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 | ADMINISTRATIVE DIRECTIVE |  
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TRANSMITTAL: 91 ADM-5

TO: Commissioners of  
 Social Services

DIVISION: Medical  
 Assistance

DATE: February 8, 1991

SUBJECT: Elimination of the Catastrophic Illness Program

SUGGESTED

DISTRIBUTION: Medical Assistance Staff  
 Public Assistance Staff  
 Fair Hearing Staff  
 Legal Staff  
 Staff Development Coordinators

CONTACT

PERSON: MA Eligibility County Representative at 1-800-342-3715, ext. 3-7581  
 New York City Representative at (212) 417-4853

ATTACHMENTS:

Attachment - Notice of Discontinuance of Medical Assistance Under the Catastrophic Illness Program (not available on-line)

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
86 ADM-50	86 ADM-50		Section 15		GIS90MA038
80 ADM-73	74 ADM-137		of Chapter		GIS90MA034
74 ADM-137			922 of Laws of 1990		90 LCM-89

I. PURPOSE

This Directive notifies social services districts of the enactment of Chapter 922 of the Laws of 1990, which repeals Section 366(2)(c) of Social Services Law (SSL), eliminating the catastrophic illness program.

II. BACKGROUND

The catastrophic illness program was established by the New York State Legislature in 1969 to provide in-patient medical coverage for federally nonparticipating (FNP) persons who were ineligible for Medical Assistance (MA) because their income and/or resources exceeded the Public Assistance (PA) Standard. This group included individuals between the ages of 21 and 65, who were not living with their dependent children under age 21 and who were not certified blind or certified disabled. Catastrophic in-patient coverage was also available to FNP parents living with their dependent children under the age of 21 when the parents were ineligible for PA and for MA using ADC MA-Only budgeting.

These FNP persons qualified for catastrophic coverage for in-patient care and services if their bills exceeded the lesser of 25% of their annual income or the difference between their annual net income and the applicable annualized PA Standard of Need. In determining eligibility for catastrophic in-patient coverage, ADC MA-Only budgeting methodology for income and resources was used.

III. PROGRAM IMPLICATIONS

Due to the repeal of SSL 366(2)(c), effective July 1, 1990, catastrophic in-patient coverage is no longer a reimbursable service under the MA Program.

Prior to this release, social services districts were advised to take the following actions:

- A. GIS 90MA034, issued June 24, 1990, advised social services districts to continue to accept applications for catastrophic in-patient coverage, and to maintain a list of all such cases until further notice. Districts were also advised not to issue any decisions or authorizations for payment of catastrophic in-patient care for hospitalizations beginning on or after July 1, 1990.

- B. GIS 90MA038, issued August 1, 1990, instructed social services districts to deny pended applications for catastrophic in-patient coverage for hospitalizations beginning on or after July 1, 1990. The basis for denial was the repeal of SSL 366(2)(c). Applications for coverage for the three months prior to July, 1990, were to be processed under rules in effect at that time. Districts were also instructed to continue catastrophic in-patient coverage until the date of discharge for any otherwise eligible individuals hospitalized prior to July 1, 1990.

18 NYCRR 360-3.8 and 360-4.1(d) have been repealed, and 360-4.6(a)(3) has been amended to remove reference to the catastrophic illness program.

IV. REQUIRED ACTION

The Department will provide social services districts with a list and mailing labels for cases in which at least one individual is authorized with Coverage Code 03 (Catastrophic) as of November 1, 1990. This list will also include begin/end dates of the 12-month catastrophic budgeting period. Social services districts must review the cases listed to ensure that MA coverage has not been upgraded since the date of the report. Upon identification of currently active catastrophic coverage cases, the notice attached to this Directive must be sent no later than 30 days from the receipt of this report.

With the exception of adding the county letterhead, the notice must be reproduced without modification. The notice is to be reproduced locally and advises recipients that although originally authorized for a 12-month eligibility period, benefits are no longer available due to the repeal of the catastrophic illness program. Districts must take the necessary steps to close catastrophic coverage on the WMS System.

V. SYSTEMS IMPLICATIONS

A. MBL Support

As of November 26, 1990 (NYC December 10, 1990) MBL prevents the entry of a catastrophic budget (Budget Type 03) with an Effective From Date of July 1, 1990 or greater. Budgeting capability prior to July 1, 1990 will remain supported on MBL.

B. WMS Support

WMS will be revised to disallow Coverage Code 03 (Catastrophic) when the Coverage From Date is July 1, 1990, or later. Social services districts will be notified when this change is scheduled for the production system.

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VI. EFFECTIVE DATE

Provisions of this Directive are effective January 15, 1991, and are retroactive to July 1, 1990.

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Jo-Ann A. Costantino  
Deputy Commissioner  
Division of Medical Assistance