

DST POLICIES AND PROCEDURES

DST Reference:	SHP-POL-1006-SHP
Title:	Evaluating Incapacitated Dependents Policy
Chapter:	Legal Compliance
Current Effective Date:	May 22, 2020
Original Effective Date:	May 22, 2020

Applies to: NC Department of State Treasurer – State Health Plan for Teachers and State Employees

Keywords: Dependent Child, Mental Incapacity, Physical Incapacity, Eligibility

Purpose and Authority

The purpose of this policy is to establish a clear process for evaluating the continuation of health benefit coverage pursuant to N.C. Gen. Stat. § 135-48.41(b) for a dependent child over the age of 26 if the dependent child is physically or mentally incapacitated to the extent that he or she is incapable of earning a living.

Definitions

Incapacity: For the purposes of this policy, physical or mental incapacity is defined as per N.C. Gen. Stat. § 135-48.41(b), which states that it is a person who is incapable of earning a living.

Policy

Pursuant to N.C. Gen. Stat. § 135-48.41(b), coverage of a dependent child may be extended beyond the child's 26th birthday due to incapacity if two statutory criteria are met. First, the Plan must determine that the dependent child is physically or mentally incapacitated to the extent that he or she is incapable of earning a living. And second, the Plan must determine that either the handicap developed or began to develop before the dependent child's 19th birthday, or the handicap developed or began to develop before the dependent child's 26th birthday if the dependent was covered by the Plan in accordance with N.C. Gen. Stat. § 135-48.40(d)(7).

Subscriber shall adhere to the procedure and statutory criteria when submitting an application for continued coverage in accordance with the statutes, rules, and requirements set forth herein.

Nature of the Policy

This Policy serves as the State Health Plan's nonbinding interpretive statement governing the continuation of coverage for incapacitated dependents. This Policy defines, interprets, or explains the meaning of the laws and/or regulations listed above. Those laws or regulations, not this Policy, shall take priority if they conflict in any way.

Roles and Responsibilities

Plan: The Plan is responsible for reviewing submissions of forms and supplemental information to determine whether a dependent child is eligible to continue receiving health benefit coverage through the Plan as an incapacitated dependent child. The *Coverage Request for a Mentally or Physically Incapacitated Dependent Form* (the Form) will be uploaded into the Subscriber's secure eBenefits account after it has been finalized by the Plan. The Plan will ensure compliance with the requirements of Chapter

DST Reference:	SHP-POL-1006-SHP
Title:	Evaluating Incapacitated Dependents Policy
Chapter:	Legal Compliance
Current Effective Date:	May 22, 2020

DST POLICIES AND PROCEDURES

135 of the North Carolina General Statutes when evaluating each request. The Plan will notify the Subscriber in writing of the final determination of dependent child's eligibility as an incapacitated dependent child.

The Plan will also mail a recertification letter to Subscribers whose dependent child was approved for temporary incapacitated dependent child status requesting an updated Form. The letter will be mailed at least 60 days prior to the end of the certification period.

The Plan maintains the right to conduct dependent eligibility audits in its discretion as necessary and appropriate.

Subscriber: The Subscriber is responsible for completing and submitting the Form no later than the last day of the month of the dependent child's 26th birthday.

If the Plan approves the incapacitated dependent child's continued health benefit eligibility, Subscriber maintains responsibility for completing the annual Open Enrollment process.

For a physically or mentally incapacitated dependent child for whom the certifying physician indicates the incapacity is not permanent, the Plan may approve the dependent child's eligibility for the Plan years spanning the duration of the incapacity. Upon request from the Plan, the Subscriber must resubmit the requisite Form and documentation in order for the Plan to evaluate a request to further continue the dependent child's eligibility. The materials must be submitted no later than the last day of the final month of the dependent child's current eligibility period.

Implementation Procedure

Evaluation of Continued Eligibility for a Dependent Child Over the Age of 26 Due to Incapacity:

1. Subscriber submits *Coverage Request for a Mentally or Physically Incapacitated Dependent Child Form*. https://files.nc.gov/ncshp/documents/shp-documents/P17_CoverRequestChild.pdf. (See Appendix A).
2. Subscriber can submit completed Forms by mailing the materials to North Carolina State Health Plan, Attn: Customer Experience, 3200 Atlantic Avenue, Raleigh, NC 27604. Subscribers who prefer an alternative form of submitting the materials should contact the Plan by phone or email at PPO.inquiries@nctreasurer.com.
3. The Plan evaluates the Forms based on N.C. Gen. Stat. § 135-48.41(b) and this policy, and other applicable law.
 - a. The Plan must first determine that the dependent child is physically or mentally incapacitated to the extent that he or she is incapable of earning a living.
 - b. Next, the Plan must confirm that either the handicap developed or began to develop before the dependent child's 19th birthday, or the handicap developed or began to develop before the dependent child's 26th birthday if the dependent child was covered by the Plan in accordance with N.C. Gen. Stat. § 135-48.40(d)(7).
4. A determination letter is mailed to the Subscriber stating approval or denial of the request.

DST Reference:	SHP-POL-1006-SHP	Page 2 of 4
Title:	Evaluating Incapacitated Dependents Policy	
Chapter:	Legal Compliance	
Current Effective Date:	May 22, 2020	

DST POLICIES AND PROCEDURES

5. A subscriber not satisfied with the determination may submit an appeal of the determination within 60 days of the notice of denial and should include any additional information the Plan should consider in reviewing the appeal. The appeal can be submitted by mail or email:
 - a. Mail: NC State Health Plan, Attn: Customer Experience – Appeal, 3200 Atlantic Avenue, Raleigh, NC 27604
 - b. Email: PPO.inquiries@nctreasurer.com
6. The Plan’s decision on the appeal will be made within 15 State business days from receipt of the appeal.
7. If the coverage request for a mentally or physically incapacitated dependent child is approved, then the Subscriber remains responsible for annually completing the Open Enrollment process for the approved, incapacitated dependent child. The eligibility approval, whether for temporary or permanent incapacity, does not replace enrolling the approved, incapacitated dependent child during the annual Open Enrollment period.
8. The incapacitated dependent child will continue to be eligible for coverage as specified in the approval letter. An incapacitated dependent child whose coverage is approved will cease upon the expiration of the approved period specified in the approval letter or upon a determination that the dependent child is no longer incapacitated.
9. For an incapacitated dependent child whose coverage is approved for a definite period of time, if at the expiration of that specified eligibility period, the incapacity is persisting and the Subscriber would like the Plan to consider further continuing the incapacitated dependent child’s coverage, then Subscriber must complete a new *Coverage Request for a Mentally or Physically Incapacitated Dependent Child Form*. The request must be submitted no later than the last day of the final month of the specified eligibility period. The Plan will review the submission following the procedure set forth in steps 1-7 of this section.

Enforcement

The Plan’s Executive Administrator shall have the authority to interpret this policy. This policy may be modified or amended at any time.

Related Statutes, Rules, and Policies

N.C. Gen. Stat. §§ 135-48.40(d)(7); 135-48.41(b)

Revision/Review History

Version	Date Approved	Description of Changes
1.0	May 22, 2020	New Policy

Appendices

Appendix A – Coverage Request for a Mentally or Physically Incapacitated Dependent Child Form

For questions or clarification on any of the information contained in this policy, please contact the policy owner: Sr. Director, Plan Integration, Caroline.Smart@nctreasurer.com. For general questions about department-wide policies and procedures, contact the [DST Policy Coordinator](#).

DST Reference:	SHP-POL-1006-SHP	Page 3 of 4
Title:	Evaluating Incapacitated Dependents Policy	
Chapter:	Legal Compliance	
Current Effective Date:	May 22, 2020	

DST POLICIES AND PROCEDURES

Appendix A – Coverage Request for a Mentally or Physically Incapacitated Dependent Child Form



Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

Coverage Request for a Mentally or Physically Incapacitated Child

Please Return Completed Form to:
 North Carolina State Health Plan Attn: Customer Experience
 3200 Atlantic Avenue Raleigh, NC 27604

SECTION A - TO BE COMPLETED BY MEMBER			
NAME OF MEMBER	ADDRESS OF MEMBER	MEMBER ID NUMBER	
MEMBER EMAIL ADDRESS			
NAME OF DEPENDENT CHILD	SOCIAL SECURITY NUMBER OF DEPENDENT	DEPENDENT CHILD DATE OF BIRTH	
IS THE DEPENDENT CHILD ELIGIBLE FOR THEIR OWN EMPLOYER SPONSORED COVERAGE? <input type="checkbox"/> YES <input type="checkbox"/> NO			
IS DEPENDENT CHILD ELIGIBLE FOR MEDICARE? <input type="checkbox"/> YES--+ IF YES, GIVE EFFECTIVE DATES, <input type="checkbox"/> NO			
		PART A EFFECTIVE DATE:	PART B EFFECTIVE DATE:
SIGNATURE OF MEMBER:		DATE SIGNED:	
SECTION B - TO BE COMPLETED BY CERTIFYING PHYSICIAN			
DATE YOU LAST SAW THE PATIENT,	IS INCAPACITY CONGENITAL? <input type="checkbox"/> YES <input type="checkbox"/> NO--+	IF NO, DATE OF INCAPACITATION OR DATE OF ONSET OF INCAPACITATION (REQUIRED):	
DIAGNOSIS OF CONDITION(S) CAUSING INCAPACITATED STATUS:			
IS THIS PATIENT INCAPABLE OF SELF-SUSTAINING <input type="checkbox"/> YES--+ IF YES, HOW LONG?			
EMPLOYMENT FOR A PERIOD OF ONE YEAR OR LONGER? <input type="checkbox"/> NO <input type="checkbox"/> LESS THAN 1 YEAR <input type="checkbox"/> 2-5 YEARS <input type="checkbox"/> PERMANENT			
PLEASE PROVIDE DETAILS EXPLAINING THE DEGREE OF INCAPACITATION AND /OR FUNCTIONAL LEVEL, TREATMENT AND PROGNOSIS :			
OFFICE MANAGER CONTACT:			
NP/ OF CERTIFYING PHYSICIAN:		ADDRESS:	
SIGNATURE OF CERTIFYING PHYSICIAN:		DATE SIGNED:	
SECTION C - FOR INTERNAL OFFICE USE ONLY			
DECISION		REVIEWED BY:	
APPROVED	DENIED		
DURATION:	COVERAGE ENDS:	DECISION DATE:	
COVERAGE CONTINUES:			

Completed forms should be mailed to:
 North Carolina State Health Plan Attn: Customer Experience 3200 Atlantic Avenue Raleigh, NC 27604 or faxed to: 919-855-5817

Information contained in this form constitutes Protected Health Information (PHI) that should be protected from unauthorized access. This form should not be emailed without being encrypted. If your system does not support email encryption, it is advisable to contact PPO.Inquiries@nc-treasurer.com for information on how this form can be emailed securely to the State Health Plan.