

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

101.14 REINSTATEMENTS

Certain situations require a reinstatement of services, which means either eligibility is restored or Medicaid income is corrected for a prior period. Both types of reinstatements are completed without requiring that a new application be filed on behalf of the recipient. A reinstatement is in order in the following situations, as applicable, to ABD and FCC recipients.

NOTE: There is no reinstatement function in MEDSX. If a reinstatement of benefits is required for an FCC recipient, an application contact must be used. Information will be provided in the comments section of the notice to explain the action being taken to the recipient.

Hearing Decision

When a decision, granting eligibility or increased benefits is rendered as a result of a state or local hearing, the regional office may be required to reinstate eligibility or when appropriate correct Medicaid Income, retroactive to the date decided by the hearing official. If benefits were continued in an active case pending the hearing decision, reinstatement may not be required unless the decision at the hearing is to increase the level of benefits in effect prior to the hearing.

Advance Notice Period

When the client makes a timely hearing request during the advance notice period, benefits will be continued at the same level through the reinstatement process until a hearing decision is reached.

If the recipient provides information that changes the adverse action decision or fully complies with unmet requirements during the adverse action period, benefits must be reinstated to ensure no loss of benefits, if the recipient remains eligible.

If advance notice of benefit reduction or termination is not issued as required, benefits must be reinstated at the time the error is discovered, regardless of whether the client is currently eligible. After benefits are reinstated, advance notice would be issued.

NOTE: Medicaid benefits must be reinstated to ensure there is no loss of benefits. CHIP benefits must be reinstated for the next possible month. If the child incurred medical services in any lost CHIP months, handle through the CHIP agency error process.

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REINSTATEMENTS (Continued)

Whereabouts Unknown

As indicated previously, eligibility must be terminated if a client's whereabouts remain unknown after the agency has (1) received returned mail with no forwarding address and (2) made reasonable efforts to locate the recipient. If the client's location subsequently becomes known during the time he is eligible, benefits will be reinstated.

For a child who has continuous eligibility, Medicaid benefits must be reinstated with no loss. CHIP benefits must be reinstated for the next possible month. If the child incurred medical services in any lost CHIP months, handle in the same manner as CHIP agency errors. For an adult, the specialist must determine eligibility for each month that the adult recipient's whereabouts were unknown and reinstate for any period he would have been eligible.

Temporary Case Closure

When it is known that a client will be ineligible for two months or less, the closure is processed in the usual manner; however, at the end of the temporary period, the case may be reinstated without completing new eligibility forms necessary for reapplication. The case record will show:

- The exact length of time during which ineligibility will exist;
- The date the recipient will be eligible again;
- The reason for the temporary ineligibility.

In this situation a break in eligibility correctly exists; therefore, it is necessary to adjust the eligibility begin date to reflect the most recent eligibility begin date.

Reapplication

When an applicant has a prior application which has been in rejected status for 2 months or less, the rejected application form can be updated and signed by the applicant or representative to establish a new application date. Factors of eligibility which are not subject to change do not have to be re-verified. Income and, if applicable, resources may have to be re-verified, depending on the new application file date, the type of benefit, whether any changes are reported by the applicant, etc. The eligibility begin date is controlled by the second or updated application date.

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REINSTATEMENTS (Continued)

Agency Error

When the agency has denied or terminated eligibility in error or reduced benefits in error for reasons such as failure to act on information present in the record or provided during the advance notice period, misapplication of policy, miscalculation of income or resources, untimely processing, etc., benefits must be reinstated retroactive to the month the error occurred, when this is possible. If CHIP is involved, the reinstatement must be effective for the next possible month. If the child incurred medical services in any lost CHIP months, this would be handled through the CHIP agency error process.

The discovery source for the error may be:

- Case reviews;
- Applicant or recipient complaints;
- Recognition by the specialist;
- Other sources having knowledge of the error.

101.14.01 CORRECTIVE ACTION

At the time the agency becomes aware of an error which affects eligibility or level of benefits, action must be initiated to correct the error. Immediate corrective action is required to prevent further error. In some instances, it may also be necessary to correct an error retroactively into prior months.

When corrective action into prior months adversely affects the recipient, meaning the error caused the client to be totally ineligible or eligible for fewer benefits, DOM-354, Improper Payment Report, or DOM FCC-354, Improper Payment Report Families, Children and CHIP, is prepared.

When corrective action into prior months favorably affects the client, meaning the client was eligible or eligible for more benefits, the corrective action is handled through reinstatement.