

TO: Chief Executive Officer - Hospitals

(ROUTE TO: Accounting, Billing, Finance, Social Services and
Admission Offices)

SUBJECT: Medicaid Eligibility - Use of the PA-1C Form

EFFECTIVE: Immediately

PURPOSE: To remind hospitals that a mechanism is available to establish a Medicaid application date for an individual who appears to be eligible for the Medicaid program but who is unable to initiate that process until he or she is discharged from the hospital.

BACKGROUND: The "Public Assistance Inquiry" (PA-1C) form (copy attached) was hospitalized. As a result, the application date and the corresponding date of eligibility were often too late to cover the period of hospitalization. Accordingly, many individuals were required to file two applications: one for prospective eligibility, which became effective no earlier than the actual date of the application; and one for retroactive eligibility, to cover the medical services that were provided in the three months prior to the month of application.

Since the Medicaid application date defines the beginning of the three-month retroactive period, in some cases the hospital services also fell outside the retroactive period and could not be covered.

ACTION: When an individual is admitted to a hospital and it appears there will be a delay in initiating the application, the hospital should prepare and forward a "Public Assistance Inquiry" (PA-1C) form to the agency responsible for the application processing, i.e., the County Welfare Agency (CWA) or Social Security Administration District Office. The PA-1C form only serves to indicate an individual's intent to file an application. It is not a Medicaid eligibility application. Receipt of the form by the CWA or Social Security Administration District Office establishes a date of contact, and ultimately a date of eligibility, only if the individual initiates an application within a reasonable period of time and is determined Medicaid eligible. For hospitals with County Welfare Agency staff on site, the initiation of an actual application for Medicaid eligibility is strongly encouraged. The PA-1C form can continue to be used for those patients for whom applications are not initiated prior to the date of discharge.

Before preparing a PA-1C form, the hospital representative should screen and refer the potentially eligible individual by asking the following questions:

1. Is the individual already Medicaid eligible, or is there a pending Medicaid application in process? The question concerning a pending application is especially important at hospitals with outstationed eligibility workers because that worker may already have initiated the Medicaid eligibility process. NOTE: Applications for the Aid to Dependent Children (AFDC) program must be processed by the CWA and cannot be processed at the hospital. It is recommended that a PA-1C be filed upon admission.
2. Does the individual "fit" into a Medicaid eligibility category, i.e., aged, blind, or disabled individuals, pregnant women, members of a family with children under 18 years of age, or children under 21 years of age?
3. Is the individual in need of financial or medical assistance? Financial need is defined for specific programs and the requirements differ accordingly, i.e., Supplemental Security Income (SSI), Aid to Families with Dependent Children (AFDC), New Jersey Care ... Special Medicaid Programs. Attached to this Newsletter is an income standards and resource levels chart which can be used as a general screening tool.
4. Does the individual have unpaid medical bills in any of the three months prior to the date of the completion of the PA-1C form? For the individual with such medical bills who completes the application process, the date of the PA-1C form establishes the three-month retroactive period, thereby protecting the earliest possible eligibility date.

Completed PA-1C forms should be forwarded to the Social Security Administration District Office or the County Welfare Agency (CWA) which serves the individual's place of residence. The Social Security Administration is responsible for Supplemental Security Income (SSI) and the related automatic Medicaid coverage for aged, blind, and disabled individuals. The CWAs are responsible for, but not limited to:

1. Aid to Families with Dependent Children (AFDC) including Medicaid Only (i.e. Medicaid Special);
2. Medicaid Only (for nursing facility residents); and
3. New Jersey Care...Special Medicaid Programs (including the medically needy component) which provide coverage for pregnant women, specified children, and adults in the aged, blind and disabled categories.

In the event that the date of the Medicaid eligibility established by the Social Security Administration or the CWA is later than, but within three months of the date of admission, the recipient may apply directly to the New Jersey Medicaid program for retroactive Medicaid payment of unpaid bills for allowable medical services according to N.J.A.C. 10:49-2.7.

Any person applying for Medicaid benefits shall be asked if he or she has unpaid medical bills incurred within the three-month period immediately prior to the month of application for Medicaid. Except for the Medically Needy applicant, an individual who indicates that there are such bills may complete an FD-74 Form, Application for Payment of Unpaid Medical Bills (copy attached) and forward the application with all outstanding unpaid medical bills to:

Medicaid Retroactive Eligibility Unit
Division of Medical Assistance and Health Services
Mail Code #10
CN 712
Trenton, New Jersey 08625-0712

An application for retroactive eligibility may be obtained by the applicant, or his or her authorized agent, from the CWA, the Medicaid District Office, the Social Security Administration District Office, or from the Retroactive Eligibility Unit, Division of Medical Assistance and Health Services. The application must be submitted within six months from the date of application for assistance.

For such cases, if the Medicaid Retroactive Eligibility Unit determines that the person was eligible for Medicaid at the time the service was provided, the providers will be notified directly that the unpaid bills for any service covered by the New Jersey Medicaid program may be reimbursable in accordance with the standard Medicaid reimbursement procedures. The provider should complete the appropriate Medicaid claim form and submit it to Paramax/Unisys, the Medicaid fiscal agent. If a claim is more than one year old, the provider is required to obtain an approval letter for the reimbursement of services from the Medicaid Retroactive Eligibility Unit and attach it to the claim form upon its submission to Paramax/Unisys.

For any Medically Needy recipient, a retroactive eligibility determination shall be completed by the CWA.

For further information concerning retroactive eligibility, please contact Josephine Harris, Medicaid Retroactive Eligibility Unit, Division of Medical Assistance and Health Services, Mail Code #10, CN-712, Trenton, New Jersey 08625-0712 or (609) 588-2835.

- Attachments:
- 1) Public Assistance Inquiry (PA-1C)(rev. 7/89)
 - 2) 1993 Monthly Income Standards and Resource Levels
(DMAHS/OEPO)(rev. 3/4/93)
 - 3) Application for Payment of Unpaid Medical Bills
(FD-74)(rev. 10/87)
 - 4) Solicitud Para El Pago De Cuentas Medicas Sin Pagar Programa
De Servicios De Salud De Nueva Jersey
(Medicaid)
(FD-74S)(rev. 2/88)

RETAIN THIS NEWSLETTER NUMERICALLY BEHIND THE NEWSLETTER TAB

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