and also some HCFA staff were unable to accommodate the Mississippi scheduling changes due to prior commitments; thus, there were fewer team members available to participate in the site visits than originally planned.

Prior to the site visits, the review team asked the State to send copies of Medicaid policy information, systems coding information, and policy issuances and notices relating to Welfare Reform and Temporary Assistance for Needy Families (TANF) implementation. Initially, HCFA, ACF, and Office for Civil Rights (OCR) met to coordinate activities for the site visits, but in the end, OCR could not participate due to a scheduling conflict. Advocates were also contacted to discuss the activities of the review and to schedule a meeting with advocates at one location. Representatives from the advocacy organizations attending the 11/1/99 meeting are listed below:

<b><u>Participant</u></b>	<b><u>Organization</u></b>
Rhea Bishop	Children's Defense Fund
Margie Vanmeter	Mississippi Forum on Children & Families
Eileen Beazley	Mississippi Forum on Children & Families
Judy Barber	Mississippi Human Services Coalition
Rems Barber	Mississippi Human Services Coalition
Dr. Aaron Shirley (Local Pediatrician)	Mississippi Medical Mall
Maria Morris	Mississippi Primary Health Care Association
Sister Donna Gunn	Catholic Charities, Inc.
Father Tobin	Catholic Charities, Inc.
Sister Pat Bronn	Catholic Diocese Hispanic Ministries
Sarah Williams	People & Policy Organization

**D. Case Selection Process:**

Case samples were selected from active and negative lists from the Medicaid Eligibility Quality Control (MEQC) listings for 1997 and 1998. Case records were selected on a statewide basis. Listings of all Section 4913 SSI cases were also requested. Case records were read on site at the Division of Medicaid Office in Jackson. Twenty TANF/Medicaid cases were selected for review for 1997 and 1998. We oversampled by 10 cases to ensure an adequate sample. There were 92 cases for 1997, which were divided by 20 (the number sampled), starting with case number 7 and selecting every 5th case for 1997. For 1998, there were 67 cases on the listing which were divided by 20, and starting with case number 7, every 4<sup>th</sup> case was selected for review. The Medicaid-only cases were selected

in the same manner. There were 130 cases for 1997, which were divided by 20, and again starting with case number 7, every 7<sup>th</sup> case was selected. The 1998 Medicaid-only listing had 169 cases which were divided by 20, and starting with case 7, every 9<sup>th</sup> case was selected. Twenty negative case actions were selected in the same manner and reviewed at the Medicaid office. Random cases were also reviewed at DHS offices. Applications and related material are arranged in one folder for TANF, Medicaid, and Food Stamps programs.

### **E. Structure of Mississippi State Agencies:**

Mississippi's Division of Medicaid is part of the Office of the Governor. The Division of Medicaid works closely with the Department of Human Services (DHS). As the Title IV-A (TANF) agency, DHS administers the TANF/Medicaid, Food Stamps (FS), and Child Support Enforcement (CSE) programs. The Division of Medicaid determines eligibility for the poverty level aged and disabled and for nursing home residents. DHS determines eligibility for TANF, Medicaid, Food Stamps, pregnant women, poverty level children, and for the State Children's Health Insurance Program.

Mississippi has 9 regions and 82 counties. Each region has a Regional Director and 2 to 4 program specialists. Policy control over social services in Mississippi remains at the State level. DHS is centralized at the State level and provides direct administration of county offices. The county level human services staff are State employees. State Merit System personnel, as established by the State Services Board, make Medicaid eligibility determinations. These workers also have the responsibility for Food Stamps and TANF. New employees go through a 5-week training class and are on a 12-month worker probation. Supervisors have to review certain types of actions on cases.

In addition to the Medicaid program, Mississippi also has an extensive health care safety net comprised of public health departments, nonprofit community health centers, and county public hospitals that provide free or reduced price health services. Because of the safety net, Mississippi has one of the highest child immunization rates of any state, according to State officials and corroborated by Aaron Shirley, M.D., Director of the Mississippi Medical Mall, an advocacy organization.

## **II. Analysis of Documentation**

The Legislature enacted the State's welfare reform bill in 1997 paralleling the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), the Federal welfare reform law. This State bill made a number of changes in the cash welfare system but no explicit changes for Medicaid. The State TANF caseloads were already declining prior to the bill, partly because of economic improvements in the State and partly because of prior welfare reform efforts. The following provides total Medicaid enrollment in Mississippi by fiscal year:

FY 1999 - 520,000

FY 1998 - 521,753

FY 1997 - 543,560

FY 1996 - 556,701

State Policies:

The State provided a package of documentation for review by the Federal team. The package included TANF and Medicaid Administrative instructions, change notices, TANF and Medicaid Policy Manuals, application forms for TANF, Food Stamps and Medicaid, and policies relating to transitional Medicaid and to appeals. A review of DHS Bulletin No. 5416, which described State policy for implementing the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), and also DHS Bulletin No. 5573, which contained the Health Benefits Eligibility Determination Guide, Volume III, Section Q, provided evidence that instructions for processing applications relating to Section 1931 and Section 1925 are driven by TANF requirements and complementing Medicaid policy instructions. The State keeps the programs linked through eligibility policy and systems actions.

Notices:

In general, the review team found that notices related to the cases sampled were timely (over 10 days), included the reasons for the intended action, and cited the specific Federal/State regulations which supported the action. Additionally, information regarding the hearings and appeals process was contained on the back of each notice, as was information concerning the right to continuation of benefits.

More specifically, a review of the State's notices showed evidence of inconsistencies in the language contained in the notices regarding the effect of TANF decisions on Medicaid eligibility. Also, some questions were raised as to whether the language in some of the notices accurately reflects the State's

policies and practices. Both of these findings are discussed in more detail with specific examples in later sections of this report.

### **III. Analysis of Findings from On-site State and Local Office Reviews**

#### **A. Eligibility and Enrollment Processes:**

##### Application and Enrollment:

The State has a generic application form, the MDHS-EA-901, which is a joint application form for TANF, Medicaid, and Food Stamps. According to State staff, the MDHS-EA-901 is used solely as a screening tool if the individual is applying for Medicaid-only, while applicants for TANF and Food Stamps have several pages of additional information to complete. There is also a short application form, the MDHS-EA-901 MEDI, which is used to apply for Medicaid benefits only or for the separate State Children's Health Insurance Program (SCHIP). This form is available by mail, at local county DHS offices, at the State DHS regional offices, and at other community locations, such as health centers. When completed, this simplified application form may be mailed to the DHS office in the county where the family resides because it does not require a personal interview and can be processed if received by mail. This application form appropriately requests Social Security Numbers "for all applying," although there is no statement to explain that supplying this information is optional for members of the household who are not applying, or is optional for applicants for SCHIP under Title XXI. Additionally, the revised version (11/1/99) of this short application appropriately requests information about citizenship/immigration status for applicants only.

A 30-day standard of promptness is applicable to both TANF and Medicaid. State officials from DHS and from the Division of Medicaid advised that there is no TANF diversion interview, and also that face-to-face interviews are not required for Medicaid benefits, per State policy, although they are required for cash assistance benefits. Nevertheless, in one of the offices visited, applicants routinely filled out a preliminary application and then were scheduled for a face-to-face interview at a later time. Applicants are not given the opportunity to apply for Medicaid-only, if the TANF or Food Stamp application is delayed because decisions are made for all benefits simultaneously. Interviews with caseworkers, supervisors, and State officials from DHS and the Division of Medicaid corroborated our observations.

Caseworkers enter demographic information into the computer based on the joint TANF/Medicaid/Food Stamps application form, but a manual budgeting process is used. Child support enforcement information is requested, but it is not a requirement for establishing a child's eligibility for Medicaid. However, the parent or guardian is required to sign a form verifying that the caseworker discussed the child support enforcement issue.

Civil Rights Issues:

Office for Civil Rights (OCR) staff did not accompany HCFA on this review. HCFA and ACF staff found all locations accessible to persons with mobility problems. Parking spaces clearly marked for disabled were present at all locations. Brochures and posters were available in Spanish and English.

Non-English speaking applicants usually bring a person to assist them with interpretation. The reason for this, at least among the Hispanic community, appears to be a matter of trust and personal preference. Individual counties do maintain lists of interpreters, who are available by appointment, for non-English speaking individuals and for the hearing impaired. The Department of Human Services has a contract with Deaf Services for hearing impaired individuals, but does not have a contract with any organizations that may aid visually impaired persons. Special accommodations, such as home visits, are also made on a case-by-case basis for disabled individuals who are unable to come into the office.

Although OCR staff did not participate in the review of the Mississippi Medicaid program, OCR had previously (in June 1999) conducted a review of the TANF Work Program (TWP) as implemented by the Mississippi State Department of Human Services at Washington County. As a recipient of TANF Block Grant funding, Washington County is subject to the provisions of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act of 1990 and their implementing regulations at 45 CFR Part 80, 45 CFR Part 84, and 28 CFR Part 35, respectively. OCR determined that the policies, procedures, and services of this TWP in Washington County were racially neutral, and there was no evidence that individuals' participation was either denied or limited solely on the basis of disability.

Findings from Local Site Visits:

Department of Human Services offices were visited in Greenville, Jackson and Vicksburg. As a result of issues identified by the advocates relating to the interview process, a member of the team posed as a potential client in two of the three offices. The assessment of a "real world" interview and the interview process follows.

One office had the client immediately fill out an application for TANF and Food Stamps and then routed the client outside to another reception area for a

quick interview. The client was told that no appointments were available for that day. The client also had difficulty obtaining the interviewer's name and was told that it was not important for the client to know the interviewer's name, but only important for the interviewer to know the client's name. An appointment was made for the client for the next morning. The client stated that she could not make the appointment for the next day because of a doctor's appointment and requested to be interviewed that day. The interviewer checked with her supervisor, who said, "Let her come back." The client then said that she already knew she could not make the morning appointment, and requested an afternoon appointment the next day. The interviewer stated that no afternoon appointments were available and did not change the client's appointment. Instead, the interviewer merely suggested that the client either call or come back in when she had time, and the appointment would then be changed. After the client was dismissed, the team member went back to the area of the interview, identified herself as being from the Federal review team, stated the purpose of the visit, talked to the supervisor about procedures, and asked for a copy of the appointment book. There were, in fact, several appointments available for the day of the initial interview, and all but two appointments available for the next day.

The following description is based on the observation of an interview between a client and a caseworker in the same office.

A 19-year-old mother of a toddler (15-months old) came into the office to apply for Medicaid, Food Stamps, and TANF. Note: The client had previously filed an application, but had failed to submit information regarding employment; therefore, no action had been taken on the application. The caseworker asked several questions regarding the father and eventually located his name in the system. The caseworker also commented about the previous application, and the client responded that her employer had objected to supplying the requested information. The client stated that she lived with the baby's paternal grandmother, had no income or resources, and was in school to become a respiratory therapist. The caseworker repeated several questions and informed the client that if she applied for TANF, she would have to attend training classes at a specified day and time that conflicted with her class schedule. The client immediately replied, "Oh, I'll just apply for Medicaid." The caseworker made no attempts to work out any alternatives that would enable the client to attend the TANF training classes. Also, the caseworker did not discuss the implications of the client's decision to apply for Medicaid-only, such as exploring the option of applying for Food Stamps as well.

The second office, by comparison, had a very pleasant receptionist who did an initial interview. The receptionist then gave the client a clipboard with the

standard Medicaid/TANF/Food Stamps application and requested the client to fill it out. Shortly thereafter, the client was greeted by an interviewer who introduced herself and called the client by name, explained all the different benefits, and then asked appropriate questions to determine for which program the client would be eligible. Team members observed outstanding customer service to other clients while in the reception area and during the interviews.

The third office visited was also focused on customer service. If a client could not stay for the interview, the caseworker offered to send someone to the home for an interview at a more convenient time. At this office, the individual was asked about Medicaid first, and then TANF and Food Stamps. There were Spanish applications available and signs and posters written in Spanish. The Spanish applications were on a clipboard marked “Spanish.” We suggested that they write “Espanol.”

These participatory interviews and observations of the interview process led the review team to conclude that there are inconsistencies in the applicant interview process and in program implementation across the State. In some instances, client interviewers created barriers to enrollment, as corroborated by advocates and discussed in Section IV below.

#### Section 1931 Group:

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 (the Act) by eliminating the Aid to Families with Dependent Children (AFDC) program and replacing it with a new program, known as the Temporary Assistance for Needy Families (TANF). Prior to the enactment of PRWORA, receipt of AFDC conferred automatic eligibility for Medicaid. PRWORA severed the link between receipt of AFDC cash assistance and Medicaid. Section 114 of PRWORA added a new Section 1931 to the Act. Under Section 1931 of the Act, States are required to extend Medicaid eligibility to low-income families who meet the pre-welfare reform AFDC income and resource standards, i.e., the AFDC standards in effect as of July 16, 1996. Under Section 1931 of the Act, States have the option to lower their income standards, but not below the AFDC standards in effect as of May 1, 1988. States also have the option to 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. Section 1931(b) of the Act also gives States the option to use income and resource methods that are less restrictive than the methods used under the AFDC State Plan as of July 16, 1996.

The Department of Human Services submitted the TANF State Plan on October 1, 1996, and it was approved on November 27 with an effective date of October 1, 1996.

The Medicaid Section 1931 State Plan Amendment, which was submitted and approved with an effective date of July 1, 1997, used the AFDC income and resource standards and methodologies that were in effect on July 16, 1996. Mississippi has designated a Medicaid-only category, the Medical Assistance 85 Program, to be the program category for low-income families with dependent children. Therefore, in Mississippi, persons eligible for either Section 1931 Medicaid or transitional Medicaid are put into the Medical Assistance 85 Program category. Eligibility criteria for TANF and the Section 1931 group are such that a person eligible for TANF is also eligible for Section 1931 Medicaid. An amendment (99-15) to the approved 1931 State Plan, which was pending at the time of this review in November 1999, was modified and subsequently approved with an effective date of July 1999. This eliminated the resource test for Section 1931 eligibility and added disregards of certain types of income, thus making Medicaid eligibility under Section 1931 more generous than TANF eligibility.

Representatives from both DHS and the Division of Medicaid stated that TANF and Medicaid entitlement had not been delinked at the point of this review. In Mississippi, individuals eligible for TANF are also eligible for Medicaid, and the review team found the joint application process to be the general practice. With the exception of the local DHS office in Vicksburg, which offered the option of a Medicaid-only application, the review team found that at the other two locations visited, applicants were given a clipboard with the lengthy joint application and were encouraged to apply for all programs (TANF/Medicaid/Food Stamps). State officials from DHS and the Division of Medicaid acknowledged that the joint application is the general practice and that caseworkers try to work through the TANF application and then approve all programs simultaneously. However, the same State officials also advised that they could process the Medicaid application separately, if Medicaid had to be expedited due to an emergency situation. Additionally, State officials advised that if the TANF application had to be denied for some reason, there would still be a “live” Medicaid application which caseworkers would continue to process, and this practice was confirmed by case reviews. State officials further stressed that State policy required both TANF and Medicaid applications to be processed within 30 days, so that even if the Medicaid application was “delayed” while TANF requirements were being met, decisions regarding the Medicaid application were still made within the 45-day time period required under Federal regulations. Although the review team did not observe, in the sample of cases reviewed, that Medicaid decisions were being unnecessarily delayed as a result of the practice of encouraging joint applications, HCFA is concerned about the potential for this

to occur, and would encourage the State to consider making a separate decision regarding the Medicaid portion of the application, if all information is available to make a Medicaid eligibility determination.

Since TANF and Medicaid entitlement are still linked in Mississippi, the two programs are still linked in the computer system as well. The implication of this linkage is that if the TANF application is denied, a manual override is needed to continue the Medicaid application. (By contrast, if a TANF case closes, the computer system will automatically register the 85 Program Medicaid-only case. This is further discussed below in Section III.B.) DHS and Division of Medicaid officials explained that in the case of TANF application denials, the procedure is for a clerk to manually register the Medicaid-only application into the computer system. The application is then returned to the caseworker for continued processing of the Medicaid application. As discussed in Section III.G below, the computer system is scheduled for replacement during 2000 and will be programmed to separate TANF and Medicaid eligibility systems' actions. One change will be the automatic registration by the system of initial Medicaid applications, thus eliminating the need for the manual intervention described above. This had originally been scheduled for implementation in July 2000, but has been delayed until September 2000.

#### Section 4913 Group:

Section 211 of the PRWORA revised the definition of childhood disability under the Supplemental Security Income (SSI) program. The new SSI childhood disability definition is more stringent than the old definition and resulted in the loss of SSI benefits for some children. Under Section 4913 of the Balanced Budget Act of 1997 (BBA), States must provide Medicaid to children who were receiving SSI benefits on August 22, 1996, provided they meet current SSI income and resource standards and the definition of childhood disability in effect prior to the 1996 revised definition.

At the point of this review, the Social Security Administration (SSA) had issued four listings of children who had been receiving SSI benefits on August 22, 1996, and which were processed by the State each time. These Section 4913 cases are coded in the State's computer system by a special indicator that cannot be changed by another source. Section 4913 cases that were found to have improper Medicaid terminations were reinstated for Medicaid eligibility, and subsequently, a notice of Medicaid eligibility was sent to the recipient to take to a physician. For those cases under appeal, Medicaid eligibility is continued until appeals are decided.

In Mississippi, according to State officials from the Division of Medicaid, Section 4913 cases are automatically enrolled in Medicaid-only and continue to be entitled to Medicaid until the child reaches age 18. At age 18, an ex-parte redetermination of Medicaid eligibility is completed.

The State is not examining non-disability criteria for any of the Section 4913 cases until the individual reaches age 18, and it is not conducting medical improvement reviews. Non-disability criteria for 4913 children should be redetermined one year from the time that individuals are given Medicaid coverage under Section 4913, and regularly thereafter, according to the State's regular redetermination schedule. The time frame for medical improvement reviews varies depending on the nature of the disability. The State Medicaid Manual (SMM) Section 3493 specifies the time frame and appropriate intervals for re-examining non-disability criteria that will most likely change (such as household income, living arrangements, household composition, or state residence) as well as for conducting medical improvement reviews.

State practice with respect to maintaining Medicaid coverage for Section 4913 children is discussed later in this report.

## **B. Maintaining Coverage for Families who Leave Public Assistance Programs:**

### Effect on Medicaid Eligibility when TANF is Terminated:

Based on a review of State Department of Human Services policy bulletin number 5573, "Health Benefits Eligibility Determination Guide Volume III, Section Q," which was effective 10/1/99, and also on information provided by State personnel from DHS and the Division of Medicaid, when a TANF case closes due to increased earnings or loss of disregards, the Mavericks computer system automatically registers the case for 12 months of "Extended Medicaid" under the 85 Program with no consideration of ongoing Section 1931 Medicaid eligibility. State officials from DHS and the Division of Medicaid explained that the computer system in place at the time of this review puts these TANF cases in a "suspend" status, as opposed to actually being closed. They appear as being active for TANF with no money payment because they have been registered for "Extended Medicaid."

When a TANF case closes for reasons other than increased earnings, however, such as both parents living in the home (no deprivation) or excess resources, the case does not go into "Extended Medicaid," but the Mavericks computer system automatically continues Medicaid coverage for the children on the case only. The children's Medicaid eligibility continues through the end of

the initial 12-month period of eligibility, which was established at the most recent application/review. These cases also still appear in the system as TANF cases with no money payment, but positive for Medicaid, and a supervisor has to authorize systems functions that adversely affect the children's Medicaid eligibility. At the end of the 12-month period of continuous eligibility, a short redetermination form is sent to the family, and a new period of Medicaid eligibility can be approved for the children in another Medicaid program category, such as poverty level, or in SCHIP, if appropriate. However, State policy does allow the family the option of completing a regular Medicaid case review at the time of TANF closure by filing a new application for Medicaid to establish eligibility for the adults and/or the children in any Medicaid-only program, and thereby begin a new annual 12-month eligibility period.

HCFA is concerned that ongoing Medicaid eligibility is not being considered under Section 1931 or any other category when TANF cash payments end, and that in situations when this is for reasons other than earnings, the adults on the case may lose Medicaid coverage. It should be noted that if the reason for TANF closure is due to a TANF sanction, such as failure to meet TANF Work Program (TWP) requirements, the computer system does not allow termination of children from Medicaid, and the adult who did not cause the sanction may also retain Medicaid. In Mississippi, adults subject to TANF sanctions are disqualified from Medicaid until they have served the sanction period and complied in TANF.

Based on a review of notices related to TANF terminations for various reasons, inconsistencies were found. In notices #A407 through #A411 and #A430, in which TANF was being closed for such reasons as both parents living in the home, excess resources, or excess work hours, there was stock language in these notices regarding possible Medicaid eligibility for another program, and if so, a separate notice of that Medicaid coverage would be received. The review team did see cases that contained computer-generated notices explaining that the children were being continued on Medicaid.

By contrast, some notices related to TANF closure for failure to cooperate with child support enforcement (#A448 and #A450) did not explain the effect this action had on Medicaid benefits, other than generic language about possible Medicaid eligibility if pregnant, in which case, the individual was advised to contact the caseworker. The language in these notices was contradictory to the State's policy of providing 12 months of continuous Medicaid coverage for children, regardless of the adult's eligibility status, as described above and also in Section III.E of this report. However, the review team did observe some cases containing notices that children were being continued on Medicaid when TANF was closed due to lack of cooperation with child support.

Still another notice, #A032, clearly specified that Medicaid benefits are separate from TANF benefits, and even though the TANF case had closed, the notice went on to list those individuals in the household who were still eligible for Medicaid, as well as those who were not, and the reason(s) for the ineligibility.

Providing Transitional Medicaid for Families:

There is a misapplication of Federal requirements in Mississippi as the State is tying transitional Medicaid (TMA) to the loss of TANF in addition to the loss of Medicaid eligibility under Section 1931. As explained above, when a TANF case closes due to increased earnings or loss of disregards, the case is automatically put into 12 months of TMA by the computer system without consideration of ongoing Section 1931 eligibility. State policy does, however, provide for receipt of TMA for families who have received Medicaid-only in the 85 Program category in 3 of the prior 6 months, and who lose eligibility because of increased earnings or loss of disregards. This is accomplished per State policy by a “look back” determination process at the time of the annual review/redetermination to establish when the “Extended Medicaid” period would have begun, since there are no monthly reporting requirements. State policy specifies the start of TMA to be the next month following the month in which the increase in earnings or loss of disregards would have made the case ineligible.

State staff from DHS and the Division of Medicaid advised that at the end of the TMA period, eligibility reviews are prompted by automation. Forty-five days prior to the ending date of TMA, a redetermination form is generated by automation at DHS central office and sent to the client. This redetermination form is on the back of a letter which requests that the client complete the information and return the form to the office. If the client does not return the redetermination form within ten days, a second notice is sent requesting the same information. If the client fails to respond, the case is closed, but can be reopened with verification, and Medicaid coverage is reinstated retroactively. A new application is not needed if the client responds within thirty days of the case closing, but if more than thirty days has passed, a new short form application must be completed before Medicaid can be reinstated. Based on this information, and confirmed by a sample of cases reviewed, the State is not doing an ex parte review at the end of TMA but is giving the client the opportunity to supply updated information before (or after) the case is closed. Based on a review of some other computer-generated notices related to “Extended Medicaid,” specifically notices #A412, #A413, and #A496, these notices contain language which indicates that the State is closing the case at the end of TMA without exploring all possible avenues to Medicaid eligibility. Notices #A412 and #A413 specify that Medicaid benefits will be continued through a certain month and then the case will be closed, and

#A496 indicates that the case will be closed because the individual has received the twelve months of extended Medicaid benefits to which he/she was entitled. The State's notices do not consistently support the policy that was described by State staff.

Procedures Related to Termination of Medicaid and the Medicaid Eligibility Redetermination Process:

State policy specifies that regular case reevaluations for the Medicaid-only 85 Program are due annually at the end of the 12-month eligibility period, at the time a child "ages out," or when a new person is added. Income verification is required at the time of the annual redetermination, and any changes in circumstances, such as change of address, change in job, name change, marriage, divorce, or changes to household composition, must also be reported at the annual redetermination. However, these changes in circumstances, if reported timely, would trigger a redetermination before the regularly scheduled annual review. A short redetermination form must be completed, but no face-to-face interview is required.

Per State policy, ex parte reviews are required before a Medicaid case can be terminated. Caseworkers receive training on the ex parte review process and must use computer matching, which includes matching with SSA lists for Section 4913 children, as a tool to make the eligibility determinations. With regard to Section 4913 cases, the review team found that every SSA listing since 8/96 has been matched with the State records, and all cases pertaining to the 4913 children have been reopened without contact and continued on Medicaid. These findings were based on interviews with State staff and also on a random sample of 4913 cases. However, as described above when discussing the State's procedures at the end of TMA, and also from a review of some of the computer-generated notices, the State is not actually performing an ex parte review before terminating Medicaid, with respect to TANF/Medicaid cases or Medicaid-only 85 Program cases, including Section 1931 cases. Instead of relying on the information contained in the case files, the State requires the client to supply information on a short redetermination form. Specifically, notices #A018 and #A019 indicate, "We are unable to determine your continued eligibility for Medicaid benefits because you failed to complete and return the recertification form that was mailed to you. If we do not receive the completed recertification form by (date), your case will be closed."

In light of the above, HCFA has concerns as to whether the State is exhausting all possible avenues of eligibility before terminating Medicaid. These concerns were also prompted by some information contained in notice #A044 which states, "Even though your Medicaid benefits through this program must

stop, there are other Medicaid programs through which you and/or your family may continue to be eligible. If so, you will receive a separate notice about the other program.” It is not clear if the individual/family is automatically put into the other Medicaid category and receives an “approval notice” to that effect, or if the “separate notice” instructs the individual to apply for the other “program.”

### **C. Reaching Families Potentially Eligible for Medicaid:**

The Division of Medicaid has had public information announcements on TV and radio, and has also placed advertisements about Medicaid in the newspapers. Advocacy groups are also informing clients about Medicaid eligibility and making many referrals. Posters, pamphlets and applications are available for the public in various locations.

- 1. Public Charge:** Mississippi has less than 1% non-citizen immigrant population. The review team had the sense that due to the rather small immigrant population in Mississippi, there was little awareness of public charge policy among State staff, and this was not considered much of an issue in the State.
- 2. Outstationing Eligibility Workers:** The State has 21 outstationed workers in place and has 4 additional vacant positions to be filled. The review team obtained a list of the facilities where these outstationed eligibility workers are located. Locations include Federally Qualified Health Centers, Disproportionate Share Hospitals, and 2 Indian health clinics. The review team did not determine whether workers were outstationed at all required locations and present during regular office operating hours as specified by Federal regulations at 42 CFR 435.904.

### **D. State Children’s Health Insurance Program Review (SCHIP):**

Mississippi’s SCHIP plan is a combination program that was implemented in two phases. Phase I covers children up to age 19 born before October 1, 1983, with income up to 100% of the Federal Poverty Level (FPL) through a Title XIX Medicaid expansion. Phase II is a separate SCHIP plan under Title XXI to cover children up to age 19 in families with income levels between 100% and 200% of the FPL, depending in part on age, with co-pays for some services if income is over 150% of the FPL. The maximum out-of-pocket cost to any family under SCHIP is \$950 per family per calendar year.

The shortened Medicaid/SCHIP application form, the MDHS-EA-901 MEDI, is available by mail, at local county DHS offices, at State DHS regional offices, and at various other community locations including health centers, individual health providers, Head Start Centers, and schools. When the SCHIP application is received by DHS either in person or through the mail, DHS first screens the application for Medicaid, and if ineligible, the application is then screened for SCHIP. When using this joint Medicaid/SCHIP application form, an interview is not required. During the application process, verifications of age, income, and Social Security Number (SSN) are required. As previously noted in Section III.A of this report in the discussion of application and enrollment, the MDHS-EA-901 MEDI appropriately, in the case of Title XIX Medicaid, requests the SSN “for all applying,” but fails to explain that supplying the SSN is optional for other household members who are not applying and for applicants for SCHIP under Title XXI. DHS reviews and processes the application within 30 days and sends a notice of its decision. If eligibility is denied, the beneficiary is notified of his/her hearing rights in the denial notice. DHS has personnel available to guide clients through the appeal process.

**E. Optional Policies for Medicaid, Outreach Activities, and Eligibility Expansions:**

The State does not grant presumptive eligibility for pregnant women and children or for SCHIP. However, the State does provide 12 months of continuous eligibility for every child under age 19 in all Medicaid eligibility groups and SCHIP. Additionally, as previously stated in Section III.A of this report in the discussion of the Section 1931 group, at the time of this review, the State had a pending Section 1931 State Plan Amendment with some resource and income disregards proposed. (This was subsequently approved on March 22, 2000, retrospective to July 1, 1999.)

The State received approval for Phase II of its SCHIP program after this review was conducted. The new phase raises the eligibility level to 200% of the FPL. The State has already trained staff on the higher eligibility requirements.

There has been a massive public relations campaign using radio and posters/pamphlets at doctors’ offices and schools to make people aware of SCHIP. The State screens all SCHIP applicants for Medicaid eligibility, as stated in Section III.D above.

**F. Ensuring Administrative Efficiency and Medicaid Quality Control:**

The Negative Case Action Program:

Applications for Medicaid which are taken at Department of Human Services offices and subsequently denied or terminated become available for sampling as a part of the universe of negative cases. Division of Medicaid Quality Control receives tapes from DHS on the 17<sup>th</sup> of each month, from which it pulls and reviews a sample of these negative cases. Accuracy and error rates are determined based upon the results of the quality control reviews. Once this data is collected, it is sent to the source of the eligibility determination for any necessary corrective action. The data is also used to identify training needs.

Coordination Between Medicaid and Other Public Assistance Programs:

Staff from the Department of Human Services and the Division of Medicaid reported that the two agencies collaborate on Medicaid policy and also have frequent contact with the advocates and other State agencies. The two agencies determining Medicaid eligibility coordinate activities and share policy information on a daily basis, as reported by State staff.

Program Assurances:

In an effort to achieve quality control, the State uses ad hoc reports of terminated cases with specified cases to randomly select other cases for review. Through this process, the State strives to ensure accurate policy implementation. However, the review team did not find evidence of any set standards for these reviews. The State also oversees County supervisors who are responsible for quality control at the local level.

Relevant to the State's assurances that Medicaid policies are accurately and consistently implemented at the local or caseworker level, advocates expressed concerns about the high turnover rate among caseworkers along with inadequate training. Further, advocates indicated that consistency is lacking throughout the State because counties operate differently depending on the supervisor, and treatment of clients is an issue. Based on interviews and observations, the review team found inconsistencies in the client interview process and in program implementation across the State, thus substantiating the advocates' concerns in these areas.

The State conducted a series of statewide staff training sessions on Federal Welfare Reform Medicaid policies and also on procedures related to implementation of Phase II of SCHIP in the fall of 1999, after this review took place.

### **G. Computer Systems:**

The Mavericks computer system still links TANF and Medicaid entitlement. The system in place at the time of this review was TANF driven, thus requiring manual intervention to process the Medicaid portion of a joint TANF/Medicaid application, if the TANF application was denied. The system does, however, have limited automated capabilities. As described previously in this report, when a TANF case closes due to increased earnings or loss of disregards, the computer system automatically registers the case for 12 months of TMA. Additionally, children will not be terminated from Medicaid when the TANF case closes for other reasons, and Section 4913 cases cannot be terminated by an automatic systems action.

The State's Mavericks computer system is scheduled for replacement during 2000. This will involve programming changes to separate TANF and Medicaid eligibility systems actions.

## **IV. Meetings with Advocacy Organizations**

Federal staff met with advocacy representatives from across the State. The Mississippi Human Services Coalition coordinated the advocate meetings with the Federal team. The groups had positive comments relating to the commitment of the State to work together on mutual concerns. A summary of the advocates' issues and concerns, as well as positive aspects noted by the advocates, are as follows:

### **A. Positive Aspects:**

1. The 800 toll-free number (as described more fully in the "Promising Practices" section below).
2. The Department of Human Services and the Division of Medicaid are working with advocates on children's issues. Monthly meetings of representatives of advocacy organizations and State staff from DHS and the Division of Medicaid address issues related to outreach and enrollment in Medicaid and SCHIP. Communication is reportedly very good between the advocates and the State staff.

### **B. Issues:**

1. One opinion voiced was that the goal of DHS workers is to decrease the Medicaid rolls, and that DHS exists to save the taxpayers money. They appear to have a fiscally conservative philosophy and antiquated systems

and computers, and this philosophy permeates everything in that Department.

2. There is a 40% turnover in eligibility workers, and training is inadequate.
3. Consistency is lacking throughout the State, as counties operate differently depending on the supervisor. Treatment of clients is an issue. The example given by an advocate was of a woman who applied for Medical Assistance and who was married to the father of her children. The worker asked if the children called him “Daddy” and if she had pictures of him with the children. The woman was humiliated and left in tears.

Specifically, the advocates identified Monroe, Scott, Hinds, DeSoto, Leake, and Madison Counties as those having problems. The following were among the problems identified in these counties:

- a. Tremendous documentation is required of Hispanics, and workers do not know what to do with undocumented aliens;
- b. If all information about absentee fathers is not given, the application is returned;
- c. Many workers did not know anything about emergency Medicaid.

## **V. Promising Effective Practices**

### **A. Toll-Free Number for Case Information:**

The State has a toll-free telephone number for clients to request information about their cases. The advocate organizations, in particular, liked the toll-free telephone number because it can assist clients immediately to understand the issues relating to their individual cases.

### **B. Regular Meetings Regarding Children’s Issues:**

The Department of Human Services, the Division of Medicaid, and the advocates have regularly scheduled meetings to resolve issues and also to keep information flowing freely regarding children’s issues.

### **C. Computer Coding of Section 4913 Eligible Children:**

At the point of this review, the Social Security Administration (SSA) had issued four listings of children who had been receiving SSI benefits on August 22, 1996, and these were processed by the State each time. These 4913 cases are coded in the State's computer system by a special indicator which cannot be changed by another source. Section 4913 cases that were found to have improper Medicaid terminations were reinstated for Medicaid eligibility, and subsequently, a notice of Medicaid eligibility was sent to the recipient to take to a physician. For those cases under appeal, Medicaid eligibility is continued until appeals are decided. Although the review team noted some issues with the way that Mississippi has implemented this eligibility category, HCFA commends the State's careful implementation of Federal policy, and particularly the special indicator computer coding of this eligibility group.

## **VI. Next Steps**

### **A. Linkage of Medicaid and TANF:**

HCFA is concerned that even though Mississippi has an approved Section 1931 State Plan, Medicaid and TANF are not yet delinked. As evidenced by a review of documentation materials submitted by the State, instructions for processing applications relating to Section 1931 and Section 1925 are driven by TANF requirements. The State keeps the programs linked through eligibility policy and systems actions. The State should increase its efforts to delink Medicaid and TANF from a program, policy, and systems perspective. While Mississippi may continue to automatically enroll TANF recipients in Medicaid, given that its Medicaid rules are now more generous than TANF, the State must have an effective system to ensure that families denied or terminated from TANF, and those who choose not to apply for TANF, are properly considered with respect to ongoing Medicaid eligibility.

### **B. Section 1931 Coverage for Adults when TANF Closes:**

Based on a our review of Mississippi policy documents, when a TANF case closes for reasons other than increased earnings, the Mavericks computer system automatically continues Medicaid coverage for the children on the case. HCFA is concerned that ongoing Medicaid eligibility is not being considered under Section 1931 for eligible adults, and the adults on the case

lose Medicaid coverage. Although the policy does allow the family the option of completing a regular Medicaid case review at the time of TANF closure by filing a new application for Medicaid to establish eligibility in any Medicaid-only program, and thereby begin a new annual 12-month eligibility period, this is an inadequate policy for this eligibility group. Under Section 1931, families who lose TANF for reasons other than increased earnings may be eligible to be continued on Medicaid automatically, either under Section 1931 or under other eligibility categories. The State may want to incorporate this change into its systems reprogramming plans discussed below.

### **C. Transitional Medicaid – Necessary Modifications:**

As described in Section III.B of this report, there is a misapplication of policy in Mississippi because termination of TANF cash assistance due to increased earnings or loss of disregards automatically triggers 12 months of Transitional Medical Assistance (TMA). The State is not considering potential ongoing eligibility under Section 1931. State policy does also provide TMA for families who have received Medicaid-only under the State's 85 Program in 3 of the prior 6 months, and who lose eligibility due to increased earnings or loss of disregards. However, since the 85 Program contains an annual review provision which eliminates the monthly and change reporting requirements for family income changes, eligibility for TMA must be determined at the annual redetermination by a "look back" process. Verification of the date of income increases for the purpose of establishing the TMA benefit is the responsibility of the recipient, and if not provided, TMA will be denied and the eligible children placed in a Medicaid-only poverty level program or SCHIP.

HCFA is concerned that ongoing Medicaid eligibility is not being considered under Section 1931 or any other category when TANF cash payments end. Also, the "look back" process used to establish the TMA benefit in Medicaid-only cases could be a barrier for families and result in the inappropriate loss of Medicaid eligibility. The State should adopt policies to make loss of Medicaid eligibility under Section 1931 the trigger for TMA, and thus comply with Federal law.

### **D. Computer Systems Changes:**

The Mavericks computer system in place at the time of this review still linked the TANF and Medicaid programs and had only limited automated eligibility or enrollment activities. As described previously in this report, the only automated functions programmed into the Mavericks system are that: (1) TMA is automatically registered when the TANF case closes due to increased

earnings or loss of disregards; (2) children will not be terminated from Medicaid when the TANF closes for other reasons; and (3) Section 4913 cases cannot be terminated by an automatic systems action. When the computer system is replaced, it will be programmed to separate TANF and Medicaid eligibility systems actions. One change will be the automatic registration by the system of initial Medicaid applications, thus eliminating the need for manual intervention in order to continue the Medicaid portion of a joint application, if the TANF application is denied. HCFA will be following up with the State to assist with this systems update and will be available to offer whatever technical assistance is warranted.

#### **E. Application Process and Requirements:**

In Mississippi, individuals eligible for TANF are also eligible for Medicaid, and the review team found the joint application process to be the general practice. Applicants are encouraged to apply for all programs (TANF/Medicaid/Food Stamps) for which they may be eligible, and decisions are made for all benefits simultaneously. Only one of the three sites visited by the review team offered applicants the option of a Medicaid-only application.

Also, in one of the offices visited, applicants routinely filled out a preliminary application and then were scheduled for a face-to-face interview at a later time. However, under State policy, face-to-face interviews are not required for Medicaid-only applications, as they are for TANF and Food Stamps. We are concerned about these procedures because the Medicaid portion of a joint application should be processed once all information is available to make a Medicaid eligibility determination, and decisions regarding Medicaid eligibility should not be delayed due to TANF or Food Stamps policies or program requirements.

Additionally, the joint application form, the MDHS-EA-901, should clarify that, for Medicaid purposes, Social Security Numbers and information regarding citizenship/immigration status are needed for applicants only. Although State staff reported that this generic form is not used if the applicant specifies the desire to apply for Medicaid-only, the form should still make clear which items are mandatory and which are optional for each of the programs, when the individual is applying for multiple programs using the joint application form.

#### **F. Section 4913 Children:**

The State needs to revise its policy of automatically continuing Medicaid coverage to all Section 4913 cases, without any regularly scheduled reviews, until the beneficiary reaches the age of 18. Non-disability criteria for Section 4913 children should be redetermined one year from the time that individuals are given Medicaid coverage under Section 4913, and then regularly

thereafter, according to the State's regular redetermination schedule. Section 3493 of the State Medicaid Manual specifies the time frame and appropriate intervals for re-examining non-disability criteria that will most likely change, such as household income or living arrangements. Disability criteria must be reviewed in accordance with regulations at 20 CFR 416.990.

**G. Training for State Staff in Client Interview Techniques:**

Based on the review team findings, and corroborated by advocate concerns, we are concerned that clients are not being treated with dignity and respect in DHS offices. The State may want to consider that all State staff be trained in appropriate interviewing techniques. Supervisors at local offices may also want to do periodic interview audits to ensure that workers are helpful to clients.

**H. Notices and Their Relationship to State Policies/Practices:**

As discussed in this report, inconsistencies were found in the language contained in the State's notices regarding the effect of TANF decisions on Medicaid eligibility. In some cases, the notice language should be revised to reflect that TANF time limits and other sanctions do not apply to Medicaid. Additionally, as discussed in this report, a review of notices related to the redetermination process in general, and the end of TMA in particular, revealed that the notices do not always support the policies described by State staff. Language contained in some of the notices raises questions about the State's procedures for ex parte redeterminations and also whether the State is exploring all avenues to Medicaid eligibility before terminating a Medicaid case. While some notices may need to be revised to accurately reflect the State's policies, we are concerned that some of these notices may be evidence of the State's actual practices.

**I. OCR Follow-up:**

Although the Office for Civil Rights (OCR) did not participate on the review team that conducted the site visits, a copy of this report has been shared with OCR for its further review and consideration. OCR is able to provide States with technical assistance with regard to civil rights compliance issues (e.g., requirements regarding translators and translated written materials to applicants and beneficiaries who do not speak English, accessibility for people with physical and mental disabilities, etc.). Further questions or concerns regarding civil rights issues may be directed to the OCR regional office.

**J. Advocate Concerns:**

As discussed above, the local organizations consulted for this review had numerous concerns about the Mississippi Medicaid program. Although our

review did not corroborate all of the advocates concerns, HCFA is nonetheless concerned about these issues, and is interested to know how the State is addressing them. The advocate concerns, in particular, are as follows:

- Consistency is lacking throughout the State, as counties operate differently depending on the supervisor. Treatment of clients is an issue.
- Specifically, the advocates identified Monroe, Scott, Hinds, DeSoto, Leake, and Madison Counties as those having problems. The following were among the problems identified in these counties:
  - a. Tremendous documentation is required of Hispanics, and workers do not know what to do with undocumented aliens;
  - b. If all information about absentee fathers is not given, the application is returned;
  - c. Many workers did not know anything about emergency Medicaid.

## **VII. State Response to Report**

### State Response:

*Throughout the report concerns are cited regarding the lack of TANF de-linking activities that have taken place within the Department of Human Services (DHS) in their system and policy areas and on the county level. DHS staff is aware of the de-linking requirement for cash and Medicaid benefits and has been working toward the goal of complete separation of the two programs. From a systems perspective, DHS has enhanced their MAVERICS system to design a completely new Health Benefits subsystem that will separate TANF and Medicaid altogether. A TANF application will automatically register a Health Benefits application. TANF approvals, denials or closures will not affect a Health Benefits case decision. The system will automatically place adults and children in the appropriate medical assistance category based on financial information entered and all Health Benefits cases will stand alone in the system. This enhancement will allow and require health benefits (Medicaid and SCHIP) to be handled as a separate entity regardless of whether the application registered is for TANF or medical assistance only. TMA will only be applicable to the low-income family program (Program Code 85 which is the Section 1931 group). Notices that address the disposition of Health Benefits applications and reviews will be required under this enhancement that are separate from the TANF notices. It is reported by DHS that coding and testing of this enhancement will be completed by mid-October, 2000 and that it will be fully implemented and staff trained no later than January 1, 2001. Policy will be issued concurrent with the implementation of the system enhancement to explain and direct the workers in*

*the separation requirements. The Division of Medicaid views this action as a positive step in correcting and eliminating the problems addressed in the findings regarding separation, TMA, and notice requirements. The issues concerning customer service will be submitted to DHS for corrective action in the administration of their county offices.*

Federal Reply:

We commend the State for the actions it has taken so far to address these concerns, and look forward to working with the State to complete these goals.

**VIII. Advocate Review and Comments**

Representatives from six of the eight advocacy organizations, who had initially met with the review team in November of 1999 at the outset of the review, participated in the reading of the draft report on February 9, 2001. One of the advocate participants, Sister Donna Gunn of Catholic Charities in Jackson, Mississippi, provided comments. These comments related to two issues: (1) the working relationship between DHS and the Division of Medicaid and (2) outstationing compliance.

Sister Donna Gunn indicated, “Statements about the good working relationship between DHS and Medicaid are over stated.” She reported mistrust between the two agencies, communication problems, and lack of joint effort, all of which made it impossible to reach solutions to problems. Additionally, Sister Donna advised that it was primarily the insistence and perseverance of the advocates which brought about the enrollment of children in Medicaid and SCHIP during this period.

Regarding the issue of outstationing, Sister Donna Gunn said, “The report accurately reflects that HCFA did not in 1999 (nor more recently) push the State with regard to out-stationing compliance. If the regulatory agency does not force compliance, Advocates have very little recourse to push the issue.”

Federal Reply:

We acknowledge the comments of the representative of the advocate community. We strongly encourage interagency coordination and cooperation between the DHS and the Division of Medicaid in the operation of the TANF and Medicaid programs, so as to provide optimal services to beneficiaries. Perhaps some of the

inconsistencies noted by advocates in the operation of local county offices could also be remedied by enhanced communication between the two agencies.

With respect to outstationing, HCFA recently issued policy clarification on compliance with outstationing requirements in a letter to State Medicaid Directors on January 18, 2001. As stated in this report, the review team did not determine whether workers in Mississippi were outstationed at all required locations and present during regular office operating hours as specified by Federal regulations at 42 CFR 435.904. We encourage Mississippi to review its outstationing arrangements in light of HCFA's recent policy guidance and to come into compliance with the law and regulations promptly, if not already in full compliance. In addition, we recommend that all States expand their outstationing efforts beyond what the law and regulations require.

## **Documentation Attached**

- **Application for TANF, Medicaid, and Food Stamps (MDHS-EA-901)**
- **Application for Medicaid/SCHIP (MDHS-EA-901 MEDI)**
- **Notices Referenced in Report**
- **State Issued Policy Bulletins (DHS #5416 and #5573)**
- **State Issued Manual Instruction (Volume III, Section Q)**