

## PUBLIC NOTICE

### DEPARTMENT OF HEALTH AND HUMAN SERVICES

The South Carolina Department of Health and Human Services (SCDHHS) gives notice of the following proposed actions pursuant to the requirements of Title 42 CFR § 431, 435, 438, 440, 447, 457 and Title 45 CFR § 155 and 156, regarding eligibility changes implemented in accordance with The Patient Protection and Affordable Care Act of 2010 (ACA) under the State Plan under Title XIX of the Social Security Act Medical Assistance Program (Medicaid).

Effective on or after October 1, 2013, SCDHHS proposes to amend the South Carolina Title XIX state plan with a series of twenty (20) State Plan Amendments (SPAs) to be submitted to the Centers for Medicare and Medicaid Services (CMS), in compliance with federally mandated and optional reforms that support South Carolina's healthcare initiatives aimed at improving health and health outcomes. **The SPAs fall under the following seven (7) topic areas.**

**1. Modified Adjusted Gross Income (MAGI)-Based Eligibility Groups:** The ACA mandates the use of Modified Adjusted Gross Income (MAGI) methodology for eligibility determinations for designated groups of Medicaid applicants and beneficiaries. SCDHHS has established MAGI income limits through a CMS approved process of converting current income limits to MAGI equivalents. The goal of this MAGI conversion process is to establish a MAGI-based income standard that is not less than the income standard in effect for each eligibility group prior to the implementation of MAGI. As a result of this process, the income standard for some eligibility groups will change effective January 1, 2014. For more information regarding the MAGI-based income standards please visit the SCDHHS website at [www.scdhhs.gov/magi](http://www.scdhhs.gov/magi).

Federal regulations also consolidated multiple mandatory and optional eligibility groups into new overarching categories. This will not impact applicants or beneficiaries; however, the State is required to submit SPAs to reflect the new regulatory groupings. Additionally, States will now be required to provide Medicaid to former foster children who were on Medicaid when they turned 18 or aged out of foster care, up to age 26. This applies to children who lived in South Carolina at the time they aged out of foster care.

Proposed Budget Impact: CMS anticipates that the MAGI methodology and converted income limits will be cost neutral. However, additional costs will be incurred with the addition of individuals eligible for the newly mandated coverage group of former foster children.

**2. Modified Adjusted Gross Income (MAGI) Income Methodology:** South Carolina will implement federally mandated MAGI methodologies. Use of MAGI helps to create consistency among states in determining Medicaid eligibility and aligns methodologies across insurance affordability programs, including premium tax credits. The state is required to affirm compliance with MAGI and specify state policy on determining family size, household composition and financial eligibility for current beneficiaries.

Proposed Budget Impact: CMS anticipates that implementation of MAGI methodologies

will be cost neutral.

**3. Eligibility Process:** In accordance with the ACA, South Carolina will implement a single, streamlined application with appropriate addendums for Medicaid eligibility. The State will modify the application provided by CMS to reflect state policy and therefore requires approval from CMS. Additionally, the State will implement a redetermination process under which Medicaid beneficiaries are not required to provide additional information if sufficient information is available to renew eligibility. Applications, addendums and instructions will be available in electronic and paper form. In addition to current available modes of application submission, individuals will be able to apply for Medicaid online. The revised application will create a more efficient, less burdensome application and enrollment process. Some applicants and beneficiaries applying electronically will be able to obtain real time eligibility decisions. Applicants found Medicaid ineligible will have their information transferred to the Federally Facilitated Marketplace (FFM) to access Federal tax credits if they qualify.

**Proposed Budget Impact:** The use of an electronic point of access to the application process has the potential to save costs on printing and postage with fewer paper applications sent to applicants, however there are systems and technology required to implement the electronic process. The electronic process also presents the potential for an increased number of applicants and ultimately beneficiaries. It is anticipated that the revised process will be cost neutral.

**4. Single State Agency:** South Carolina is required to provide state statutory citation, certification and description of the legal authority under which the Single State Agency, the South Carolina Department of Health and Human Services, administers the Medicaid State Plan. This does not represent a change from the current administration of the Medicaid Program. Additionally, the State has the option to delegate Medicaid eligibility determinations and appeals to the FFM. SCDHHS will not elect to delegate such authority.

**5. Residency:** South Carolina will affirm state residency regulations for Medicaid eligibility and address interstate agreements and temporary absences. The definition of residency has been modified under federal regulations, including removal of language relating to intent to reside in the state “permanently or for an indefinite period.” Through the SPA, the state is required to affirm compliance with the residency definition and to provide policies related to individuals in the state only to attend school as well as definitions of temporary absence.

**6. Citizenship and Immigration Status:** South Carolina is federally mandated to affirm the state’s citizenship regulations, reasonable opportunity options to present documentation of citizenship and immigration status and policy options related to immigrant Medicaid eligibility. To be eligible for Medicaid, an individual must be a U.S. citizen or national, or an immigrant who is in a qualified immigration status. Medicaid electronically verifies applicants’ citizenship and immigration status. If the individual’s status is not verified electronically, paper documentation is required. During the time period when the discrepancy is being resolved, if an individual otherwise meets the eligibility requirements, the individual is provided Medicaid benefits in accordance with federal regulations for a 90 day reasonable opportunity period. Through the SPA process, the State must affirm compliance with federal regulations on citizenship and

specify coverage of any optional groups of lawfully present non-citizens. SCDHHS is not implementing any new policy changes regarding coverage of qualified non-citizens and definitions of who is considered lawfully present.

**7. Children Ineligible for Medicaid as a Result of the Elimination of Income Disregards:** The ACA requires states to maintain coverage for children who lose Medicaid coverage due to the elimination of income disregards under MAGI methodologies. This protection applies only to children enrolled in Medicaid on December 31, 2013 who lose eligibility at their first MAGI based renewal due to the elimination of disregards. South Carolina does not currently provide a separate Children's Health Insurance Program (CHIP) program, but will be required to create a special eligibility group under CHIP for this population. This protected status remains in place until the child's next scheduled renewal (i.e., 12 months).

Proposed Budget Impact: The children impacted in this change are already enrolled in Medicaid; therefore we are not projecting any additional costs. Also, with the enhanced CHIP funding for these children, the State will be required to provide fewer State dollars for these children.

Copies of this notice are available at each County Department of Health and Human Services Office and at [www.scdhhs.gov](http://www.scdhhs.gov) for public review. Additional information regarding these proposed actions is available upon request at the address cited below.

Written comments may be sent to Medicaid Eligibility, Enrollment and Member Services, SCDHHS, Post Office Box 8206, Columbia, South Carolina 29202-8206. Comments may also be submitted to [comments@scdhhs.gov](mailto:comments@scdhhs.gov). Written and e-mailed comments must be received by close of business September 18, 2013.

Any written or e-mailed comments submitted may be reviewed by the public at the SCDHHS, Medicaid Eligibility, Enrollment and Member Services Jefferson Square Building, 1801 Main Street, Columbia, South Carolina, Monday through Friday between the hours of 9:00 A.M. and 5:00 P.M.

Keck

Anthony E.

Director  
Department of Health and Human Services