

APA-1

TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION

Control No: 560 Department or Agency: Alabama Medicaid Agency

Rule No: 560-X-25-.03

Rule Title: Coverage Groups

\_\_\_\_\_ New; X Amend; \_\_\_\_\_ Repeal; \_\_\_\_\_ Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? \_\_\_\_\_ no

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? \_\_\_\_\_ yes

Is there another, less restrictive method of regulation available that could adequately protect the public? \_\_\_\_\_ no

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? \_\_\_\_\_ no

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? \_\_\_\_\_ no

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? \_\_\_\_\_ yes

Does the proposed action relate to or affect in any manner any litigation which the agency is a party to concerning the subject matter of the proposed rule? \_\_\_\_\_ no

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Does the proposed rule have an economic impact? \_\_\_\_\_ no

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

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Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.

Signature of certifying officer: Stephanie Lindsay

Date: 7-18-2018

**ALABAMA MEDICAID AGENCY**

**NOTICE OF INTENDED ACTION**

**AGENCY NAME:** Alabama Medicaid Agency

**RULE NO. & TITLE:** 560-X-25-.03 – Coverage Groups

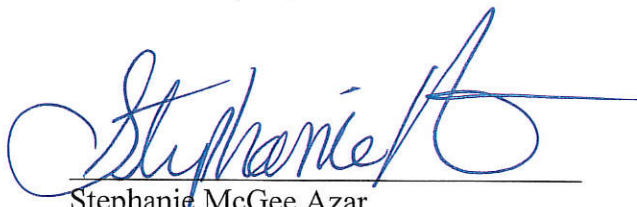
**INTENDED ACTION:** Amend 560-X-25-.03

**SUBSTANCE OF PROPOSED ACTION:** The above referenced rule is being amended to update the Plan First waiver to include males age 21 and over who have not been sterilized with income at or below 141% of the federal poverty level.

**TIME, PLACE, MANNER OF PRESENTING VIEWS:** Written or oral comments may be submitted to the Alabama Medicaid Agency, 501 Dexter Avenue, Post Office Box 5624, Montgomery, Alabama 36103-5624. Agency business hours are 8:00 a.m. to 5:00 p.m. Monday through Friday.

**FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:** Written/Oral comments concerning this change must be received by the Alabama Medicaid Agency no later than September 4, 2018.

**CONTACT PERSON AT AGENCY:** Stephanie Lindsay, Administrative Secretary, Alabama Medicaid Agency, 501 Dexter Avenue, Post Office Box 5624, Montgomery, Alabama 36103-5624. Phone: (334) 242-5833.

  
Stephanie McGee Azar  
Commissioner

**Rule No. 560-X-25-.03. Coverage Groups.**

(1) The following are the general groups of individuals designated as categorically eligible under the State Plan for Medical Assistance, and who as a result are Medicaid eligible:

(a) Aged, blind or disabled persons who receive Supplemental Security Income (SSI) under Title XVI;

(b) Persons who are residents of Title XIX institutions but who are not eligible for SSI, Optional Supplementation or AFDC because their income exceeds \$50 per month but is not more than 300 percent of the current SSI benefit amount payable to an individual in his own home who has no income;

(c) Persons who would be eligible for SSI or Optional Supplementation but for the fact that they are residents of a Title XIX institution;

(d) All aged, blind and disabled persons who were residents of a Title XIX institution as of December 31, 1973, and who were converted from the former State program (OAP, APTD, AB). If ineligible under current eligibility rules these individuals are entitled to use the rules for determining eligibility which were in effect under the State's Plan for Medical Assistance in December 1973;

(e) Persons who:

1. are currently receiving Old Age Survivors Disability Insurance (OASDI);
2. are ineligible for SSI due to income;
3. were contemporaneously eligible for both OASDI and SSI in the same month after April 1977; and
4. would be eligible for SSI but for OASDI cost-of-living increases received since the last month of contemporaneous OASDI and SSI eligibility;

(f) Individuals receiving mandatory or optional State Supplementation payments;

(g) Individuals who would be eligible for SSI, except for the increase in OASDI benefits under Pub. L. 92-336 (July 1, 1972), who were entitled to OASDI in August 1972, and who were receiving cash assistance in August 1972 or who were eligible for such cash assistance but for the fact that they were residents of a medical institution or intermediate care facility;

(h) Medicaid for Low Income Families: Individuals eligible for Medicaid through the Medicaid for Low Income Families Program or who meet the eligibility criteria for Medicaid for Low Income Families based on policies in effect for the AFDC program as it existed on July 16, 1996, based on Section 1931 of the Social Security Act.

The following individuals are deemed to be eligible for Medicaid for Low Income Families:

1. AFDC qualified pregnant women whose family income and resources fall within the standards for Medicaid for Low Income Families.

2. Individuals under age 18 who would qualify for Medicaid for Low Income Families but do not qualify as dependent children, since they are children for whom public agencies have assumed full or partial financial responsibility and who are in foster homes or private institutions.

(i) All individuals receiving assistance under Title IV-E of the Act, including children for whom adoption assistance or foster care payments are made in Alabama or out of state;

(j) Individuals who are eligible for Medicaid solely because they require and receive services under CMS approved home and community based services waiver. See

Appendix C of the waiver document for a complete description of eligibility groups served by a specific waiver.

(2) Section 1902 (e)(4) of the Social Security Act as amended by the Children's Health Insurance Program Reauthorization Act of 2009 (Public Law 111-3, Section 113) mandates that a child born to a woman eligible for and receiving Medicaid on the date of the child's birth be deemed eligible for Medicaid for a period of one year. Under Section 211 of Public Law 111-3, children who are initially eligible for Medicaid as deemed newborns are considered to have provided satisfactory documentation of citizenship and identity by virtue of being born in the United States and may not be required to provide further documentation of citizenship or identity at any subsequent Medicaid eligibility determination or redetermination.

(3) The following coverage is mandated by the Consolidated Omnibus Budget Reconciliation Act, Section 9501 of Public Law 99-272.

(a) All pregnant women who otherwise meet Medicaid for Low Income Families income and resource criteria.

(b) Sixty-day postpartum coverage to women who were eligible for and receiving Medicaid on the date the pregnancy ended.

(4) The following coverage is mandated by the Consolidated Omnibus Budget Reconciliation Act of 1985, Section 12202 of Public Law 99-272. Coverage is extended to disabled widows or widowers if he or she meets all of the following criteria:

(a) was entitled to a monthly insurance benefit for December 1983 under Title II of the Social Security Act;

(b) was entitled to and received a widow's or widower's benefit for January 1984 based on a disability under Section 202(e) or (f) of the Social Security Act;

(c) became ineligible for SSI/SUP in the first month in which that increase was paid to him or her (and in which a retroactive payment of that increase for prior months was not made) because of the increase in the amount of the widow's or widower's benefit which resulted from the elimination of the reduction factor for disabled widows and widowers entitled before age 60;

(d) has been continuously entitled to a widow's or widower's benefit under Section 202(e) or (f) of the Act from the first month that increase in the widow's or widower's benefit was received;

(e) would be eligible for SSI/SUP benefits if the amount of that increase, and any subsequent cost-of-living adjustments in widow's or widower's benefits provided under Section 215(i) of the Act, were disregarded; and

(f) makes written application for benefits under this provision before July 1, 1988.

(5) The following coverage is mandated by Section 1634(c) of the Social Security Act as amended by Section 6, P.L. 99-643. Individuals who lose eligibility for SSI because of entitlement to, or an increase in Social Security benefits received as a Disabled Adult Child (DAC) shall continue to be eligible for Medicaid if they meet the following criteria:

(a) meet current SSI income and resource limits after a disregard of the entitlement to, or an increase in Social Security benefits.

(b) makes written application for continuation of Medicaid coverage no later than 30 days after notification of possible eligibility by the Medicaid Agency.

(6) The following coverage is provided by state option under the Omnibus Budget Reconciliation Act of 1986 (P.L. 99-509):

(a) All pregnant women with a family unit income, as defined by Title IV-A criteria, not in excess of 100 percent of the current federal poverty line;

(b) Pregnant women eligible for Medicaid will continue eligible for prenatal, delivery, and postpartum care, without regard to changes in income, to the end of the 60-day postpartum period;

(c) Infants eligible under SOBRA will be Medicaid eligible up to one year of age while residing in a family unit whose income does not exceed 100 percent of the current federal poverty line.

(7) The following coverage is mandated by the Omnibus Budget Reconciliation Act of 1987, (P.L. 100-203, Section 9116). Disabled widows and widowers may be eligible for and able to retain Medicaid benefits if they meet all of the following criteria:

(a) have reached 60 but not age 65;

(b) not eligible for Part A Medicare;

(c) eligible for and receiving Title II benefits (OASDI); and,

(d) lost SSI as a result of receiving early widows/widowers benefits.

(8) The following coverage is mandated by the Medicare Catastrophic Coverage Act of 1988 (P.L. 100-360, Section 301) as amended by P.L. 101-508. This limited coverage is described in the State Plan for Medical Assistance. Individuals may be eligible for Catastrophic Coverage as Qualified Medicaid Beneficiaries alone or may be dually eligible if they meet the criteria of the other categorical eligibility as described in this Chapter. Aged, blind, or disabled individuals may be eligible under these provisions if they meet the following criteria:

(a) Entitled to Part A Medicare.

(b) Have resources that do not exceed three times the resource standard for a recipient of Supplemental Security Income. Resource standards are a federal requirement, but are not an eligibility requirement for Alabama's program.

(c) Have income at or below the following limits:

Income for 1989 will be 85% of federal poverty level.

Income for 1990 will be 90% of federal poverty level.

Income for 1991 will be 100% of federal poverty level.

Income for 1992 and afterwards will be 100% of federal poverty level.

(9) Section 4501(b) of the Omnibus Budget Reconciliation Act of 1990 amended 1902(a)(10)(E) of the Social Security Act to mandate coverage of Specified Low Income Medicare Beneficiaries beginning January 1, 1993. This provision requires medical assistance payment of Medicare Part B premiums for eligible individuals. The Specified Low Income Medicare Beneficiaries (SLMBs) must meet all of the eligibility requirements for Qualified Medicare Beneficiary (QMB) status with the exception of income limits. The SLMBs must have income within the limits listed below:

Income for 1993 cannot be less than 100% and not more than 110% of federal poverty level.

Income for 1994 cannot be less than 100% and not more than 110% of federal poverty level.

Income for 1995 and afterwards cannot be less than 100% and not more than 120% of federal poverty level.

The SLMBs must have resources that do not exceed three times the resource standard for a recipient of Supplemental Security Income. Resource standards are a federal requirement, but are not an eligibility requirement for Alabama's program.

(10) The following coverage is mandated by the Balanced Budget Act of 1997 (Public Law 105-33, Section 4732). Qualifying Individuals (QI-1).

(a) Individuals who are entitled to hospital insurance benefits under Medicare Part A (but not pursuant to an enrollment under section 1818A of the Act);

(b) Whose income exceeds 120 percent of the federal poverty level but does not exceed 135 percent of the federal poverty level;

(c) Whose resources do not exceed three times the maximum resource standard under SSI; Resource standards are a federal requirement, but are not an eligibility requirement for Alabama's program.

(d) Who is not eligible for any other Medicaid program; and,

(e) Who has been awarded benefits when federal funds are available for the program. Eligibility is awarded on a first-come, first-served basis.

(Medical assistance for the above group is limited to payment of the Medicare Part B premiums under Section 1839 of the Act.)

(11) The following coverage is mandated by the Omnibus Budget Reconciliation Act of 1989 (OBRA 89) Section 6401 of P.L. 101-239).

(a) All pregnant women with a family unit income, as defined by Title IV-A criteria, not in excess of 133 percent of the current federal poverty level;

(b) Pregnant women eligible for Medicaid under this provision will continue eligible for prenatal, delivery, family planning, and postpartum care, without regard to changes in income, to the end of the month in which the 60th day of the postpartum period falls; and

(c) Children under age 6 with a family unit income, as defined by Title IV-A criteria, not in excess of 133 percent of the current federal poverty level.

(12) Children under 21, who would be eligible for Medicaid for Low Income Families, ACFC, SSI or otherwise Medicaid eligible if they were in their own home, but who are admitted as inpatients of a psychiatric facility.

(13) Qualified Disabled and Working Individual - A Qualified Disabled and Working Individual is an individual:

(a) under age 65;

(b) who has been entitled to Title II Disability Insurance Benefits (DIB);

- (c) whose DIB ended due to earnings exceeding the Substantial Gainful Activity (SGA) level;
- (d) who continues to have the same disabling physical or mental condition and not expected to improve;
- (e) not otherwise entitled to Medicare;
- (f) entitled to enroll in Medicare Part A under the provisions of 6012 (i.e., DIB terminated because of work, still working) and
- (g) whose income, based on SSI rules, is under 200% of the Federal Poverty Level (FPL);
- (h) whose resources, based on SSI rules, do not exceed twice the SSI resource limit;
- (i) who is not otherwise eligible for medical assistance under Title XIX.

(14) The following coverage is mandated by Section 5103 of P.L. 101-508, the Omnibus Budget Reconciliation Act of 1990, (OBRA '90) and is applicable to disabled widows/ widowers and disabled surviving divorced spouses.

Effective January 1, 1991, individuals who lose SSI because of receipt of a Title II benefit resulting from the change in the definition of disability will be deemed to be receiving SSI if:

- (a) They were receiving SSI for the month prior to the month they began receiving the Title II benefit;
- (b) They would continue to be eligible for SSI if the amount of the Title II benefit were not counted as income; and
- (c) They are not entitled to Medicare Part A.

(15) The following coverage is mandated by Section 4601 of P.L. 101-508, the Omnibus Budget Reconciliation Act of 1990 and is effective July 1, 1991. This provision requires a year by year phase in of children born after September 30, 1983 and is applicable to children who:

- (a) Have attained age six;
- (b) Are under nineteen years of age; and
- (c) Have family incomes below 100% of the federal poverty level.

(16) Children who are Medicaid eligible as determined by the State Department of Human Resources receive state adoption subsidies and have a special need for medical or rehabilitative care.

(17) The following coverage is mandated by the Balanced Budget Act of 1997 (Public Law 105-33, Section 4913). Grandfathered children. Children who were receiving Supplemental Security Income (SSI) as of August 22, 1996 and who were terminated from SSI due to the change in definition of disability by the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. These children will remain eligible for Medicaid as long as they continue to meet the eligibility requirements of SSI but for the change in definition of disability



(18) Emergency services, as defined by the Alabama Medicaid Agency, will be covered for illegal aliens who would be otherwise eligible for Medicaid except for enumeration, citizenship and alienage requirements.

(19) The following coverage is allowed by PL 106-354, the Breast and Cervical Cancer Prevention and Treatment Act (BCCPTA) of 2000. Medicaid coverage is available to women who:

- (a) have been screened for breast or cervical cancer under the Centers for Disease Control and Prevention Breast and Cervical Cancer Early Detection Program established under title XV of the Public Health Service Act in accordance with the requirements of section 1504 of that Act and need treatment for breast or cervical cancer, including a pre-cancerous condition of the breast or cervix;
- (b) are not otherwise covered under creditable coverage, as defined in section 2701 (c) of the Public Health Service Act;
- (c) are not eligible for Medicaid under any mandatory categorically needy eligibility group;
- (d) meet Medicaid citizenship and alienage status; and,
- (e) have not attained age 65.

(20) The Plan First waiver extends Medicaid eligibility for family planning services to all women of childbearing age 19 through 55 and males age 21 and over (~~who do not have creditable health insurance coverage as defined by the Health Insurance Portability and Accountability Act (HIPAA) and~~ have not had a sterilization procedure performed) with incomes at or below ~~133%~~ 141% of the federal poverty level that would not otherwise qualify for Medicaid.

(21) Under the Affordable Care Act (ACA) of 2010, the law requires that Medicaid determine financial eligibility for a specific group of individuals based on Modified Adjusted Gross Income (MAGI). This methodology redefines the financial household by eliminating the use of certain disregards and utilizing the tax filing status of an applicant.

Effective January 1, 2014, Alabama Medicaid Agency will apply the MAGI methodology to determine the financial eligibility for the following group:

- (a) Pregnant women with income at or below 141% of the federal poverty level,
- (b) Children under age 19 with income at or below 141% of the federal poverty level,
- (c) Women of childbearing age 19 through 55 with income at or below 141% of the federal poverty level, and
- (d) Parents and Other Caretaker Relatives with income at or below 13% of the federal poverty level.

NOTE: A standard income disregard of 5% of the federal poverty level is applied if the individual is not eligible for coverage due to excess income.

The ACA of 2010 expanded coverage for children who are aging out of foster care. Beginning in 2014, eligibility for full Medicaid coverage will be available to former foster care children



who were enrolled in foster care and Medicaid when they turned 18 or aged out of foster care and are not yet 26 years old. The former foster care children will be treated as a non-modified adjusted gross income group since eligibility is not based on income.

**Author:** Denise Banks, Associate Director, Policy and Training, Beneficiary Services Division

**Statutory Authority:** Social Security Act, Titles XVI and XIX; 20 C.F.R. Part 416; 42 C.F.R. Part 435; Section 2361 and 2362 of the Deficit Reduction Act of 1984; the State Plan for Medical Assistance, Attachment 2.2A; Section 9501, Public Law 99-272 and Section 1905(n)(1)(c) and 1902(e)(5) of the Social Security Act, and Section 12202 of the Consolidated Omnibus Budget Reconciliation Act of 1985; Social Security Act Section 1634(c), P.L. 99-643 and 99-509, and the SSI Improvement Act of 1986; Public Law 100-203, Section 9108, 9116, and 9119; and the Medicare Catastrophic Coverage Act of 1988 (Public Law 100-360, Section 301). Omnibus Budget Reconciliation Act of 1989 Section 6401 of P.L. 101-239. Section 6408(d) of OBRA 89. 42 CFR 435.231 and Section 1611(b)(1). Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508), Sections 4501, 4603, 5103 and 4601. P. L. 99-272, Section 9529. Section 1915(C) and Section 1902(a)(10)(A)(ii)(VI). Section 4501(b) of OBRA '90 and 42 CFR 435.222. Section 1903(v) of the Social Security Act. Breast and Cervical Cancer Prevention and Treatment Act (BCCPTA) of 2000 (PL 106-354). Patient Protection and Affordable Care Act (P.L. 111-148)

**History:** Rule effective October 1, 1982. Amended July 1, 1985, July 9, 1985, July 19, 1985, October 9, 1985, July 1, 1986, September 8, 1986; February 9, 1987; June 10, 1987, August 10, 1987, January 8, 1988, April 12, 1988, July 1, 1988, July 12, 1988, September 9, 1988, October 1, 1988, January 10, 1989, January 1, 1989, April 14, 1989, April 2, 1990, July 14, 1990, June 1, 1990, September 13, 1990, October 9, 1990, January 15, 1991, January 9, 1991, April 17, 1991, July 13, 1991, October 12, 1991, June 12, 1992, November 12, 1992, January 13, 1993, March 13, 1993, July 13, 1993, May 1, 1993, August 12, 1993, February 1, 1998, February 26, 1998, April 13, 1998, and September 9, 1998. **Amended:** Filed February 16, 1999; effective April 1, 1999. **Amended:** Filed June 19, 2001; effective September 14, 2001. **Amended:** Filed November 19, 2003; effective February 13, 2004. **Amended:** Emergency Rule filed and effective October 14, 2008. **Amended:** Filed October 20, 2008; effective January 16, 2009. **Amended:** Filed April 20, 2010; effective July 16, 2010. **Amended:** Filed February 11, 2014; effective March 18, 2014. **Amended:** April 20, 2018. **Amended:** Filed July 18, 2018.