

Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
61 Forsyth St., Suite 4T20  
Atlanta, Georgia 30303-8909



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June 21, 2010

Craigian Gray, MD, MBA, JD  
Director  
Division of Medical Assistance  
North Carolina Department of Health and Human Services  
2501 Mail Service Center  
Raleigh, North Carolina 27699-2501

Attention: Teresa Smith

RE: North Carolina Title XIX State Plan Amendment, Transmittal #10-011

Dear Dr. Gray:

We have reviewed the proposed amendment to the North Carolina Medicaid State Plan that was submitted under transmittal number 10-011 and received in the Regional Office on March 19, 2010. The state plan revision will implement changes in the income eligibility for MQB-Q, MQB-B, MQB-W and MWD eligibility groups according to policy used in the Supplemental Security Income (SSI) program. SSI policy for determining income eligibility employs a 'deeming' methodology. Following this methodology, the first step in determining income eligibility for an applicant/recipient who is married and living with his/her spouse, who is neither an applicant nor a recipient, is to compare the applicant's countable income to the income limit for one, ignoring the needs of the spouse. If the applicant's income exceeds the income limit for one, he or she is ineligible regardless of the spouse's situation.

Based on the information provided, we are pleased to inform you that Medicaid State Plan Amendment 10-011 was approved on June 17, 2010. The effective date of this amendment is February 1, 2010. We are enclosing the approved form HCFA-179 and plan page.

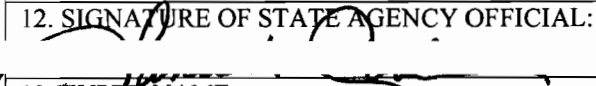
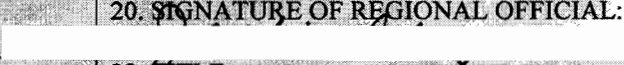
If you have any questions or need any further assistance, please contact Sally Brown at (404) 562-7352 or Elaine Elmore at (404) 562-7408.

Sincerely,

/s/

Jackie Glaze  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		1. TRANSMITTAL NUMBER:  <b>10-011</b>	2. STATE  <b>NC</b>
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE  <b>February 1, 2010</b>	
5. TYPE OF PLAN MATERIAL ( <i>Check One</i> ):  <input type="checkbox"/> NEW STATE PLAN <input checked="" type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT ( <i>Separate Transmittal for each amendment</i> )			
6. FEDERAL STATUTE/REGULATION CITATION:  Sections 1902(a)(10)(E) and 1902(r)(2) of the Act		7. FEDERAL BUDGET IMPACT: a. <b>FFY 2010 \$1,008,555</b> b. <b>FFY 2011 \$2,119,138</b>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <b>Supplement 8A to Attachment 2.6-A, Page 2</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ): <b>Supplement 8A to Attachment 2.6-A, Page 2</b>	
10. SUBJECT OF AMENDMENT:  <b>Income eligibility for MQB-Q, MQB-B, MQB-E, and MWD.</b>			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: SECRETARY <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:  Office of the Secretary Department of Health and Human Services 2001 Mail Service Center Raleigh, North Carolina 27699-2001	
13. TYPED NAME: Lanier M. Cansler			
14. TITLE: Secretary			
15. DATE SUBMITTED: 3/18/2010			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: 3/18/10		18. DATE APPROVED: 06/17/10	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 2/1/10		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: JACKIE L. GLAZE		22. TITLE: ASSOC. REGIONAL ADMINISTRATOR	
23. REMARKS:			

## State Plan Under Title XIX of the Social Security Act

State: North CarolinaLESS RESTRICTIVE METHODS OF TREATING INCOME  
UNDER SECTION 1902(r)(2) OF THE ACT

X For 1902(r)(2) mandatory eligibility groups 1902 (a)(10)(A)(i)(III), 1902 (a)(10)(A)(i)(IV), 1902 (a)(10)(A)(i)(VI), 1902 (a)(10)(A)(i)(VII) and; For optional groups 1902 (a)(10)(C)(i)(III), 1902 (a)(10)(A)(ii)(I), 1902 (a)(10)(A)(ii)(IX), 1902 (a)(10)(A)(ii)(X), 1902 (a)(10)(A)(ii)(XV), 1902 (a)(10)(A)(ii)(XVI), and;

For 1905(p) groups 1902(a)(10)(E)(i), 1902(a)(10)(E)(ii), 1902(a)(10)(E)(iii), 1902(a)(10)(E)(iv):

All wages paid by the Census Bureau for temporary employment related to Census activities are excluded.

X The following income policy applies to the following groups of Medicaid eligibles:

- Qualified Medicare Beneficiaries, 1902(a)(10)(E)(i) and 1905(p)(1) of the Act
- Qualified Disabled and Working Individuals, 1902(a)(10)(E)(ii) and 1905(s) of the Act
- Specified Low-Income Medicare Beneficiaries, 1902(a)(10)(E)(iii) of the Act
- Qualifying Individuals, 1902(a)(10)(E)(iv)

Instead of the SSI methodology of determining income eligibility of an individual through deeming of income from ineligible individuals to eligible individuals, the State shall employ an income limit which is the appropriate percentage of poverty, for each of the groups listed above, for the number in the family.

The family shall consist of:

- The individual applying for assistance under one of the groups listed above and,
- If residing in the home with the individual, the following individuals:
  - The individual's spouse,
  - The individual's children and step-children under age 18, and
  - If the individual is under age 18, his parents and their ineligible children; Except for those individuals receiving public income maintenance payments.

Because all family members to whom income would be allocated are counted in determining the income limit, no income will be allocated to family members in the home. Only the income of those who are financially responsible for the individual under 1902(a)(17) of the Act shall be counted.

Should applying this policy cause an individual to be ineligible in one of the eligibility groups listed above, the State shall determine his eligibility for the group using the SSI income deeming methodology.