



**State of New Jersey**

**DEPARTMENT OF HUMAN SERVICES**

**DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES**

**CN 712**

**TRENTON, NEW JERSEY 08625**

**(609) 588-2600**

ALAN J. GIBBS  
Commissioner

SAUL M. KILSTEIN  
Director

**MEDICAID COMMUNICATION NO: 93-4**

**DATE:** January 22, 1993

**TO:** County Welfare Agency Directors

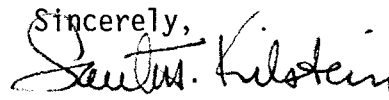
**SUBJECT:** Circuit Court Decision: Mazza v. Department of Health and Human Services

As a result of the above court decision, involving concurrent Title II (Social Security) and Title XVI (Supplemental Security Income) allowances, the Social Security Administration (SSA) must adjudicate eligibility for Title XVI benefits before the retroactive Title II benefits are paid. The effect of the court's decision is to ensure that Medicaid for the retroactive period of title XVI eligibility is not denied solely because of the Title XVI offset.

Recipients who request re-calculation of their concurrent benefits and are found eligible for Title XVI benefits for the retroactive period, will receive an award letter from the Social Security Administration and a check for \$1.00 per month Supplemental Security Income (SSI) for the period of eligibility. The award letter advises recipients that they may be eligible for Medicaid for the months that SSI was paid and to contact the local Medicaid office in their area about their eligibility for Medicaid.

Since these recipients are not currently eligible for SSI, they are also not eligible for Medicaid based on SSI. If these recipients come to the county welfare agency (CWA) with this award letter, they should be advised of other Medicaid programs that they may be eligible for and referred to the appropriate Medicaid District Office (MDO) which is responsible for establishing Medicaid eligibility for the months that they received SSI.

Questions regarding this communication should be referred to the Medicaid field service staff assigned to your county.

Sincerely,  
  
Saul M. Kilstein  
Director

SMK:Gg  
Attachment

c: Marion E. Reitz, Director  
Division of Family Development

Nicholas Scalara, Director  
Division of Youth and Family Services

**C. PROCEDURE -  
PROCESSING  
TITLE II CLAIMS  
(Cont.)**

**1. FO-Initial and  
Reconsideration  
Claims (Cont.)**

- a. If the title XVI CR determines the title XVI claim will be adjudicated within 30 days, the title II CR will hold the title II claim until the title XVI claim is adjudicated. When the title XVI claim has been adjudicated, process the title II claim through CAPS when possible, coding the WF FAC code according to SM 00360.138.
- b. If the title XVI CR determines that the title XVI claim will require more than 30 days to adjudicate, the title II CR will:
  - Treat the title II claim as a CAPS exclusion. This will not prohibit DOFA processing.
  - Prepare an SSA-101-U3.
  - Enter the following in item 11: 'Pay current benefits only. Mazza Case.'
  - Prepare a 30-day diary for completion of the SSI claim.
  - Forward the claim to the PC of jurisdiction for manual processing.

**2. PC**

OHA will flag all ALJ and AC concurrent title II/title XVI claims in the Third Circuit before routing the title II claims folder. The remarks section of the transmittal sheet, form HA-5051-U3 or HA-505, as appropriate, will show 'Mazza Case'. However, the claims authorizers (CA) and benefit authorizers (BA) will also verify the addresses of the claimants to ensure that all cases for beneficiaries living in the Third Circuit affected are processed correctly.

**CAUTION:** CCREs will not forward Mazza cases for EAM processing. The CA will first query the SSR.

- a. If the claimant is in payment status (PSY equal to CO1, see SM 01601.406), pay the claim through CAPS when possible following current procedures for coding the WF FAC code according to SM 00360.138
- b. If the claimant is not in payment status (CO1) on the SSR:
  - Treat the claim as a CAPS exclusion.
  - Prepare an SSA-101-U3 (unless it has already been prepared in the FO). Enter the following in item 11: "Pay current benefits only. Mazza Case." Forward the claim to the BA.
- c. The BA will first query the SSR. If the payment status is still not CO1:
  - Award current benefits only.
  - Summarize entries for all months from the date of entitlement through the month before the COM with an RFD of 9. Annotate the special message field on the MBR: "RFD 9-Mazza case".

**CAUTION:** DO NOT code a RID 8 when processing the initial award. This would cause the MBR to interface with the SSR and post the retroactive title II benefits on the SSR, causing a title XVI offset.

**02610.064 ACQUIESCENCE RULING (AR) ON OFFSET (MAZZA)****1. SITUATION**

**Mazza v. Secretary of Health and Human Services, 903 F. 2d. 953 (3rd Cir. 1990)**

**A. POLICY****1. General**

The Court of Appeals in the Third Circuit ruled on May 17, 1990 that, in concurrent title II/title XVI allowances, eligibility for title XVI benefits must be adjudicated before the retroactive title II benefits are paid. SSA published an AR on January 10, 1992, stating that SSA will apply title II offset in concurrent cases in the Third Circuit. The effect of the court's decision is to ensure that Medicaid for the retroactive period of title XVI eligibility is not denied solely because of title XVI offset.

**2. How We Will Comply**

In all concurrent title II/title XVI cases in the Third Circuit, adjudicate the title XVI claim before the retroactive title II benefits are paid. These claims will be exclusions.

**3. Who Is Affected**

SSA must adjudicate the title XVI claim before the retroactive title II benefits are paid for all claimants who:

- Reside in Delaware, New Jersey, Pennsylvania or the Virgin Islands at the time a determination or decision is made at any adjudicative level (i.e.; initial, reconsideration, ALJ or AC), and
- Applied for benefits under title II and title XVI.

**B. PROCEDURE - PROCESSING TITLE XVI CLAIMS**

If the title XVI and title II claims are in FO, the title XVI CR will:

- Adjudicate the title XVI claim by completing the income and resource development, etc.
- Advise the title II CR when the title XVI claim has been adjudicated.  
If the title II claim is in the PC, the CR will:
- Access the TRIDE screen (see MSOM 236 F 1) to determine the PC module jurisdiction of the title II claim for all claims which are not ODIO jurisdiction.
- Notify the PC module responsible for processing the title II claim by administrative message that the title XVI is paid (or denied for nonmedical reasons). The BA will follow the procedure in C.3. below.
- For ODIO claims, see GN 02610.066 for routing indicators for sending administrative messages to ODIO.

**C. PROCEDURE - PROCESSING TITLE II CLAIMS**

Do not pay any retroactive title II benefits until the title XVI claim has been adjudicated. Pay the title II current benefits and withhold the retroactive title II benefits until the title XVI claim has been adjudicated and paid.

**1. FO-Initial and Reconsideration Claims**

When ready to adjudicate the title II claim, the CR first asks the title XVI CR if the title XVI claim is expected to be adjudicated within 30 days.

**C. PROCEDURE -  
PROCESSING  
TITLE II CLAIMS  
(Cont.)**

**2. PC (Cont.)**

- Establish a 60-day diary for completion of the SSI claim (unless the FO has already set a diary on an initial allowance).
- d. If the payment status is CO1, the BA will follow 3.a. below.
- e. If the BA determines that the title XVI claim has been denied for a nonmedical reason, pay retroactive benefits and code the WIN of D in RID 8.

**3. Subsequent BA  
Actions**

The BA will take action when the FO sends an administrative message that the SSI claim is adjudicated or the diary established in the FO or the PC expires. The BA will first query the SSR.

- a. If the PSY equals CO1:
  - Code the RID 8 with the windfall offset data or prepare an SSA-4345 and contact the FO for offset data.
  - Control for receipt of the offset computation.
- b. If the PSY does not equal CO1, then:
  - Call the FO to determine the status of the SSI claim unless the FO has notified the PC by administrative message that SSI is denied for a nonmedical reason. If the SSI is denied, follow 2.e. above.

If the FO has adjudicated an SSI allowance but the SSR is not updated, query the SSR after a few days until it reflects the SSI payment. Then, follow a. above. If the SSR does not reflect payment 7 days after the FO advised payment was made, telephone the FO and determine the reason (i.e.; possible exception, etc).

  - If the FO has not adjudicated the SSI claim, rediary for 30 days. Remind the FO to notify the PC as soon as the SSI claim has been adjudicated per B. above.

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**02610.065 HOW TO CORRECT CASES WHEN THE TITLE II BENEFITS  
ARE PAID FIRST IN THE THIRD CIRCUIT**

**A. POLICY**

SSA adjudicates and pays the title XVI claim before paying retroactive title II benefits for all claimants in the Third Circuit whose claims are adjudicated on or after January 10, 1992, the date the Mazza AR was published in the Federal Register. If a claimant requests application of the Mazza AR to a claim adjudicated between May 17, 1990, (the date of the court of appeals decision), and the effective date of this transmittal, follow the procedure in B. below.

**EXAMPLE:** A claimant may request application of the AR by alleging that he/she was denied Medicaid eligibility because his/her title II benefits were paid before the title XVI claim was adjudicated.

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**B. PROCEDURE**

If a claimant demonstrates that application of the AR could change the adjudication and payment of title XVI benefits (including any effect on Medicaid eligibility), the FO will follow this procedure.