

MANUAL MATERIAL TRANSMITTED					
MANUAL: INCOME MAINTENANCE			CHANGE NUMBER: 137		
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DATE: March, 1999 TO: ALL INCOME MAINTENANCE MANUAL HOLDERS					

This change is being made to correct some of the policy in Change #136.

1. The first bullet was removed from the Definitions. It is true that a cost of 10% or more of the family's total gross annual income is GOOD CAUSE for dropping it (Section 7,14,A). However, if the family decides to retain the coverage in spite of the cost, it results in CHIP ineligibility, just like any other health insurance coverage would. Therefore, this criteria does not belong in a list of insurance benefits which are exceptions and which allow the child to receive CHIP II.
2. Section 7.2,C was changed to remove the March 1, 1999 date since the beginning date of Program implementation is uncertain.
3. A change was made in Section 7.14,A for reasons given in the GroupWise release to Supervisors on 3/08/99.

Questions should be directed to the OFS Policy Unit.

DEFINITIONS

Excepted Insurance Benefits: Benefits which do not affect CHIP II eligibility, as follows:

- Coverage only for accident, or disability income insurance, or any combination of the two
- Coverage issued as a supplement to liability insurance
- Liability insurance, including general liability insurance and automobile liability insurance
- Workers' compensation or similar insurance
- Automobile medical payment insurance
- Credit-only insurance
- Coverage for on-site medical clinics
- Other benefits, similar to those above, under which benefits for medical care are secondary or incidental to other insurance benefits
- Limited scope dental or vision benefits when offered separately from other insurance
- Benefits for long-term care, nursing home care, home health care, community-based care, or any combination of these
- Other similar limited benefits
- Coverage only for a specified disease or illness if offered as independent, noncoordinated benefits.

Group Health Insurance Coverage: Health insurance coverage offered in connection with a group health plan.

Group Health Plan: An employee welfare benefit plan that provides medical care and services to employees or their dependents, as defined under the plan, directly or through insurance, reimbursement, or otherwise.

Health Insurance Coverage: Benefits consisting of medical care, provided directly, through insurance or reimbursement, or otherwise, and including items and services paid for as medical care under any hospital or medical service policy or certificate, hospital or medical service plan contract, or HMO contract, offered by a health insurance issuer.

Individual Health Insurance Coverage: Health insurance coverage offered to individuals. It does not include short-term, limited-duration insurance.

7.2 APPLICATION/REDETERMINATION PROCESS

Prior to approval for CHIP II, the client must be determined ineligible for all Medicaid coverage groups except: AFDC- and SSI-Related Medicaid with an unmet spenddown, QMB, SLIMB, QI-1 and QI-2. Therefore, the application/redetermination procedures that apply to Medicaid must be applied when determining eligibility for CHIP II. These are found in Chapter 1 of this Manual.

In addition to these Medicaid requirements, the following applies to CHIP II.

The policies listed below are the same for CHIP II as for Qualified, Poverty-Level and CHIP I children. The Manual citations are also found below:

- Application forms See Section 1.9,A
- In addition, when information is received on an OFS-MCAT-1 that indicates the presence in the home of a potentially eligible CHIP II child, the Worker must forward a CHIP-1 form to the family to offer the opportunity to receive medical coverage for the child.
- Determining a complete application See Section 1.9,B
- Determining the date of application See Section 1.9,C
- If interview is required;
Who must be interviewed See Sections 1.9,D and E
- Who must sign the application See Section 1.9,F
- Due date of additional information See Section 1.9,H
- Who is the payee See Section 1.9,K
- Redetermination schedule See Section 1.9,N
- Expedited processing See Section 1.9,O
- Data system action See Section 1.9,Q

The following policies and procedures differ from those for Qualified, Poverty-Level and CHIP I children.

- An explanation that the client's medical services providers must contact PEIA for assistance or questions, not the Department.
- The availability of child support services, but that participation is voluntary and failure to cooperate or accept services does not affect CHIP II eligibility in any way. The client must also be advised that child support cooperation may become mandatory if the children are later determined eligible for Medicaid.

B. AGENCY DELAYS

NOTE: Reimbursement for out-of-pocket expenses due to agency delays does not apply to CHIP II cases.

When the Department fails to request necessary verification, the Worker must immediately send a written request for the information. He must inform the client that the application is being held pending and the starting date of his CHIP II coverage may be delayed if he does not respond immediately. Upon receipt of the information, the beginning date of eligibility transmitted to PEIA is determined as follows: Add 10 days to the date of application and the coverage begins on the 1st of the month following that date.

When the Department fails to take timely action on a complete application, the beginning date of eligibility transmitted to PEIA is determined as follows: Eligibility begins on the 1st of the month following the date the Department had a complete application.

See Section 7.14,C for all situations which result in backdating CHIP II coverage.

C. BEGINNING DATE OF ELIGIBILITY

The beginning date of eligibility is the 1st day of the month after eligibility is established. Eligibility may not be backdated up to 3 months as is allowed for Medicaid cases. The only instances of backdated coverage are identified in Section 7.14,D. In no case may the beginning date of CHIP II coverage be earlier than the month following the beginning implementation date of the program.

D. CLIENT NOTIFICATION

The Worker is responsible for all client notification requirements in Chapter 6 regarding ineligibility for Medicaid.

7.3 THE CASE MAINTENANCE PROCESS

After approval for CHIP II, information is passed from RAPIDS to PEIA. Although PEIA issues the benefit to the client, changes reported to the Department must be acted on so that the updated information can be reported to PEIA through RAPIDS.

A. CLOSURES

PEIA is notified of CHIP II ineligibility through an exchange of information with RAPIDS. This notification triggers the termination of coverage by PEIA.

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

NOTE: Eligibility under all Medicaid coverage groups must be explored for all children who become ineligible for CHIP II prior to the end of the 12-month period of continuous eligibility.

A child may be determined ineligible prior to the expiration of the 12-month period of continuous eligibility only if the child:

- Moves out of state; or
- Dies; or
- Reaches age 19. The child is eligible until the end of the month in which he reaches the age limit. A child who reaches age 19 on the first day of the month remains eligible until the end of that month; or
- Becomes eligible for a full-coverage Medicaid coverage group, excluding AFDC- or SSI-Related Medicaid with an unmet spenddown.
- Obtains individual or group health insurance coverage after CHIP II approval. See Definitions at the beginning of this Chapter.

B. CHANGE IN INCOME

Changes in income, including the return of a parent with income to the home, do not affect eligibility once the 12-month period of continuous eligibility is established. In addition, a reduction in the number of people included in the Needs Group of

pregnant. However, because CHIP II coverage does not include payment for pregnancy-related medical services and the child may be denied needed treatment, a special procedure has been developed to notify the Worker of the need to evaluate the child's eligibility as a Poverty-Level Pregnant Woman. When PEIA is billed for pregnancy-related services for a CHIP II child, PEIA notifies RAPIDS; RAPIDS creates a weekly exception report, available through MOBIUS, to alert the Worker to evaluate Medicaid eligibility. In addition, PEIA will notify the client by letter to contact the local office for a Medicaid re-evaluation.

When a CHIP II child becomes eligible as a Poverty-Level Pregnant Woman, Medicaid eligibility may be determined as of the date the pregnancy was diagnosed or as of any month within 3 months after the end of the pregnancy. Eligibility is established based on all case circumstances as they existed in the month for which Medicaid eligibility is first established; Medicaid eligibility must be established for the earliest month for which the client was eligible. All case circumstances, including income, AG composition, marital status of the pregnant woman, etc. are used as they existed in the month that the pregnant woman first met all Medicaid eligibility requirements.

period which must be allowed for the client to meet a spenddown may cause the child to lose timely access to medical care because the child cannot be determined to be ineligible for Medicaid until the expiration of the 30-day spenddown period. Therefore, the Worker must determine, at the time of application and based on the applicant's best information, whether or not it is likely that the spenddown can be met within the next 30 days.

If the applicant states that there are not currently sufficient expenses to meet the spenddown and other expenses are not anticipated, the child must be determined to be ineligible for Medicaid and approved as a CHIP II child. If, however, the applicant states that the combination of current and anticipated expenses is likely to meet the spenddown, the client must be allowed 30 days to provide the information necessary to meet the spenddown; CHIP II coverage must not be approved to cover the 30-day period for meeting the spenddown.

If the child does not meet his spenddown during the 30-day period for doing so, but is CHIP II eligible and has lost CHIP II coverage as a result of the time period involved with meeting the spenddown, CHIP II coverage may be backdated. See item C,4 below.

- The child's family is not eligible for a state group health plan based on a family member's employment with a public agency. 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 CHIP II.
- The child does not have individual or group health insurance coverage. See "Definitions" section at the beginning of this Chapter for information related to this provision. Most children with health coverage will not qualify for CHIP II.

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

- An SSN is provided for the CHIP II child.
- The child does not have individual or group health insurance coverage. See Definitions at the beginning of this Chapter.