
NONFINANCIAL ELIGIBILITY FACTORS

ASSIGNMENT OF RIGHTS

A. ASSIGNMENT OF RIGHTS (AOR) REQUIREMENT (42 CFR 435.604)

Applicants and recipients of Medicaid must, as a condition of eligibility, assign to the Medicaid Agency their rights to medical support or other payments for medical care and cooperate with Medicaid in obtaining third party payments. The Statutory requirement for this provision is in the Deficit Reduction Act of 1984 (P. L. 98-369) mandating assignment of rights to payments for medical support and other medical care owed to recipients. Failure to assign rights or cooperate with Medicaid in obtaining third party payments will result in denial or termination of Medicaid benefits after the appropriate advance notice affording the applicant or recipient the right to appeal.

Application and Redetermination Forms contain the mandatory assignment of rights statement in the section of the form requiring the signature of the applicant, recipient or designated representative. An explanation must be provided to applicants or their representatives at the time of the initial interview that by their signature on the DOM-300 Form they are assigning their rights to third party payments for medical care as a condition of eligibility for Medicaid. This requirement must be reaffirmed by the appropriate signature on the DOM-300A Form at each redetermination of eligibility. In addition, Form-TPL 406, Medical Insurance Form must be completed by the applicant/recipient or representative before an application for eligibility or redetermination of eligibility can be approved.

1. Failure to Cooperate

Section 9503(e) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (P. L. 99-272) added a new requirement to the assignment of rights provision regarding cooperation. Federal law requires that all Medicaid applicants and recipients must, as a condition of eligibility, cooperate with the Medicaid Agency in identifying, to the extent they are able, potentially liable insurers and other third parties who may be liable to pay for care and services covered by Medicaid. Cooperation also includes repaying any monies to the Medicaid Agency received from a third party source to the extent that Medicaid has paid for the covered service. The

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cooperation aspect of the assignment of rights provision is handled by the Third Party Liability (TPL) Unit of the State Medicaid Agency.

An individual who refuses to cooperate under this provision must be found ineligible for Medicaid. The individual will remain ineligible for future Medicaid benefits until full restitution has been made to the Medicaid Agency. If the TPL Unit determines that there was good cause for failure to cooperate, the applicant/recipient will be excused from the cooperation requirement.

**2. Notification
Process**

The TPL Unit will notify the Eligibility Division of any any instances of failure to cooperate. The Eligibility Division will notify the appropriate Regional Office of the appropriate action necessary to deny or terminate eligibility. Advance notice must be issued to terminate eligibility and the recipient has the right to a hearing as per ongoing policy. However, all appeals regarding failure to cooperate with the TPL Unit must be handled via a State Hearing request. A Hearing Officer from the Eligibility Division will open and conclude the hearing, but the worker handling the case in the Third Party Unit will be present to discuss the issue regarding cooperation.

The Regional Office will be notified of the length of time ineligibility will exist when a case is to be terminated for failure to cooperate. When and if the cooperation issue is resolved, the Regional Office will be notified of the action necessary to restore eligibility.