

## 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	Assets: N/A
	No Spenddown Provision	

**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 **child is discharged**.

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 alien age 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.

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 (**see Appendix A**), 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.

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- 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 **of** 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.

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## a. Definition of Non-accessible Benefits

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

Routinely used delivery sites. This includes physicians' offices and offices of frequently used specialists.	30 minutes travel time from the client's residence to the site.
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Basic hospital services	45 minutes travel time from the client's residence to the site.
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Other medical services	60 minutes travel time from the client's residence to the site.
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## 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 **the WV CHIP Office at [wvchip@wvchip.org](mailto:wvchip@wvchip.org) or (304) 558-2732:**

- 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.

#### **E. WV CHIP Premium Expansion**

**House Bill 4021 established the WV CHIP Premium Expansion coverage group to expand the WV CHIP income levels to 220% of the Federal Poverty Level (FPL) effective January 1, 2007.**

##### **1. Worker Action Required / Client Notification**

**When the WV CHIP application is denied solely for income in excess of 200% of the FPL, the Worker will manually determine if the client's income is over 200%, but less than or equal to 220% of the FPL. See Appendix C. If the income is within this range, the Worker will complete the required RAPIDS work-around. This will notify the client that WV CHIP staff will contact them to determine eligibility for WV CHIP Premium Expansion coverage.**

##### **2. Premium Payment**

**The premium amount is based on the number of children approved for WV CHIP Premium Expansion coverage. The premium amount for one child is \$35 per month. The premium amount for two or more children is \$71 per month.**

**The initial premium payment must be made by check or money order. The payment is due by the 30<sup>th</sup> of each month.**

**NOTE: Premium payments must not be accepted by the local offices. The client is instructed by WV CHIP to mail payments to the WV Treasurer's Office with the appropriate payment coupon.**

##### **3. Beginning Date of Eligibility**

**The beginning date of eligibility is the 1<sup>st</sup> day of the month following the date the premium payment is received by the Treasurer's Office regardless of the reason for delay.**

**NOTE:** There is no redetermination for WV CHIP Premium Expansion coverage. The client must reapply after the 12-month coverage period ends.

**4. Changes in AG Circumstances**

WV CHIP Premium Expansion recipients must report all changes in AG information, including, but not limited to income to Calls Plus at 1-877-982-2447.