

## TANF/Medicaid State Review: Montana

### I. Description of Review Process

#### A. Review Team

A Federal Government representative conducted an on-site review of certain aspects of Montana's Medicaid program the weeks of August 3-6, 1999 and September 21-22, 1999. Betty L. Strecker, Health Insurance Specialist with the Denver Regional Office of the Health Care Financing Administration, did this review. This report contains information gathered through reviews of the State documents, policies and procedures, case reviews, and discussions with State Medicaid representatives and other relevant parties identified below. As such, this report is limited to information gathered from these sources on the status of Montana's Medicaid program as of a point of time in August and September 1999 with respect to the areas addressed.

#### B. State and Local offices visited, date of visit and interviewees:

August 3, 1999 - An entrance interview was conducted with Laurie Ekanger, Director, Montana Department of Health and Human Services; Hank Hudson, Human and Community Services Administrator; Karlene Grossberg, Public Assistance Bureau Chief; Kim Brown, Human Services Manager; Gina Mallett, FAIM Policy Specialist; Kathe Quittenton, Family Medicaid Policy Specialist; Linda VanDiest, SCHIP Eligibility Supervisor and Cheryl Berry, Title IVE Specialist.

August 4, 1999 - Met with the State staff in Helena, MT (State Agency office for Medicaid, TANF and Food Stamp programs) completed the interview protocol and gathered documents and forms.

August 5, 1999 - Met in Butte, Montana with Silverbow County Eligibility staff and then interviewed Colleen Llewellyn, Economic Assistance Supervisor and Kathe Quittenton, State Medicaid Policy Specialist. Also conducted case file reviews and completed the interview protocol.

August 6, 1999 - Conducted exit interview in Helena, Montana with Montana Department of Health and Human Services staff: Karlene Grossberg, Public Assistance Bureau Chief; Kim Brown, Human Services Manager; Gina Mallett, FAIM Policy Specialist; Kathe Quittenton, Family Medicaid Policy Specialist; Linda VanDiest, SCHIP Eligibility Supervisor; Cheryl Berry, Title IVE Specialist.

### **Additional Reviews**

September 21, 1999 - Met in Missoula, Montana with Missoula County Eligibility staff and then interviewed Jennifer Carter, County Director; Susan Rutherford, Chris Mitchell and John Vestre, Regional Supervisor. Also conducted case file reviews and completed the interview protocol.

September 22, 1999 - Met in Great Falls, Montana with Cascade County staff Lynette Bolender, Betty Pettibone, Cheryl Kalette and John Vestre, Regional Supervisor. Conducted case file reviews and completed the interview protocol.

### **C. Background on Review Process**

The Montana Department of Health and Human Services is the supervising agency for both the Medicaid program and the TANF program, with some counties administering the programs as an agency of the state while other counties administer the programs under county authority. Despite the differences in supervising authorities, state officials said that all counties follow the same policies and procedures for Medicaid. All of the county eligibility staff receives the same program training, some of which is conducted in designated sites throughout the state by state agency staff; and some training is conducted by the five regional staff located throughout the state. The five regional staff members receive additional regular training at the state agency office in Helena, Montana.

In two of the counties visited, the eligibility workers expressed concern for the absence of Medicaid coverage for individuals between the ages of 21 and 65 who did not meet the disability criteria, or did not have any minor children in the household. This group of individuals may be too ill to work but not meet SSA disability criteria. If Medicaid covered this group, they could get the medical care they needed and go back to work.

## **II. Analysis of Documentation and Case Reviews**

### **A. Analysis of Documentation**

#### ***Applications***

At the time of the review, Montana used a combined application for the Medicaid, FAIM and Food Stamp programs. The joint application was 14 pages long and did not indicate which information was required for Medicaid only eligibility. The joint application has since been revised and is currently in the process of final revision before printing. The state has also developed separate applications for use in applying for disability-related Medicaid; Medically Needy coverage and nursing home care; and Medicaid for qualified Medicare beneficiaries.

The State has an Application for Children's Health Insurance Plan (SCHIP). The State has also developed a universal application for children, which enables parents to use one application to apply for several programs for children. Parents can use this application to apply for Medicaid, SCHIP, the Caring Program, Special Health Services and the Mental Health Services Plan for their children. If a parent wants to file for Medicaid-only for him or herself, however, he or she must complete the combined application form.

During the onsite visit on August 3-6, 1999, the reviewer discussed with Montana State policy staff the fact that OCR was in the process of reviewing application forms for every state. State staff advised that the current joint application, the application for children, and another application for dual eligibles were all in the process of major revisions. These new forms were expected to be in use late in 1999.

On August 1, 1999 the following requests for SSN and other immigration information was received from OCR in the Denver RO which they believe to be inappropriate:

**Joint Application, General Information request:**

First page of application (T-254 Rev. 9/97): This section requests citizenship status and SSN information for all persons living in the household.

**Joint Application, Question 14:** "Is anyone in the household an alien? If yes, what is the alien status of all aliens in the household and date of entry?"

**Joint Application, Signature page:** "My (our) alien status information will be verified with INS."

**Joint Application, Verification page:** "Under Citizenship/Alien Status - verifying documents include birth certificate, alien registration card, baptismal certificate and INS form."

The OCR findings were discussed with Montana State policy staff. The new application forms developed by the State have removed the inappropriate language asking for citizenship, SSN and immigration information from non-applicants. Federal law does not permit States to require this information for Medicaid eligibility.

*Notices*

Notices that were reviewed clearly informed applicants and recipients of the action taken and the basis for that action. When notifying recipients of TANF closures, notices also set forth the status of Medicaid benefits. Fair Hearing information is on the back of the notice.

**B. Case Reviews**

In each county agency, the following cases were reviewed: three closed Section 1931 cases with no money payment, three closed Section 1931 cases with a money payment, three Diversion cases, three Transitional Medicaid cases, and three cases in which the caretaker was sanctioned. All of these cases had been processed within the prescribed time frames. In all but one case, the case files demonstrated consistent and appropriate application of Federal and State policies.

The case in error was inappropriately closed because the earned income of a nineteen year-old-child was used to determine ineligibility. This revealed two problems. First, under Section 1931, a child is eligible according to the age limit in the AFDC program which is generally 18, but 19 for children in school. Second, it was determined that the State was in error when covering children who were nineteen years of age living in a family setting because their approved Medicaid State Plan did not provide coverage under the Optional Categorically Needy or the Medically Needy options for a 19 year-old-child. It was during this State Plan review process that it became very evident that state policy staff was not familiar with the Medicaid State Plan. Staff stated they had not been aware of the State Plan before this error was discovered. The error was corrected by taking another application and opening the case with the appropriate family members included back to the closing date. As a consequence of this finding, a representative from the HCFA regional office spent the week of January 24-28, 2000, in Montana, doing a page by page review of the state plan with five policy administrators. This effort has resulted in a change to the State plan. The State now provides Medicaid to the optional categorically needy and medically needy children up to age 19.

**III. Analysis of Findings from On-Site and Local Office Reviews**

**1. Eligibility and Enrollment Processes**

**A. Eligibility Categories**

*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 (the Act) by eliminating the Aid to Families with Dependent

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Children (AFDC) program and replacing it with a new program, known as the Temporary Assistance to Needy Families (TANF). Prior to the enactment of PRWORA, receipt of AFDC conferred automatic eligibility for Medicaid. PRWORA severed the link between receipt of 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.

At the time of the site visit, Montana had submitted, but had not yet received approval for, their Section 1931 State Plan Amendment (SPA). The SPA was received in the HCFA Regional Office on April 4, 1997, but approval of the SPA was not granted until December 9, 1999 with an effective date of January 1, 1997. The reason the SPA's approval was delayed was due to the complexity of the submission. Montana's request included changes that went beyond the scope of section 1931. During the approval process, the state was operating a section 1931 program in accordance with the provisions of the submitted SPA.

According to its Section 1931 SPA, Montana uses less restrictive income and/or resource methodologies than those in effect as of July 16, 1996. Montana has eliminated the 100-hour rule for two parent families. In addition, the following less restrictive methodologies were adopted:

- \$2000 of resources are excluded;
- One vehicle is excluded regardless of value;
- Diversion payments made under TANF are excluded from income and resources;
- Cash value of any life insurance policy is excluded from resources;
- Lump sum payments are treated as resource (not income) in the months received;
- The first \$200 of each earner's income, plus 25% of each earner's remaining income, plus dependent care expenses up to \$200 per month per dependent is excluded without time limitation(never implemented and to be removed);
- Earned or unearned income of an individual who is legally obligated to pay child support to non-household members is excluded to the extent the income is used to pay that support;
- Earned income of a dependent child who is attending school is excluded;

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- All grants, loans and scholarships directly related to the individual attending an institution of higher education/training are excluded as income and resources.
- Gifts of \$50 or less per month per family member are excluded from income.

Montana operates a Section 1115 waiver program, Families Achieving Independence in Montana (FAIM), in place of a TANF program. FAIM has been in effect since February 1996. If an individual is eligible for FAIM, Medicaid eligibility is automatic; if the individual chooses not to receive a money payment for whatever reason, Medicaid eligibility is determined for Section 1931 using the Medicaid Section 1931 criteria, which are the same as the FAIM criteria. It is possible for families to receive Medicaid coverage even if they are not receiving FAIM benefits. Moreover, Montana intends to modify its current 1931 SPA by removing a provision that terminates Medicaid for individuals who fail to meet TANF work requirements (except for pregnant women and children).

The Medicaid State Agency staff and County Medicaid Social Service Agency staff demonstrated a thorough understanding of the FAIM program that has been in effect as of February 1, 1996. Training was done prior to the implementation of Montana's Welfare Reform Project and again when the state implemented Section 1931, after the passage of national welfare reforms. The eligibility workers interviewed understand Section 1931 provisions as they apply to both those individuals receiving a money payment and those not receiving a money payment.

Eligibility workers in Montana generally carry a combined caseload including FAIM, Section 1931 non-money payment and all other Medicaid and Food Stamp cases. Eligibility workers are required to have a thorough knowledge of all program rules, regulations and procedures as well as the eligibility computer system, which supports the FAIM, Medicaid and Food Stamps programs. In a few of the larger counties, eligibility workers may be specialized and carry a Medicaid only caseload of long term care cases.

The FAIM, Medicaid and Food Stamp state policy staff are physically located in the same office and demonstrated, from the reviewer's observation, a very good working relationship.

### ***Section 4913***

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 BBA, States must provide Medicaid to children who were receiving SSI benefits on August 22, 1996 and who lost SSI on or after July 1, 1997 due to the new disability definition, provided they meet current SSI income and resource standards and the definition of childhood disability in effect prior to the 1996 revised definition.

Montana received an initial list of eligible children from SSA and left those children on Medicaid. The state did not create a special code or flag for these children on the computer system.

The reviewer learned from the State staff that because of staff changes no one knew when this initial list from SSA was received or what action had been taken. The reviewer did learn that no redetermination of eligibility was done. Instead the State took no action and left the listed individuals on Medicaid.

However, in March 1999, another list of Section 4913 names was requested from the Social Security Administration (the November 1998 list). That list has been reviewed to determine the current status of each individual. According to state officials, 130 children were on the list. Of those 130 cases, 83 are currently closed, while 47 remain open. Of the 83 closed cases, 32 were closed either because the child reached age 18 or because the child moved out of state. The state has identified 30 children for whom section 4913 eligibility was never created. Additionally 11 children lost coverage due to failure to comply with information requests or due to excess income or resources. The state is currently attempting to determine why section 4913 coverage was not established for 30 of the children. Once they have resolved that issue, they have indicated that they will explore the remaining closed cases. The State has been monitoring these children since March of '99, cross-comparing against each additional list issued by SSA.

Montana State staff conducted statewide training the last week in March and the first two weeks in April. The Section 4913 group was discussed at each of those training sessions and State staff will do more research on those cases that are currently not on Medicaid.

## **B. Application and Enrollment**

### ***Provide the Opportunity to Apply for Medicaid without Delay***

State staff said that Medicaid and SCHIP application forms are available at county social service agencies, FQHCs, RHCs, nursing homes and hospitals. Individuals and families can also call the county social service agency and request that an application be mailed to them.

Both state and county officials indicated that individuals and families can apply for Medicaid without delay. Mail-in applications are accepted and local office staff indicated that workers are very willing to visit with the applicant in their home, hospital or nursing facility to assist with the application process.

A face-to-face interview is not required for Medicaid, but is required for FAIM.

However, the State staff considers an interview for Medicaid very useful as a means of explaining the program and options available to the applicant, and therefore strongly encourages applicants to make interview appointments. For example, the reviewer noted that on the newly developed universal application for children, the State indicates in the instructions, that if a child is applying for Medicaid or the application is forwarded to Medicaid an interview will be scheduled, even though State policy does not require an interview to determine eligibility. According to State officials, after the worker receives the application and contacts the applicant to schedule an interview, if the applicant does not wish to visit the office, the interview is conducted over the phone. The reviewer noted that the old joint application clearly states that failure to have an interview when applying for Medicaid will cause denial. State staff assured the reviewer that they do not deny an application when an interview is not conducted.

The joint application does not have a place to indicate that a family is applying for Medicaid-only. The review team did not clarify with the State how a family would make known its intention to apply for Medicaid-only. According to State staff, workers are required to pursue all programs for each applicant, as well as each aid category of coverage under Medicaid. This is accomplished through State staff training and policies that direct workers to consider all available groups or categories before denying or terminating Medicaid.

When an application for Medicaid (includes 1931 families receiving a money payment and 1931 families not receiving a money payment) is received, the information is entered into their TEAMS (FAMIS certified system). The income and asset criteria are the same for FAIM and Medicaid so a determination can be made simultaneously for a benefit amount and Medicaid coverage. If for some reason a money payment is not granted but the criteria are met, Medicaid is still authorized. The Medicaid processing is not delayed because of work related requirements within FAIM. Should someone want only Medicaid, that information (program choice) is selected and the processing continues using the information to satisfy the Medicaid program criteria.

All applications for the economic assistance programs are processed at the county social services agencies. All FAIM, Medicaid and Food Stamp cases are processed in the same computer system. The system conducts the specific income and resource tests for each program and for Medicaid it performs the calculations based on the specific category of coverage within Medicaid. The system will determine a pass or fail and produce a notice based on the specific reason and citation for pass or fail.

Montana does have a Diversion program and eligibility workers reported that Medicaid is provided to individuals who are diverted from cash assistance. The workers also confirmed that when a Diversion case is closed, other categories of Medicaid are explored to determine continued eligibility. The findings from the

case file reviews and discussions with eligibility workers indicate that Medicaid is provided to diversion cases.

***Determine Medicaid eligibility within 45 days from the date of application***

Montana's TEAMS system is capable of creating a "Summary of Dispositions of Applications" which tracks when applications are received and when determinations are made. The Summary of Dispositions of Applications report reveals that applications are processed on an average in less than thirty-three days. All of the cases reviewed on site were processed within the appropriate time frame as required at 42 CFR 435.911. However, according to the Summary of Dispositions report, there are some cases that exceeded one hundred days. All of these cases were referred to regional and county supervisory staff for follow-up. These cases could have been disability cases, which are to be processed in 90 days. These time limits may be exceeded when proper documentation is noted in the case file.

***Comply with Civil Rights Requirement***

Although the Office for Civil Rights (OCR) did not participate on the review team that conducted the site visit, a copy of this report will be 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 under Title VI of the Civil Rights Act of 1964 for providing translators and translated written materials to applicants and beneficiaries who do not speak English, accessibility for people with physical and mental disabilities under Title II of the Americans with Disabilities Act, etc.) If you have further questions or concerns about civil rights issues, we encourage you to contact your OCR regional office.

Montana has less than 2% of its population who are non-English speaking. In the summer when migrant seasonal workers arrive in very selected areas of the state, county social services agencies secure interpreters who speak Spanish.

According to State officials, counties do have interpreters who speak a variety of languages through a community organization. According to state officials, some counties do have Spanish speaking employees who serve as interpreters. Interpreters of a variety of languages are available through a community organization. There is a statewide TDD system for the hearing impaired.

The Montana ADA coordinator, Patty Smith, recently completed a statewide review of all 56 county agency sites and has determined that all county agency buildings and parking lots meet ADA standards. Montana also offers home visitation and outreach for individuals who have difficulty getting to county offices.

**2. Maintaining Coverage for Families who Leave Public Assistance Programs.**

**A. Transitional Medicaid**

The Transitional Medicaid provisions appear to be well understood by both state agency and county staff. The Transitional Medicaid (TMA) program has been in place in Montana since 1990. Reflecting the changes resulting from PRWORA, state policy indicates that the trigger for TMA is loss of Section 1931 Medicaid due to earnings from employment, rather than loss of FAIM. Montana's 1115 FAIM waiver allows TMA to begin after one month of 1931 eligibility, which is less restrictive than the 3 months out of a 6-month period required. The eligibility workers interviewed revealed a solid understanding of these changes. The cases reviewed were all consistent with state and federal policy. Eligibility is automatic for the first six months, and then conditioned on the family being under 185% FPL in the second six months.

Triggered by the appropriate closing codes, the TEAM computer system determines TMA and informs the family of the 12 months of eligibility and future reporting requirements. When the TMA period of eligibility ends a notice is sent to request information to determine if eligibility for Medicaid may exist under other categories of Medicaid. The State does not, however, conduct an *ex parte* review at that time.

**B. Procedures Related to Denial/Termination of Medicaid:**

Medicaid redeterminations are performed every 12 months, in accordance with the requirements of 42 CFR 435.916. In-person interviews are not required, nor is a new application required. The reviewer found no evidence of *ex parte* reviews being performed by the State. The computer system will generate the required form and will automatically send it to the beneficiary. If a redetermination form is required earlier, the worker can initiate the process.

Workers are encouraged to coordinate the Food Stamp program recertification when that program is involved, with the annual Medicaid redetermination. However, if Food Stamp recertification is required more frequently than annually, the Medicaid redetermination will not be scheduled more frequently to coordinate the redeterminations for the two programs. Additionally, Medicaid coverage will not be affected if the family fails to respond at the Food Stamp recertification and the Medicaid coverage period has not ended. While the family will be terminated from Food Stamps, Medicaid will continue until the formal Medicaid redetermination is required or other changes occur to warrant some action.

As stated earlier, when an application is received, it is reviewed for all categories of coverage. This practice had been in place prior to the passage of PRWORA.

Moreover, the case files in all three counties visited revealed a thorough pursuit of all categories of coverage when changes resulted in the loss of one category of coverage. According to State officials, this practice has been understood by eligibility workers and followed for years.

**3. Reaching Families Potentially Eligible for Medicaid**

**A. Public Charge**

The immigrant population is very small in Montana; consequently, the state did not undertake an education campaign to inform the public of the public charge policy. However, eligibility workers were informed of the change in policy and understand Medicaid provisions for public charge only apply to individuals receiving care in nursing facilities.

**B. Outstationing Eligibility Workers**

State staff advised the reviewer that the State meets the requirements of section 1902(a)(55) to provide for the taking and initial processing of applications at certain locations including DSH hospitals and FQHCs as expressed in the State Plan Preprint page 11a. This is done by having application forms available at Rural Health Clinics, DSH hospitals and FQHCs. Montana does not physically house a worker in Rural Health Clinics, hospitals or FQHC's because of the very small number of applications generated at those sites. However, the staff at these facilities is knowledgeable about the requirements of Medicaid and assist applicants to complete the application. Also, the date the application is signed at the outstation location is the date of application for timely processing purposes and establishing the first date of eligibility. In addition, eligibility workers indicated that should an individual need assistance beyond that provided by the facility, eligibility workers are willing to travel to an applicant's home or other location, such as the facility, to assist with the application process. While the State does not require a face-to-face interview to establish Medicaid eligibility, such an interview is encouraged. When an outstation application is received, State staff will often conduct an interview by phone in lieu of a face-to-face interview. If a face-to-face interview is needed the worker will go to the applicant to accomplish it. Finally, state officials confirmed that 5 of the 7 Indian Reservations have an eligibility worker on site.

Subsequent to the review,, State staff reported that the seven Montana reservations have eligibility workers available on the reservation. See attachment. Since the review, Montana has continued to expand the outreach and outstationing of eligibility staff to those listed sites and many additional community sites to provide easier access to Medicaid services.

**4. State Children's Health Insurance Program Review (SCHIP)**

Montana's SCHIP was a limited pilot project in three counties from August 1998 until October 1, 1999. The program was implemented statewide in October 1999. This on site review was conducted prior to the statewide implementation of SCHIP. The SCHIP is a stand-alone program that covers children up to 150% of poverty, with eligibility and enrollment conducted by state SCHIP agency staff. The SCHIP Eligibility Administrator, recently hired, has a twenty-five year history with Montana Medicaid. Local office staff is not involved in determining eligibility for SCHIP, although the state is developing a referral system between the counties and the SCHIP agency.

The SCHIP application states that all applications will be screened for possible Medicaid eligibility. If the applicant appears to be Medicaid eligible, the information on the first page of the application is forwarded to the Office of Public Assistance in the applicant's county.

Eligibility workers indicated that they share information on SCHIP with families when they are denied Medicaid coverage. As an example, when a Medicaid application is denied in Cascade County, the eligibility worker mails a SCHIP application to the family.

## **5. Optional Policies for Medicaid- Outreach Activities and Eligibility Expansions**

As part of the state's outreach strategy, an eligibility worker will be housed at the Community Health Center in Butte, MT one afternoon each week to take applications. In addition, several counties place eligibility workers on Indian reservations located within their counties.

Montana has eliminated the 100-hour rule. Two parent families are treated the same as one parent families. In addition, Montana has increased the resource standard and added other earned income disregards as described under "Section 1931" above.

## **6. Ensuring Administrative Efficiency and Medicaid Quality Control**

### **A. The Negative Case Action Program**

The State stopped doing negative case action reviews in April 1999 when the positive case action process ended and the Pilot Project for positive case actions started. This positive case action project involves nursing facility cases only. Consequently, from April 1999 until the time of the on-site review, the state was not conducting negative case action reviews of denied or terminated Medicaid cases. During the site visit, the state was informed of the requirement that they conduct negative case action reviews in addition to the positive case action reviews of nursing facility cases. Subsequent to the site visit, the State resumed

the negative case action reviews. However, state officials did not conduct retrospective reviews of denied and terminated cases between April and October 1999.

**B. Coordination Between Medicaid and Other Public Assistance Programs**

Montana State policy administrators, for Medicaid and other public assistance programs, are physically located in the same area, which greatly facilitates good communication.

**C. Program Assurances**

County staff indicated that state officials do a good job of providing training on new and existing policies. The state trains Regional Representatives who then provide training to county workers. Both county and state staffs seem pleased with this process and structure. The state has created a Quality Assurance unit that performs case file reviews. In addition, county supervisors do worker training and case file reviews. In one county, vacant eligibility worker positions are filled by QA workers who assume the entire caseload. The vacancy is then filled with a new QA worker.

**7. Computer Systems**

In general, eligibility workers expressed satisfaction with the TEAMS computer system. Although the system is not completely automated, it was described as a useful tool for determining eligibility. When an application is received, the eligibility worker inputs the information into the system, and selects an eligibility category. The computer then calculates the budget and determines eligibility based on the eligibility category selected. If the eligibility fails, the worker is prompted to select another eligibility category. Once the screening process is complete, the system will generate an approval or denial notice. One failing of the system is that it does not automatically screen for eligibility for all program categories, only those that the eligibility worker selects. However, eligibility workers interviewed demonstrated an understanding of the need to exhaust all possible options for Medicaid coverage before issuing a denial or termination notice.

It is possible for eligibility workers to override the system if they do not achieve the desired result, or if there is a problem with the system. Workers can contact the state help desk to obtain assistance in resolving computer problems or to alert the state to larger systems problems.

**IV. Consumer Advocacy Groups**

During the site visit, the reviewer met with several advocates including Shelley Icenhower, Doris Ellis and Wendy Young, to discuss their concerns with the Medicaid/TANF delinkage efforts in Montana.

Ms. Icenhower co-authored with other advocates a Bill of Rights for Recipients, which the Department supported and has made available in county offices. She was the lead advocate negotiator with the State and signed the document on behalf of all advocates and recipients.

The relationship between the advocacy groups and the State and County Agencies appears to be very good. An open door policy exists and the advocates feel they are listened to and that they do play an important role in resolving issues that arise between clients and workers.

The advocates noted that the Section 1931 provisions have not caused any distinct problems or issues for applicants or beneficiaries. When an individual client presents a problem, the advocates feel comfortable working with the eligibility workers to resolve the issue.

## **V. Promising Effective Practices**

### **1. Outreach at Community Health Centers and at Indian Reservations**

Those counties having Indian Reservations within their borders place eligibility workers on 5 of the 7 Indian reservations. These workers are located at Hardin, Browning, Wolf Point, and Polson and at the Lame Deer Reservation in Rosebud County.

Subsequent to the review, State staff reported that the seven Montana reservations have eligibility workers available on the reservation. See the attachment.

During the summer, when migrant workers arrive in Lake County, a tent is set up to accommodate and provide needed services to the migrant workers right where they work. All of the different types of services are offered and eligibility workers accept and process the applications at that site.

### **2. Uniform Case File Policy**

Montana has a uniform case file policy (all case files are organized in the same order and contain the same basic information.) This practice certainly makes the review process simple, but more importantly, it makes the move from one county to another much more efficient with regard to a recipient's on-going eligibility.

## **VI. Next Steps**

### **1. Implementation of the Section 4913 Eligibility Group for Children**

We are concerned that the State had not taken effective steps to classify a separate Section 4913 children category, in order to provide Medicaid to these children. The state review indicated that of the original 130 children identified as eligible under Section 4913, only 47 retained Medicaid coverage. In particular, we are concerned about the 30 children for whom section 4913 eligibility was never established. We will be working with the State to address this problem.

**State Response:** Since the time of the review, Montana has taken significant action regarding the children in the Section 4913 category.

Every child either from the November 1998 list or the April 2000 list, that was known to the system on a screen called “case notes” and with “person alerts” as potentially eligible for 4913 coverage. This includes all children who are currently open for Medicaid under other categories of coverage, such as 1931 or as SSI cash recipients. To create a new sub-category of coverage for a group of less than 80 individuals (which declines monthly) would not be financially feasible. Many of the 4913 children are eligible and open for assistance in other coverage categories due to financial need or by clients (caretakers) choice.

Each child’s eligibility status was again researched after Montana received the second list of 4913 children. Any children whose families had failed to complete a redetermination were closed. We were unable to locate many of the children and received no response from some families. Additionally, some families did contact the department and notified us that they no longer wished to have their children identified as disabled and therefore did not wish coverage for their children under this category.

The second list of 4913 children also included an additional 33 children who were not listed on the November 1998 list. Many of the “new” children were known to us and the fact that they were not present on the first list was never explained. They too, have been followed up for on-going eligibility.

There were several children on these lists who were not known to Montana’s eligibility system, and research on this indicates that the children are new to the State of Montana. There is no way for Montana to track these children unless they make some contact with the state, or until we are contacted by the state from which they moved. However, this was a very small number of children (less than 10). Further, it is interesting to note that the reports received from Social Security on the 4913 children did NOT include the children’s Social Security numbers. Without that information, we are unable to track the children through our access to Social Security payment records which also allows us access to updated mailing address and other demographic information.

While all of the above actions were taking place, statewide training was also provided to all eligibility caseworkers. The Section 4913 category of coverage was discussed and refreshed in worker's minds. The policy specialist provided training, in person, at eleven sites statewide between March 28, 2000 and April 13, 2000.

### **HCFA Reply**

HCFA checked with SSA about whether SSN's have always been included for each child on a 4913 list. SSA assures us that each child's SSN was included on every 4913 list. Perhaps, the SSA file was not completely downloaded by the State. Nevertheless, HCFA and SSA will assist you to assure that all relevant information from the SSA lists is available to you.

In response to the HCFA's April 7 Dear State Medicaid Director letter, the State reported 160 potential 4913 children on the most recent SSA list. The State has explained that 18 of those children were new to Montana, and 18 others are under review. HCFA is interested to understand what Montana's "review" of the 18 others has revealed.

In addition, from the SSA list, the State reported 59 open cases. Of those, 9 were 4913 children, and 50 had been placed in other categories. HCFA is concerned that the State take the necessary steps, such as flagging these children as 4913 children, to protect their coverage in the future.

## **2. Improper Requests for SSNs and Citizenship and Immigration Information**

We are concerned that the Medicaid application forms we reviewed required SSNs and citizenship and immigration information for all persons living in the household, contrary to Federal law and guidelines. We were concerned that this may have created a barrier to Medicaid enrollment, in particular, children of immigrant parents.

The State has agreed make the necessary changes. To that end, the state has developed a universal application for children (used to apply for Medicaid, SCHIP and other state programs) which indicates that SSN and citizenship information is voluntary for non-applicants, and is in the process of updating the joint application. We have worked with the state during this process to ensure that the new applications are in compliance with Federal policy and guidelines.

The State should add language to the joint application to inform families that for Medicaid SSN and citizenship information is only required for applicants, and not other household members.

**State Response:** The joint application form has been revised. Language has been added to this application indicating that the SSN, citizenship and immigration status is only required for those individuals who are applying for Medicaid, and not for any other household member. A revised application has been submitted.

While there are certain advantages to program-specific applications, there are also advantages to joint applications. Joint applications allow families to access additional services, such as food stamps, where low enrollments are also a concern of USDA. We believe that by having available the joint application, a universal application for children's health coverage and separate applications for other Medicaid groups that families have improved access to the services they want.

Federal Reply: The State's response addresses HCFA's concern.

**3. Joint application does not specify which information is for Medicaid-only.**

At the time of the review, Montana used a combined application for the Medicaid, FAIM and Food Stamp programs. The joint application for was 14 pages long and did not indicate which information is required only for Medicaid. Because of concerns about the complexity of the information requested and possible obstacles to application contained in the old application form, the State has redesigned its joint application. It is presently in the final stages prior to publication. The Regional Office will continue to offer assistance in this effort and will monitor progress.

**State Response:** The revised application has been completed. The new form has been color-coded to indicate which questions must be answered for Medicaid and which questions can be skipped. Written cues have also been placed in the document informing applicants which questions to complete and which to skip.

Federal Reply: The State's response addresses HCFA's concern.

**4. Redetermination Process**

During the course of the review of the procedures related to Medicaid terminations, the reviewer did not see any indication that the State was performing ex parte reviews at the end of TMA. By relying on information available to the State Medicaid agency before contacting the recipient(s), States can avoid unnecessary and repetitive requests for information from families that can add to administrative burdens, make it difficult for individuals and families to retain coverage, and cause eligible individuals and families to lose coverage.

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The State, in accordance with HCFA's April 7, 2000 Dear State Medicaid Director letter, must conduct ex parte reviews of ongoing eligibility to the extent possible when the State receives information about changed circumstances. This rule applies to all eligibility categories not just at the end of TMA. If the information available proves to be either insufficient or unreliable, the State should then contact the recipient before taking any adverse action. We are especially concerned about this issue because the State does not appear to have an automated system to assist workers to conduct ex-parte reviews.

**State Response:** Although it may not have been visible to the reviewer, ex parte reviews following any Medicaid terminations (including TMA) have been standard practice in Montana since the inception of the provision. Eligibility staff has been trained on this process on multiple occasions and the Medicaid policy manual clearly states that these reviews must be completed, and another Medicaid coverage group opened, if enough information is available. Often families losing TMA are still receiving another public benefit (e.g. food stamps) so eligibility staff has all information necessary to determine on-going Medicaid eligibility under another coverage group.

There are instances when TMA is the only assistance open as families become self-supporting, and when it closes, eligibility staff may not have enough information available to accurately determine continuing eligibility under another group, thus making a formal redetermination necessary. This happens when the income information is a least four months old, and resource eligibility has not been determined in over twelve months.

Federal Reply: The State's response addresses HCFA's concern.

### **Additional State Comment**

In closing, we appreciate the opportunity to review and comment on the report and look forward to receiving the revised final version.

### **ACRONYMS:**

FAIM - Families Achieving Independence in Montana (MT's TANF program)

TEAMS - The computer system that supports Medicaid and other public programs.

### **ATTACHMENT**

Outstation Activities at Indian Reservations in Montana