To: EES Program Administrators & Staff
    HealthWave Clearinghouse Staff

From: Jeanine Schieferecke

Date: October 1, 2010

RE: Implementation Instructions –
    KFMAM Revision 12, Effective July 1, 2010

This memo sets forth implementation instructions regarding changes to the KFMAM effective July 1, 2010. Unless otherwise stated, these requirements are applicable to any decisions made on or after July 1, 2010. The memo addresses changes made to the following topics:

- Continuous Eligibility for adults
- Transitional Medical program
- Assistance Planning related to non-citizen children
- Verification of dependent care expenses

A. Continuous Eligibility for Adults

Effective with actions taken on or after July 1, 2010, adults receiving family medical coverage on the MACM program are continuously eligible for a period of 12 months without regard to changes in income. This change applies to currently open MACM cases and new requests.

Continuous eligibility begins with the first month of Medicaid eligibility. When the household is Medicaid eligible in the month of application, financial eligibility continues through the 12th month beginning with the application month. However, when the household is not eligible for Medicaid in the month of application, but is eligible in any month of the prior period, eligibility continues through the 12th month beginning with the first Medicaid eligible prior month.

For example, an application is filed on July 20 for a mother and her two children.

- If the family is determined MACM eligible in the month of application, the continuous eligibility period would run from July 1 to June 30 of the following year.
If the family is determined MACM eligible in the month of application – AND – in the prior medical period, the continuous eligibility period would run from April 1 through June 30.
If the family is determined MACM eligible in the prior medical period, but ineligible for MACM in the month of application, the continuous eligibility period would run from April 1 through March 31.

When the continuous eligibility period expires, the family’s eligibility is reviewed and if eligible, a new 12 month continuous eligibility period is set.

**Continuous Eligibility Period**

When a family contains individuals eligible under any combination of programs which provide continuous eligibility, such as poverty level children, caretakers, newborns or pregnant women, individual continuous eligibility periods may differ. When this occurs, a family continuous eligibility period is established. The family continuous eligibility period is established by using the period of the non-pregnant adults or non-newborn children.

Some changes that occur in the household will affect the continuous eligibility of the entire household, while other changes only break the continuous eligibility of the affected individual. These are outlined separately, below.

The continuous eligibility period for the individual shall be shortened to end prior to the 12th month if one of the following circumstances occurs:

- the individual is no longer a resident of Kansas;
- the individual dies;
- the individual enters a long term care institutional arrangement or becomes eligible for HCBS;
- the individual enters jail or other penal facility;
- the individual becomes eligible for SSI;
- the individual fails to cooperate with child support enforcement, medical subrogation, TPL or HIPPS;
- the individual’s whereabouts are unknown and agency mail is returned (affects both adults in the home);
- the individual is later found to have not been initially eligible for benefits.

In any of the above situations, eligibility ends for the individual with the month the change occurred or becomes known, allowing for timely notice. When only individual coverage is changed, and the case remains open, the individual may later be added back into the continuous eligibility period if the above circumstances are resolved. The existing CE period remains intact. Coverage can only be established in months where the applicant meets all eligibility requirements, and cannot be established prior to the three-month prior medical period. If the PI loses eligibility due to no longer residing in Kansas, death, or entering a jail or penal facility, the case must close and another caretaker must apply for the remaining household members.

**Example 1:** A case is opened in December for a mother, her spouse and her two children, with continuous eligibility through November. The caseworker is notified in March that the mother is not cooperating with CSE. The mother’s benefits are ended effective March 31. Coverage continues for the spouse and two children. In June, the worker is notified that the mother is again cooperating. She is added back to the case in June as this is the month she began cooperating and is added to the existing continuous eligibility period through November.
Example 2: A case is opened in December for a mother, her boyfriend, and their two children with continuous eligibility through November. Agency mail is returned as undeliverable in April. The mother and boyfriend’s benefits are ended effective April 30. In September, the mother realizes she no longer has coverage when she attempts to fill a prescription. She contacts the caseworker and is notified why coverage ended. An updated address is provided and both adults are added back to the existing continuous eligibility period in June through November. These months represent current coverage and the three prior months.

The continuous eligibility period for the family shall be shortened to end prior to the 12th month if one of the following circumstances occurs:

- the family no longer includes a child;
- the family fails to complete a requested review; *(Note: Continuously eligible Pregnant Women and Medicaid Newborns remain exempt from cooperating with review requirements, per KFMAM 2300 and 2320.)*
- the family voluntarily requests a case be closed;

In any of the above situations, continuous eligibility ends with the month the change occurred or becomes known. When the entire case is closed as in these examples, the family will have to requalify for coverage if there is a break in coverage of one or more months.

Example: A case is opened in December for a mother and her child with continuous eligibility through November. The caseworker is notified in February that the child has left the home. The case is closed effective March 31. In June the consumer contacts their caseworker to notify them that the child has moved back into the home. As there has been a break in coverage of more than one month, the consumer must submit a new application and requalify.

**Reporting Requirements**

Families approved for MACM are now only required to report the following changes:

- Marriage, Divorce, or Separation
- An individual moving into or out of the home
- Address change
- Change to Third Party Liability (TPL)

A change in shelter group or shared/non-shared living arrangement will not require re-budgeting the MACM case.

**Removing a Member from the Plan**

When an eligible family member in a current continuous eligibility period leaves the household, the continuous eligibility period is not broken as long as a new request for coverage is received for the member who has left the home. To facilitate the process of moving a member from one case to another, the individual shall remain a participating member of the plan through the month following the month the change is reported. This is not necessary if a new application has already been received and action is being taken to move the member without causing a break in assistance.
Adding a Member to the Plan

A non-participating Mandatory Filing Unit (MFU) member moving into the home does not affect an already established continuous eligibility for the other household members. If this MFU member requests medical coverage, their income and needs will be included with the income that was used when determining the initial MACM eligibility. This combined income is used to determine eligibility for the new household member. If the new MFU member is MACM eligible, the new member is added to the MACM program through the end of the family’s existing continuous eligibility period. The entire family will be determined together at review.

For example, a continuous eligibility period is currently established for a mother and her two children for the months of February through January. The mother’s spouse enters the home in May and a request for coverage is received. If the family retains eligibility, the spouse’s coverage begins effective May 1 and continues through January, the already existing continuous eligibility period. If adding the spouse results in ineligibility for the family, benefits are denied to the spouse. The mother and two children stay within the current February to January continuous period. A full family determination will be completed at the review in January.

When adding an individual to an open MACM plan, there is the potential of having dual MP and MACM eligibility on the case. When adding an individual to the plan, income of the individual and any new LRP to the household is added to the existing income budgeted on the case. If this exceeds the income limits for MACM, then MP eligibility shall be considered for children and pregnant women. If the individual qualifies for MP, they shall be approved under that program through the family’s existing continuous eligibility period. The existing MACM program shall also remain in effect.

For example, a continuous eligibility period is currently established for a mother and her two children for the months of April through March. Another child moves into the home and a request for coverage is received in July. This child receives Social Security income. By adding the income to the case, this child exceeds the income limit for MACM, but qualifies for MP. MP coverage is approved for the child from July through March. A full family determination is completed at the review in March.

When the individual entering the home is already participating on another case, they retain their continuous eligibility established on the previous case. While maintaining continuous eligibility, the individual may not receive the same number of continuously eligible months. They are only continuously eligible through the new family’s CE period which may be shorter than their original CE period.

Impact on SRS

As indicated in the SRS & KHPA Coordination – Sharing Information memo issued on December 17, 2009, the changes that are shared from SRS to the Clearinghouse have been limited. With the implementation of continuous eligibility for adults on MACM, the required changes have been further reduced. When the Clearinghouse has an open medical case, the following is the ONLY information that SRS shall share with the Clearinghouse:

- Request for TAF
  - TAF Application filed on paper
  - TAF review completed
  - A new household member being added to an open TAF case

- When both SRS and the Clearinghouse have open medical programs, coordination is often required and case information is to be shared.

- In all other circumstances, SRS shall direct the customer to contact the Clearinghouse directly to report their changes.
B. Transitional Medical Changes

These instructions are applicable to new determinations made for TransMed on or after January 1, 2010.

Review Period

The six-month review is no longer an eligibility factor of the TransMed program. Families previously approved for TransMed with a six-month review due in December 2009 or later will have coverage automatically extended for the second six months. This is true even if the review form has already been mailed and was not returned by the consumer.

A report has been provided to the Clearinghouse to extend coverage on existing TransMed cases. When extending coverage, a notice is sent to the consumer with the following information:

We have changed the rules of this program. You do not need to complete this 6-month review. Your coverage will continue until (insert date). You will receive a review form when it is time to reapply.

New TransMed determinations

New TransMed cases will be established for twelve months. Notice M705 has been modified to comply with this policy.

In order to qualify for TransMed, the income must exceed MACM limits and the wage earner received MACM in the month prior to the month being determined. Families no longer have to receive MACM in three out of the last six months to qualify for MACM.

This change in the requirement impacts when TransMed cases will begin. Typically, these have only been processed at review or upon a reported change. However, now that the wage earner must only have received MACM in one month, these will now affect new applications for MACM coverage.

Example, an application for MACM is received in August. The family received MACM through April, but closed for failing to complete their review. The family requests prior medical coverage. The family is ineligible for MACM in May due to earnings. Therefore, they are eligible for 12 months of TransMed beginning in May.

Because MAWT determinations are all completed at the HealthWave Clearinghouse, when a local office processes an application for MACM, if the income exceeds MACM limits and MACM was received in the month prior to the determination, the application will be forwarded to the HealthWave Clearinghouse for processing.

TransMed Determination at Review

When processing a MACM review, if the income exceeds the MACM limit and earnings are included, the family is eligible for MAWT for 12 months. It is not necessary to research when the earnings began, because reporting income changes is not a requirement of the MACM program. MAWT begins with the first month of the new review period.

TransMed and CSE Cooperation

Cooperating with Child Support Enforcement (CSE) is not a requirement for the TransMed program. However, since the wage earner must have received MACM in the month prior to the TransMed determination, CSE cooperation may have an effect on the TransMed eligibility. If the wage earner is serving a penalty for not cooperating with CSE in the month prior to the month of the determination, they are ineligible for TransMed coverage.
Example: Mom and two children are approved for MACM in January through December. In July, the caseworker is notified that Mom is not cooperating with CSE. Her coverage is closed effective July 31st. At the time of review in December, the household income exceeds MACM limits due to mom’s earnings. The family is not eligible for TransMed because the PI is in non-coop status at the time of the review.

C. Assistance Planning for Non-Citizen Children

Effective July 1, 2010, non-citizen children shall be included in the household size, even when not requesting coverage. Applicants routinely do not request coverage for their non-citizen children as they are aware of the eligibility requirements. Instead of coding these children OU, they shall be coded DI to protect the household size.

If the inclusion of the non-citizen children has a negative effect on eligibility for other household members, it is then acceptable to code the child OU.

D. Verification of Dependent Care Expenses

Verification of dependent care expenses is no longer required for MACM. Client statement of the actual costs can be used to determine the amount of the deduction, according to KFMAM 6221.03. The maximum child care deductions of $200 for a child under age two, and $175 for a child over age two are still applicable.

The expense may be verified if deemed questionable. Documentation regarding issues with the expense must be indicated in the case file.

Conclusion

If you have any questions about the material included in this memo, please contact:

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Questions regarding any KAECSES issues are directed to the SRS Business Help Desk at helpdeskbusiness@srs.ks.gov