

Welcome to the Local Auditor's Medicaid Review

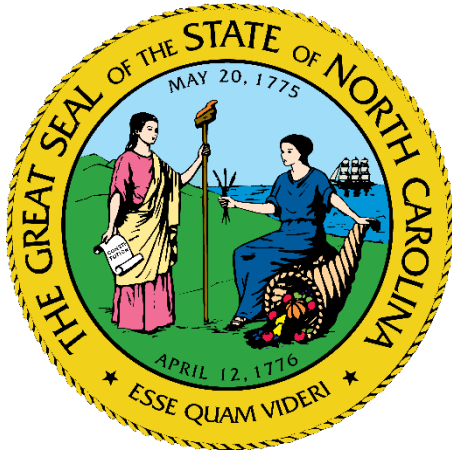
Our presentation will begin shortly!

Please Sign-in:

Input Your Firm's Name in the Chat

For quality purposes, please make sure microphones are muted and cameras are turned off

Thank you!



NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES

Local Auditor's Single Audit Medicaid Review

Office of Compliance and Program Integrity

May 2026

Agenda

- Memorandum of Agreement (Revisions and New Process)
- Medicaid Population Reports
- Submission of Medicaid Eligibility Results
- Returning to Standard Medicaid Practices
 - Conclusion of Continuous Coverage Unwinding (CCU) 6/30/2025
 - Eligibility Errors
 - DHB Administrative Letter 04-25
- Continuous Eligibility for Children
 - DHB Administrative Letter 05-25
- Enumeration Procedures for Auto Newborns
 - DHB Administrative Letter 09-25
- Resources and Contacts

Memorandum of Agreement (MOA) Process & Revisions

Memorandum of Agreement (MOA)

- A signed agreement, between the North Carolina Department of Health and Human Services, Division of Health Benefits (“Department”) and Auditing Firm (“Recipient”) regarding the sharing of data to facilitate the audit of one or more county Departments of Social Services (“DSS”) for Medicaid eligibility determination as described by NCGS § 159-34.
- **Revision:** This MOA is effective on the later of the execution dates of the Parties (“Effective Date”) for one (1) state fiscal year (SFY) term and will automatically renew for four (4) subsequent one (1) SFY terms unless any Party gives notification of non-renewal in writing to the other Party prior to the expiration of the then current term.

Memorandum of Agreement (MOA) Cont'd

Recipient's Obligations

- Work within the Department's Stipulation to establish protocol for receiving the Medicaid Population Reports.
- Validate the accuracy of the eligibility determinations by the Counties listed in the MOA.
- Hold an exit conference with the County DSS agency to review Recipient's results from eligibility testing.
- Via the DHHS Secure Portal, provide the Department the Medicaid Eligibility Single Audit Findings report no later than the date Recipient submits its final audit reports of the County to the Local Government Commission.

Responsibility of the firm to protect the confidentiality of the Department's data and the information provided in accordance with the MOA and all applicable laws.

Memorandum of Agreement (MOA) Cont'd

New Process – Data Destruction

- New Attachment C: Data Destruction Form
- Requires the Business Associate to return or destroy all Protected Health Information (PHI) received from Covered Entity or created or received by the Business Associate on behalf of Covered Entity. Further, Business Associates shall not retain any copies of the Covered Entities PHI.
- Process is to be completed:
 - End of the MOA 5-year period or,
 - When a CPA firm is no longer conducting the County Single Audit for any county prior to the end of the MOA 5-year period, or,
 - When the MOA contract number has changed and the data must be destroyed under the MOA contract number with all data description associated with the data DHB provided to the CPA firm.

Memorandum of Agreement (MOA) Process

- DHB requests the firm completes a contact info form for providing the current point of contacts and the county name(s) who the firm will be contracting with for the current SFY audit.
- The firm provides a copy of executed contract(s) with the County to DHB.
- DHB prepares a draft MOA for the firm's suggested revision or approval.
- The firm receives an email notification from DocuSign requesting an electronic signature for the approved MOA.
- DHB's signature is obtained, and the MOA is considered fully executed. A copy is provided to the firm.

QUESTIONS



Medicaid Population Reports

Medicaid Population Reports

- Medicaid Population Reports provide the necessary data elements for the firm to select their testing sample.
- Reports are distributed in two data segments:
 - July 1, 2025 – February 28, 2026
 - March 1, 2026 – June 30, 2026
- Reports are provided to the firm through DHB's secured email portal.
- The firm's recipient will receive an email to register a login (email address) and password to access the portal.
- The firm should access the email and reports immediately before the email's expiration date from the original sent date.

Reports cannot be released to the firm until the Department obtains a copy of all signed County contracts and the MOA is fully executed.

Medicaid Eligibility Single Audit Findings Workbook

Medicaid Eligibility Single Audit Findings Workbook

Tips for Workbook Completion

- Column D indicate the 3-letter Medicaid Program acronym (select from drop-down list)
- Column E indicate the 1-letter or the 2 alphanumeric Medicaid Classification (select from drop-down list)
- Column I indicate a finding statement
- Column J indicate the root cause error and Columns K-L indicate addt'l error(s)
- Columns N and O indicate the date the county and DHB were notified of the finding
- Return a completed workbook for **each** county to DHB at the completion of the audit

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
								Do not list multiple errors for the same CNDS ID on multiple rows Select one applicable Error Category from the drop-down boxes in Columns J, K, or L. Only one error trend is reported in each column.						
County	CNDS ID	PDC #	Program	Class	DOP (Date of Payment)	DOS (Claim from Date of Service)	Claim Amount	Eligibility Error Description	Root Cause Error 1	Additional Error 2	Additional Error 3	OTHER Text Details <i>if "Other" noted in Columns J, K, or L</i>	Date Error Reported to County	Date Error Reported to DHB
53 Lee	123456789L	123456	MAD	N	1/1/2024	11/1/2023	\$256.12	Resource not included in evidence therefore; excluded incorrectly from countable reserve	Resources - Total Resources	Other - Enter Details Column M	N/A	Vehicle not entered in evidence	8/1/2024	8/30/2024

Mandatory Submission of Medicaid Eligibility Workbook

- Recommend to provide audit findings to DHB upon notifying the County DSS Medicaid eligibility unit of the findings.
- DHB is required to complete the review of the county overpayment and issue a notice of overpayment to the Office of Controllers for invoicing.
- MOA requirement new submission process:
 - *Via the DHHS Secure Portal, provide to the Department a detailed written report of Recipient's findings associated with eligibility testing for each of the Counties listed in Attachment A no later than the date Recipient submits its final audit report(s) of the County to the Local Government Commission.*

Returning to Standard Medicaid Practices

Returning to Standard Medicaid Practices

Continuous Coverage Unwinding (CCU) Ended 6/30/2025

Obsolete Administrative Letters effective 7/1/2025

- DHB Administrative Letter 13-23
- DHB Administrative Letter 05-23
- DHB Administrative Letter 06-23
- DHB Administrative Letter 01-24
- DHB Administrative Letter 01-25

Obsolete PHE and CCU Administrative Letters are located on the NCDHHS website found in folder entitled All Obsolete CCU/PHE Administrative Letters

<https://policies.ncdhhs.gov/divisional-a-m/health-benefits-nc-medicaid/adult-medicaid/abd-administrative-letters/>

Eligibility Errors

- SDX expartes not completed must be reported as Eligibility Errors.
- Cases that are COVID-19 extended with no redetermination of eligibility for the certification period for the claim date of service must be reported as Eligibility Errors.
- If an individual is ineligible for the certification period for the claim date of service must be reported as an Eligibility Error.

QUESTIONS



DHB Administrative Letter No: 04-25

**Returning to Regular Medicaid
Policy after the Continuous
Coverage Unwinding (CCU)
Period Ends**

DHB Administrative Letter No: 04-25

Child Support

Beginning **July 1, 2025**, Child Support cooperation resumes.

Refer to policy MA-2375/MA-3365, Child Support

Recertification using Food and Nutrition Services (FNS) Income (SNAP e14)

- Verified FNS gross income data can be used to determine MAGI eligibility for children and adults.
- If the MAGI beneficiary's verified FNS gross income results in continued eligibility, NC FAST will recertify the case for a full 12-month certification period.

DHB Administrative Letter No: 04-25 (Cont'd)

\$0/100% FPL Income Flexibility:

- Most recent **ACTIVE** income verification on the evidence dashboard is at or below 100% FPL.
- Most recent active income verification included on the evidence dashboard at either application or recertification was verified earlier than March 1, 2019 (12 months prior to beginning of PHE).
- Electronic Sources (OVS,TWN) return **no** income hits
- NC FAST will continue to complete these recertifications through STP when all criteria are met.

DHB Administrative Letter No: 04-25 (Cont'd)

Verifying Resources at Application

- County should continue to request AVS and other electronic data sources (OVS, ROD, etc.) when completing applications for Adult, Blind, and Disabled (ABD) programs and Medicaid for Qualified Medicare Beneficiaries (MQB) programs.
- Must wait at least 7 calendar days to ensure that AVS results have had adequate time to be returned.
- If **complete** attestation of resources (Bank name(s), account number(s), balance(s)) or states no resources at application, county will wait 7 calendar days for AVS results.

DHB Administrative Letter No: 04-25 (Cont'd)

Incomplete self-attestation of resources at application

- If AVS **does not** return any results, county should follow MA-2300 and request verification of resources via DHB 5097, Request for Information.
- If AVS **does** return results:
 - If AVS results in eligibility of the applicant, process the application and send appropriate notice.
 - If AVS results in ineligibility due to excess resources, follow MA-2300, providing a/b with opportunity to rebut or reduce allowing 2 DHB 5097's.
- County must also consider results from all other available electronic data sources and agency records.

DHB Administrative Letter No: 04-25 (Cont'd)

Verifying Resources at Recertification

- AVS will automatically be pulled in NC FAST as part of Straight Through Processing (STP)
- County should review AVS when completing ex-parte recertifications for ABD and MQB programs.
- County **must** wait at least 7 calendar days to ensure that AVS results have had adequate time to be returned.
- If AVS returns results within 7 calendar days and the total of all resources known to the agency is under the resource limit, process the ex-parte recertification following MA-2320 or MA-2321 without any further verification of any known assets.

DHB Administrative Letter No: 04-25 (Cont'd)

Verifying Resources at Recertification – (Cont'd)

- If AVS returns no information within 7 calendar days, county should assume there are no changes to the beneficiary's resources and proceed to process the ex-parte recertification without any further verification of any known assets.
- If results are returned from AVS after the recertification has been completed, the county should react to the information as a change of circumstance and follow policy MA-2340.

As a reminder counties must allow the individual the opportunity to rebut or reduce resources.

DHB Administrative Letter No: 04-25 (Cont'd)

Address Changes/Returned Mail

- If return mail has a yellow sticker with an **in-state** forwarding address local agency is to update address in NC FAST without additional verification and send original mailing to forwarding address.
- If address is found to contain errors or missing information, local agency is to correct the address and must resend the returned mail to completed address.
 - If the original document required response, county is to allow an additional 30 calendar days from date of re mailing for a/b to respond.
- If subsequent mailing to correct address is **not returned**, agency is not required to take additional steps.

DHB Administrative Letter No: 04-25 (Cont'd)

Address Changes/Returned Mail – (Cont'd)

- If subsequent mailing to corrected address **is returned**, agency must check internal agency records and electronic sources to determine if there is another address on file.
- If agency has returned mail for a/b but, has been unable to locate policy should be followed:
 - MA-3421, MAGI Recertification
 - MA-2320, Recertification policy
 - MA-2300/MA-3200, Application policy

DHB Administrative Letter No: 04-25 (Cont'd)

Requirement to Apply for Other Benefits

After the a/b has been determined Medicaid eligible, **DO NOT** request the individual to apply for:

- Annuities
- Pensions
- Retirement
- Disability - Monetary Benefits
 - Veteran's compensation and pension
 - Old-Age, Survivors and Disability Insurance (OASDI)
 - Railroad retirement benefits
 - Unemployment compensation

DHB Administrative Letter No: 04-25 (Cont'd)

Self-Attestation for Eligibility Criteria

Self-attestation **may** be allowable when:

- Documentation does not exist
- Documentation is not reasonably available, such as:
 - Individuals who are homeless
 - Victims of domestic violence
 - Natural disaster

Refer to Self-Attestation for Eligibility Criteria desk reference to determine if self-attestation is complete.

Reminder Self-Attestation is **NOT** allowable for:

- Citizenship and/or Immigration status
- Reserve Reduction
- Transfer of assets evaluation

DHB Administrative Letter No: 04-25 (Cont'd)

Pandemic UIB & Stimulus Funds

- Aged, Blind and Disabled Guidance
 - These funds are permanently excluded from resource calculation.
 - These funds are non-countable resources and should **not** be included in transfer of asset evaluations.
- Family and Children's Medically Needy Case Guidance
 - These funds are excluded for 12-months after receipt of funds.
 - Any amount remaining after 12 months is a countable resource.

DHB Administrative Letter No: 04-25 (Cont'd)

Reports

- Change in Circumstance Reports (CIC)
- Returned Mail Request
- COVID Extension Detail Report
- SDX Reports
 - SSI Termination/Alert Report
- Incarceration Reports
- Death Match Reports
- PARIS Report
- FRR/BEER Reports
- Bendex Reports
- Critical Age Reports

DHB Administrative Letter No: 04-25 (Cont'd)

Generating Notices in NC FAST

- Effective April 1, 2023, all NC FAST system available forms must be generated in NC FAST and mailed.
 - This is especially important for the **DSS-8110, Notice of Change, Termination, or Continuation of Public Assistance**
- If there is an issue generating the DSS-8110, the county is required to submit an NC FAST help desk ticket.
- The form is **NOT** to be generated outside of NC FAST without NC FAST/DHB guidance.
- Counties are to reference the DHB-DSS-8110 Desk Reference Tool for guidance and instructions for exceptions to submitting a NC FAST Help Desk ticket.

DHB Administrative Letter No: 04-25 (Cont'd)

Straight Through Processing (STP) - Applications

- All MAGI applications will be evaluated for eligibility using the STP Application process by NC FAST
- Applications included are:
 - Electronic applications via ePASS and FFM
 - Caseworker keyed applications into NC FAST
- If NC FAST is able to determine eligibility based off the information entered during application process, it will be approved and activated.
- NC FAST will automatically generate a DHB-8030, Notice of Application Determination to the beneficiary, which can be found in NC FAST.

DHB Administrative Letter No: 04-25 (Cont'd)

Straight Through Processing (STP)- Recertifications

- STP is available for MAGI and non-MAGI programs. NC FAST will run the STP batch for recertifications that were not completed during the SNAP (e)14 Waiver batch.
- If recertification is completed during SNAP (e) 14 Waiver batch or the STP batch, NC FAST will generate and mail the appropriate notice to the beneficiary.
- NC FAST will complete electronic verifications (AVS,OVS,TWN) ; caseworkers are not to request unless there is a discrepancy or an error.
- NC FAST will not request AVS on MAF Medically Needy cases.

DHB Administrative Letter No: 04-25 (Cont'd)

Extensions

COVID Extension Batch

NC FAST will continue to run monthly; the extension will run for 3 months. Counties should be working the COVID extension report and completing recertifications.

Hawkins Extension Batch

NC FAST will run monthly with no change to the process. Extension will be 3 months at a time until a recertification is completed.

QUESTIONS



DHB Administrative Letter No: 05-25

Continuous Eligibility for Children

DHB Administrative Letter No: 05-25

Continuous Eligibility for Children

- Continuous eligibility applies for most children who are eligible for a MAGI full Medicaid program regardless of reported or discovered changes or circumstances, including income changes.
- Does **NOT** apply to children who are eligible for a non-MAGI Medicaid program, including medically Needy, MAF-MN.

DHB Administrative Letter No: 05-25 (Cont'd)

Exceptions to types of changes that are disregarded

- Beneficiary reaches the age limit for the continuous eligibility group.
- Beneficiary is no longer a North Carolina resident.
- Beneficiary or their parent or authorized representative request termination.
- Beneficiary is deceased.
- Local agency determines that eligibility was erroneously approved at application or latest recertification.

DHB Administrative Letter No: 05-25 (Cont'd)

Children up to 6 Years Old:

- Children up to 6 years old who are determined eligible for Full MAGI Medicaid program at anytime prior to the month the child turns 6 years old are eligible for continuous eligibility enrollment through the end of their 6th birthday.

Enumeration requirements apply for newborns

- When beneficiary enrolled during auto-newborn process, and no SSN provided/found at recertification, caseworker MUST request SSN following applicable requirements for recertification and requesting information.
- If SSN, **NOT** provided, terminate at the end of the month of the beneficiary's 6th birthday.
- When subsequent applications for the child are received, the SSN MUST be provided before eligibility is approved.

DHB Administrative Letter No: 05-25 (Cont'd)

Children Aged 6 and up to 19 Years Old:

- Children aged 6 and up to 19 years old who are determined to be categorically eligible for a FULL MAGI Medicaid program are eligible for continuous eligibility for a 24-month certification period (CP).
- When the child reaches age 19, a critical age review is required, and continuous eligibility no longer applies.

DHB Administrative Letter No: 05-25 (Cont'd)

Applications:

- Applications approved for Medicaid benefits with coverage beyond June 30, 2025, NC FAST will display the extended Certification Period (CP) through the appropriate month when eligibility check is run.
- **Children 0-4 Years old** – CP will be through last day of month of child's 6th birthday.
- **Children 4 years plus one day and older**, CP will be 24 months.
- When child turns 19, **MUST** re-evaluate due to critical age.

DHB Administrative Letter No: 05-25 (Cont'd)

Recertifications:

- Caseworkers are not required to work on recertifications for Children under the age of 6 with a CP beginning on or after July 1, 2025.
- Children who are 6 years old or older will be required to have a recertification completed.
- When recertification results in continued eligibility, the new CP will be 24 months.
- If the beneficiary's 24-month CP ends after the month of their 19th birthday, caseworker must reevaluate when the beneficiary is on the critical age report at age 19.
- If child receiving Medicaid Forced Eligibility (MFE), case must be extended by a caseworker.

QUESTIONS



DHB Administrative Letter No: 09-25

Social Security Number Verification Procedures for Auto-Newborns

DHB Administrative Letter No: 09-25

Assisting with Obtaining the SSN for an Auto-Newborn

- Assistance must be offered:
 - At initial enrollment (birth)
 - At age one
 - During recertification process at age six

If the parent or caretaker request assistance with applying for an SSN for their newborn, the caseworker is **required** to provide assistance.

DHB Administrative Letter No: 09-25 (Cont'd)

Requesting the SSN

- If the Child's SSN is not available at the following times, it must be requested on a DHB 5097, Request for Information.
 - Initial enrollment
 - The end of the ANB period (age one) when the beneficiary is on the NC FAST report: MAGI Auto Newborn SSN Details
 - Recertification at the end of the continuous eligibility period (age 6).

Note: When an SSN is not provided prior to the end of the month of the first birthday for the newborn, NC FAST will continue the Medicaid eligibility through age six.

DHB Administrative Letter No: 09-25 (Cont'd)

Auto-Newborn Continuous Medicaid Eligibility

- Auto-newborn beneficiaries will continue Medicaid eligibility up to the age of six, without interruption **except** for the following change:
 - Moved to another state
 - Caretaker request to terminate Medicaid
 - Deceased

When these circumstances are reported, local agency should refer to MA-3410, Change in Circumstance, Terminations, and Reopening policy procedures.

DHB Administrative Letter No: 09-25 (Cont'd)

Auto-Newborn Attaining the Age of Six

- Two months prior to the month the child turns age six, NC FAST will attempt to recertify ex-parte via the straight-through process (STP).
- When the SSN is unavailable using electronic sources, the child's recertification will fall out of STP. Local agency is required to:
 - Determine the reason for fall out
 - Update evidence if the SSN is available
 - Request verification if the SSN is unavailable
- The Child's SSN is required to continue to be eligible

If the SSN is **not provided** at the end of the certification period, the Medicaid benefits will terminate for the child.

DHB Administrative Letter No: 09-25 (Cont'd)

90-Day Re-Open

- If the SSN is provided during the 90-day period from termination, the case must be re-opened. Refer to MA-3410, Change in Circumstance, Terminations, and Reopening policy.
- If the SSN is not provided at the end of 90-day period from termination, the caretaker must complete an application for the child. An SSN will be required to determine eligibility.

QUESTIONS



Resources & Contacts

Administrative Letters and Other Resources

Source	Link	Date	Slide #
<u>DHB ADMINISTRATIVE LETTER NO:04-25</u> , Returning to Regular Medicaid Policy after the Continuous Coverage Unwinding (CCU) Period Ends	https://policies.ncdhhs.gov/document/dhb-administratw-letter-04-25-returning-to-regular-medicaid-policy-after-the-continuous-coverage-unwinding-ccu-period-ends/	March 28, 2025	20-35
<u>DHB ADMINISTRATIVE LETTER NO: 05-25</u> , Continuous Eligibility For Children	https://policies.ncdhhs.gov/document/dhb-administrative-letter-no-05-25-continuous-eligibility-for-children/	March 31, 2025	37-43
<u>DHB ADMINISTRATIVE LETTER NO: 09-25</u> . Social Security Number Verification Procedures For Auto-Newborns	https://policies.ncdhhs.gov/document/dhb-administrative-letter-no09-25-social-security-number-verification-procedures-for-auto-newborns/	July 1, 2025	NA
Medicaid Manuals	https://policies.ncdhhs.gov/	Eff. April 4, 2024	NA
<u>Single Audit Reporting and Compliance Supplement Resources</u>	https://www.nctreasurer.com/divisions/state-and-local-government-finance/lgc/local-fiscal-management/annual-audit/single-audit-reporting-and-compliance-supplement-resources	SFY 2025	NA
Basic Medicaid Eligibility Requirements	https://policies.ncdhhs.gov/divisional-a-m/health-benefits-nc-medicaid/basic-medicaid-eligibility-requirements/	July 2025	NA
All Obsolete PHE/CCU Administrative Letters	https://policies.ncdhhs.gov/divisional-a-m/health-benefits-nc-medicaid/adult-medicaid/abd-administrative-letters/	March 28, 2025	NA

Administrative Letters and Other Resources

Source	Link	Date	Slide #
Self-Attestation for Eligibility Criteria, Desk Reference	https://policies.ncdhhs.gov/wp-content/uploads/ma_al-01-20-add-1-att-1a-20200807.pdf	NA	29
DHB ADMINISTRATIVE LETTER NO:06-25 , 2025 Spousal Impoverishment Standards	https://policies.ncdhhs.gov/document/dhb-administrative-letter-no06-25-2025-spousal-impoverishment-standard/	June 3, 2025	NA
2025 NON-MAGI MEDICAID INCOME/RESERVE LIMITS	https://policies.ncdhhs.gov/document/2025-non-magi-medicaid-income-reserve-limits/	April 1, 2025	NA
2025 MAGI MEDICAID & MEDICAID EXPANSION INCOME LIMITS	https://policies.ncdhhs.gov/document/2025-magi-medicaid-medicaid-expansion-income-limits/	April 1, 2025	NA
2026 NON-MAGI MEDICAID INCOME/RESERVE LIMITS	https://policies.ncdhhs.gov/document/ma-2252-2018-non-magi-medicaid-income-reserve-limits/	April 1, 2026	NA
2026 MAGI MEDICAID & MEDICAID EXPANSION INCOME LIMITS	https://policies.ncdhhs.gov/wp-content/uploads/MA-3321-MAGI-Income-2.pdf	April 1, 2026	NA

Future Questions

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