

December 4, 2000

Dear State Medicaid Director:

During the course of our review of State Medicaid programs nationwide, we identified several areas where State Medicaid and Temporary Assistance to Needy Families eligibility and enrollment processes presented barriers to applicants and recipients or resulted in erroneous Medicaid denials and terminations. One area that we have identified is cases that are terminated when families move from one county to another county within their State of residence.

We have learned that, in some States, counties terminate Medicaid when a family moves from one county to another within the State and require the family to reapply in the new county of residence. These terminations are not permitted under Federal law. Section 1902(a)(1) of the Social Security Act requires that a State plan for Medicaid must provide that it shall be in effect in all political subdivisions of the State. This means that, in the absence of a Section 1115 waiver, the State plan must be in effect statewide and all counties within the State must comply with the State plan provisions.

In a county-administered Medicaid program, when a family moves within the State, the State and the counties are responsible for transferring the case record from the old county of residence to the new county of residence so that Medicaid can continue without interruption. The State cannot require the family to reapply for Medicaid or comply with a Medicaid redetermination solely based upon a move to a new county.

We recognize that often a move connotes a change in circumstances, for example, a parent obtains a new job, and the county may need to reevaluate eligibility in light of these changes. If there is a basis for conducting a redetermination due to changed circumstances (beyond just a move to a new county) that might affect eligibility, the county must first perform an ex parte redetermination to determine whether Medicaid eligibility continues. If the State does not have sufficient information based on the ex parte review it must request information from the family that is directly related to the changed circumstances. If a family does not comply with the request after a reasonable amount of time, Medicaid can be terminated since the family has a responsibility to cooperate during a redetermination.

We request that you review your official policies and procedures regarding Medicaid denials and terminations and redeterminations to ensure compliance with Federal requirements at 42 CFR 435.916 and 435.930. Also, since it is possible that counties may be terminating Medicaid when families move

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within the State even though your State's official policies and procedures comply with Federal requirements, we are requesting that you review your counties' actions to verify that:

no county in your State terminates Medicaid when families move out of that county to another county within the State;

no county requires families who move within your State to reapply for Medicaid in their new county of residence;

when families move, counties transfer case records in a timely manner and Medicaid is continued uninterrupted; and,

all written policies and procedures comply with Federal requirements for redetermining Medicaid eligibility.

If you find that your State is not in compliance with these Federal rules, please contact your HCFA regional office immediately to establish a plan for coming into compliance within the next 90 days. Your regional office can also answer any questions you may have. Thank you for your attention to this matter as part of our ongoing partnership to ensure that eligible individuals and families receive the Medicaid services to which they are entitled.

Sincerely,

/s/

Timothy W.
Westmoreland
Director

cc: HCFA Regional Administrators HCFA Associate Regional Administrators for Medicaid and State Operations Lee Partridge, Director, Health Policy Unit - American Public Human Services Association Joy Wilson, Director, Health Committee - National Conference of State Legislatures Matt Salo, Director of Health Legislation - National Governors' Association Brent Ewig, Association of State and Territorial Health Officials

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