

7.14 SPECIFIC WV CHIP REQUIREMENTS

The information in this Section parallels the information in Chapter 16, which contains the requirements specific to Medicaid. Item A describes the criteria for WV CHIP children. Sections B and C describe the similarities and differences between requirements for WV CHIP and other Medicaid coverage groups.

A. REQUIREMENTS FOR WV CHIP CHILDREN

Income: 200% FPL
No Spenddown Provision

Assets: N/A

NOTE: If a child is receiving inpatient services on the date he would lose eligibility due to reaching the maximum age, eligibility must continue until the end of that inpatient stay.

A child is eligible as a WV CHIP child, when all of the following conditions are met:

- The child is not yet age 19, regardless of school attendance or course completion date. Emancipation of the child, by marriage or other means, does not impact eligibility as long as the individual falls in the eligible age range. A child does not lose WV CHIP eligibility due to reaching age 19 until the end of the month in which he attains that age. A child who attains age 19 on the first day of the month retains eligibility until the end of that month.
- Countable family income, determined according to Section 7.10, is equal to or less than 200% FPL. See Appendix A of Chapter 10 for the maximum income limits.
- The child is not an inmate of a public institution.
- The child is not a patient in an institution for mental diseases.
- The child meets the Medicaid citizenship and alienage requirements found in Chapter 18.
- At the time of application or redetermination, the child is not eligible for any Medicaid coverage group. The child, the parent(s), or other adult with whom the child lives may not choose for the child to receive WV CHIP instead of Medicaid. However, the child/parent(s)/adult(s) may choose at any time to refuse Medicaid coverage.

- The child is not eligible for a state group health plan based on a family member's employment with a public agency. This includes, but is not limited to, county and municipal employees and school board employees. This requirement is based on eligibility for such coverage, not on the receipt of it. PEIA, including HMO coverage, is a state group health plan, so the children of WV State employees are not eligible for WV CHIP.

NOTE: This requirement does not apply if the public agency contributes less than \$10 more per family, per month toward the cost of dependent coverage, than their contribution toward the cost of covering the employee only.

EXAMPLE: A client has PEIA through the county agency for which he works. The county agency pays \$25 toward the cost of his insurance. If he adds his son to his insurance, his employer pays \$30 (\$25 for him and \$5 additional for family coverage) toward the cost of his family insurance. The insurance is available and his son is eligible, but the employer pays less than \$10 more toward the cost than they pay for the client's insurance alone. If otherwise eligible, the child is eligible for CHIP coverage.

- The child does not have individual or group health insurance coverage. See "Definitions" section in Appendix A for information related to this provision. Most children with health coverage will not qualify for WV CHIP.

NOTE: A child who starts receiving health insurance coverage after WV CHIP approval loses WV CHIP coverage prior to the expiration of the current 12-month continuous eligibility period.

NOTE: See item D,2 below when the child is covered by a non-custodial parent's insurance in another state or in a non-accessible geographic area in WV.

- Although a SSN must be provided for the WV CHIP child, approval is not delayed pending receipt of the number or verification of an application for one. Instead, when the applicant child does not have an SSN, the Worker approves the AG without one. The WV CHIP staff follows up with the family to make sure an SSN is obtained and notifies the Worker to add the number.

- Individual or group health insurance coverage (See "Definitions" section in Appendix A) for the child has not been voluntarily terminated, without good cause, in the month of application or in the 6-month period immediately preceding the month of application.

Policy and procedures for determining good cause for terminating health insurance coverage are found in Item D below.

NOTE: Failure to accept available health insurance coverage does not affect WV CHIP eligibility except for public employees who are receiving or eligible to enroll in PEIA. This requirement is concerned only with those persons who drop out of an existing program.

A WV CHIP child must not be required to have an AFDC Medicaid deprivation factor or to live with a specified relative. There is no asset test for such children.

B. MEDICAID REQUIREMENTS APPLICABLE TO WV CHIP

The policy listed below is the same for WV CHIP as for Qualified and Poverty-Level children.

Consideration for all Medicaid groups must be made prior to closure of WV CHIP. See Section 16.3,A

C. MEDICAID REQUIREMENTS THAT ARE DIFFERENT FOR WV CHIP

The policies listed below do not apply to WV CHIP or there is a difference in application of the policy.

1. Special Drug Approval

This does not apply to WV CHIP.

2. Relationship with CSHCN

This does not apply to WV CHIP.

3. Assignment of Medical Support Rights

There is no requirement for the family to assign medical support rights to the Department.

4. Certificate of Coverage When WV CHIP Coverage Ends

The Worker is not required to issue an OFS-HIP-1 to the family. This is a responsibility of the WV CHIP staff.

5. Child Support Requirements

WV CHIP children are not referred to BCSE and are not required to pursue or accept child/spousal support as a condition of eligibility. However, the Worker must explain the availability of child support services. The RAPIDS automatic referral to BCSE is blocked for WV CHIP children.

6. Backdating Coverage

The policy which allows Medicaid coverage to be backdated up to 3 months prior to the date of application does not apply to WV CHIP benefits.

There are 4 situations which require the Worker to backdate WV CHIP coverage. These are as follows:

- Failure of the Worker to approve a complete application within 13 days of receipt and the delay results in a loss of coverage; or
- Failure of the Worker to request additional information in a timely manner and the delay results in a loss of coverage; or
- The client applies and/or establishes eligibility too late in the month for the Worker to approve coverage beginning the 1st of the following month; or
- The only Medicaid coverage group for which the child may be eligible requires that a spenddown be met. If the child does not meet his spenddown during the 30-day period for doing so, but is WV CHIP eligible, the beginning date of WV CHIP eligibility must be based on the date that all information necessary to establish WV CHIP eligibility was provided. See item A above for more detail.

EXAMPLE: On March 10th a child's family applies for Medicaid. Based on the information provided, the family is not eligible for any Medicaid coverage group except AFDC-Related Medicaid. All verification and information to determine eligibility is provided by the client on March 15th.

There is a \$3,000 spenddown. By April 10th the family must provide paid or unpaid medical bills equal to or greater than \$3,000 to be Medicaid eligible. The parents provide \$2,345 in bills by April 10th and fail to establish Medicaid financial eligibility. However, the child meets the requirements for WV CHIP. Eligibility for WV CHIP begins April 1st, since all the verification and information needed to determine eligibility was provided on March 15th and the child met the WV CHIP eligibility requirements at that time.

NOTE: When approval is delayed due to Worker error and results in eligibility for backdated coverage, the client must be given the following options:

- Accept the backdated coverage for any period for which the child was eligible; or
- Begin the coverage at a later time, if there are not incurred medical expenses for the past period.

Once an option is chosen and the AG is approved, the beginning date of eligibility cannot be changed.

EXAMPLE: A client applies for WV CHIP for her children. Her application is received in the local office on September 4th and placed in the client's file instead of being processed. The client calls on October 20th to check the status of her application. On October 21st, the application, date stamped September 4th, is found in the file and processed. The client has the option of accepting 12 months of coverage beginning in either September, October, or November. Since the children incurred no medical expenses for September, she chooses to begin coverage in October. The 12 months of coverage begins in October and ends in September of the following year. After approval, the 12 month eligibility period cannot be changed.

7. Relationship Between WV CHIP and Medicaid Coverage Groups

All Medicaid coverage groups are classified as either Categorically Needy or Medically Needy. See Section 16.4. WV CHIP is not Categorically Needy or Medically Needy because the coverage is not provided under Medicaid.

8. Long-Term Care

If the child requires long-term care services, and qualifies for ICF/MR, HCB Waiver, CDCS, or MR/DD Waiver

coverage groups, the child is Medicaid eligible and the caretaker must be notified.

Since WV CHIP is not a Medicaid coverage group, receipt of WV CHIP does not qualify an individual for Medicaid payment of nursing facility services.

D. GOOD CAUSE FOR TERMINATING NON-EXCEPTED INSURANCE HEALTH COVERAGE

This section outlines basic criteria for determining if good cause exists for dropping the child's current non-excepted health insurance coverage. A child is ineligible for WV CHIP so long as he has full-coverage health insurance. When it is determined the applicant has good cause, WV CHIP eligibility may begin effective the first day of the month following termination of the health insurance coverage.

1. Applicant's Responsibilities

NOTE: The applicant is not responsible for knowing that there is good cause criterion which will allow him to stop health insurance coverage without penalty. The Worker must evaluate the applicability of all good cause provisions prior to denial.

When good cause is considered, the applicant must provide all information required to make the good cause determination. Failure to do so within 45 days from the date of application results in denial.

When the applicant is informed that he is otherwise eligible for WV CHIP, except for having health insurance coverage, and he drops the coverage, he must provide verification that coverage is terminated. Verification of the termination and the effective end date of the coverage are required before WV CHIP approval.

2. Worker's Responsibilities

- When the Worker receives an application showing that the family has non-excepted health insurance, he must:
- Consider the application to be a request for consideration under this good cause criteria.
- If not already provided, request any additional information necessary to determine good cause.
- Determine if the client is otherwise eligible for WV CHIP, except for having current non-excepted health insurance coverage.

- Determine by the steps outlined in item 3,b below if the family's annual health insurance premium cost equals or exceeds 10% of the family's gross non-excluded annual income.
- Inform the client in writing when he meets WV CHIP requirements except for having the non-excepted health insurance coverage.
- Inform the client that WV CHIP coverage continues for 12 months and that if the family income increases there is a possibility the child may not be eligible at redetermination.
- Advise the client that it is his decision whether or not to drop the health insurance for WV CHIP and that WV CHIP coverage begins only after the health insurance coverage ends.

3. Excessive Cost of Family Coverage

Good cause for terminating non-excepted health insurance coverage exists when the annual cost of the family coverage is 10% or more of the family's total gross non-excluded annual income. The total cost of family coverage includes basic coverage and any optional dental or optical coverage, even when paid separately from the basic coverage. When a good cause determination is made due to premium cost exceeding 10% of the family's gross income, special application processing procedures may apply. See Section 7.2,F.

a. Definition of Family

NOTE: This definition is only for purposes this good cause determination only.

The family includes:

- The mother or stepmother of the WV CHIP child, if living in the home with the child; and
- The legal father or stepfather of the WV CHIP child, if living in the home with the child; and
- The WV CHIP child; and
- The legal spouse of the WV CHIP child, if living in the home with the child; and

- The WV CHIP child's blood-related or adopted siblings who are under age 19, if living in the home with the child.

b. Procedure for Determining if the Criteria is Met

Below are the steps for determining if the family's health insurance cost equals or exceeds 10% of their total gross annual income.

STEP 1: Add together all of the family's annual gross, non-excluded earned and unearned income.

STEP 2: Multiply the total in Step 1 by 10% (.10).

STEP 3: Determine the total annual cost of the family's health insurance coverage. Family insurance expenses for medical savings accounts, or for co-payments and deductibles, are excluded from this cost determination.

STEP 4: Compare the Step 2 amount to the total cost of the family's annual health insurance premium in Step 3.

STEP 5: If the family's annual health insurance cost in Step 3 equals or exceeds the amount in Step 2, good cause exists for dropping the health insurance. If the family's health insurance cost is less than the amount in Step 2, good cause does not exist for dropping the health insurance under this criteria.

STEP 6: If good cause exists, the family is eligible for WV CHIP and is notified.

4. Geographical Non-accessibility

Good cause for dropping non-excepted health insurance coverage exists when:

- A child is covered under the insurance of a non-custodial parent; and
- The insurance services can only be accessed in another state, or in a geographical area in WV that is considered to be non-accessible.

a. Definition of Non-accessible Benefits

Insurance coverage is considered non-accessible when the following travel times are exceeded:

Routinely used delivery sites. 30 minutes travel
This includes physicians' time from the
offices and offices of client's residence
frequently used specialists. to the site.

Basic hospital services 45 minutes travel
time from the
client's residence
to the site.

Other medical services 60 minutes travel
time from the
client's residence
to the site.

b. Procedure For Determining Non-accessibility

WV CHIP staff at the State Office level have the primary responsibility of determining if this criteria is met, after referral from the Worker.

When the child is ineligible for WV CHIP due solely to having health insurance coverage and Worker believes that this criteria could be used to allow a child to become eligible for WV CHIP, he must forward the following information to Romona Allen, using GroupWise:

- Name, birthdate, address of child
- Name of custodial parent
- Phone number of custodial parent
- Name of non-custodial parent who is carrying the insurance
- Name of insurance company
- Policy number
- Phone number of insurance company (if available)

After receiving this information, WV CHIP staff contacts the insurance company to learn if any of the covered medical services can be accessed in WV within the travel times listed above.

The Worker will be notified in writing whether or not the insurance is accessible and is to act on the basis of the information from WV CHIP staff.

c. Follow-up Action

When the Worker is notified by WV CHIP staff that the insurance is geographically accessible, the potential for other good cause criteria is explored.

If none of the good cause criteria is appropriate, the application is denied due to the child's having non-excepted health insurance coverage.

When the Worker is notified by WV CHIP staff that the insurance is geographically non-accessible, the Worker must notify the family that the sole reason for ineligibility is the non-excepted health insurance. The Worker must explain the policy related to dropping health insurance coverage and allow the client to make a decision about the option. See item 2 above. If the client chooses to terminate the coverage, there is no 6-month waiting period for establishing WV CHIP eligibility.

When the Worker is notified by WV CHIP staff that the insurance is geographically non-accessible, follow-up action depends on the state of residence of the non-custodial parent who is providing the coverage.

If the non-custodial parent is a WV resident, the Worker must notify the family that the sole reason for ineligibility is the non-excepted health insurance. The Worker must explain the coverage and allow the client to make a decision about the option. See item 2 above. If the client terminates the coverage, there is no 6-month waiting period for establishing WV CHIP eligibility.

If the non-custodial parent resides outside of WV, the child may receive both WV CHIP and the other health insurance coverage as long as it remains non-accessible.

5. Other Good Cause Criteria

Other factors that are considered to be good cause for the termination of health insurance coverage are as follows:

- The employer terminates health insurance coverage.
- Health insurance coverage stops when the job is terminated by the employer.
- Loss of coverage for the child is due to a change in employment.

- Loss of coverage was outside the control of the employee.
- A determination of good cause is made by the legal representatives of the Department of Administration. Referral for consideration is made automatically by the Hearings Officer after a negative Fair Hearing decision for the client.