The purpose of this memo is to implement a new eligibility group for children, the M-CHIP group. Although previous guidance has provided partial instruction for this group, the M-CHIP group is fully implemented with this memo. Specific implementation dates are set forth in the individual items as noted below.

1. Background
The name ‘M-CHIP’ is a reference to both the CHIP and Medicaid groups, as the group is a hybrid of both programs. Members in the M-CHIP receive Medicaid coverage, but the State receives the enhanced federal matching rate of the CHIP program. So, the term ‘M-CHIP’ provides a reference to both groups. Although the M-CHIP group has existed under federal rules for a number of years, the Affordable Care Act implemented the M-CHIP group as a mandatory population for Kansas.

In Kansas, the group covers children between the ages of 6-18 with countable income between 114 and 133% of the federal poverty level for size of the Individual Budget Unit (IBU). Note: Specific income limits are set forth in the Medical Eligibility Standards document, KEESM Appendix item F8. This document has been updated with the appropriate income limits.

A. Full M-CHIP without insurance: To receive full M-CHIP, children must meet all insurance-related criteria. This means that a child must not have comprehensive health insurance, have access to state employee health care or have dropped health insurance without good cause in order to received coverage under the full M-CHIP plan.

B. M-CHIP with Insurance: This memo implements a change to coverage for youth in the population of children ages 6-18 with incomes of 114-133% who have other health insurance. Section 12 (D) of KDHE Policy Memo 2015-06-04 indicates these children are not to be denied coverage solely on the basis of an insurance-related reason: Current enrollment in comprehensive insurance, Availability of coverage under the state health plan or Crowd out/dropping health insurance without good cause. Staff were instructed to enroll these children in CHIP. That instruction is changed with this memo and these children are now enrolled in Medicaid.
C. **Other Criteria:** M-CHIP children are covered under Medicaid and are NOT treated as CHIP eligible children. They are not subject to daily enrollment and are potentially eligible for Prior Medical coverage. They are not subject to premiums and are not affected by overdue premiums. In addition, all other eligibility criteria for poverty level children are applicable. Cases are subject to 12 month review criteria and continuous eligibility is provided to children as under existing policy.

D. **Example:** Mom files an application for her two boys, Terry – age 14 and his step-brother, Tommy – age 12. The boys have the same IBU and the same countable income - $2000/month for a family of 3. This is in the M-CHIP income range according to the F8. Terry’s father carries comprehensive coverage for his son, but Tommy does not have any other health insurance.

Both boys are eligible for coverage. Tommy is eligible for Medicaid coverage under the M-CHIP group. Because Terry has other insurance, he doesn’t qualify for M-CHIP, but will receive coverage under the existing Medicaid group.

E. **CHIP Impact:** It is notable that the majority of the children in the M-CHIP group are currently covered under the CHIP program. However, when fully implemented no child in this age/income range will be covered under CHIP. They will all receive Medicaid under one of the two groups described above. Separate instructions for executing the actual transition of members who are currently enrolled in CHIP into the M-CHIP group is covered in Section 3 Below, Transition.

---

2. **KEES Processing**

Processing changes to the KEES system necessary to fully support M-CHIP processing are not scheduled to be implemented until December, 2015. An interim process is used until that time to support MCHIP determinations.

A. **Interim Process**

. an eligibility override from EDBC will be necessary to correctly place any child in this group into either the M-CHIP group or the Medicaid group for children ages 6-18 who have insurance. Workers will no longer override into CHIP for either of these populations. An override is still necessary, but workers will override into one of the two new groups – the new M-CHIP group or the existing PLN/C3 group for children with health insurance. All children who have an initial aid code of PLT-C2 should be evaluated for potential coverage under one of the two M-CHIP groups.

1. **For M-CHIP without insurance:** A new aid code/population code has been established for children in the M-CHIP group. That code is ‘PLN/C4/N/N’. This will display to users as ‘Poverty Level Programs – Age 6-18 FPL 101 to 133’ in the KEES drop down. When processing new eligibility for an individual who meets full M-CHIP criteria, follow the documented process for overriding eligibly found in the KEES User Manual and select the above aid code.

2. **For M-CHIP with insurance:** Use the existing aid code for poverty level children ages 6-18. That code is ‘PLN/C3/N/N’. This will display to users as ‘Poverty Level Programs- Ages 6-18
FPL <101' in the drop down. When processing new eligibility for an individual who meets full M-CHIP criteria, override using this aid code.

3. Notices: No new notices are being created to support this group and staff should follow current instructions regarding generation of a notice. Because all cases are subject to an override, a form will need to be produced. Staff should use the General Approval cut and paste template to create an appropriate notification.

B. Full MCHIP Implementation
KEES is updated to support fully MCHIP determinations with the KEES release scheduled 12-20-15. Following the deployment, the KEES system will accurately determine eligibility for all MCHIP children described above. However, staff are expected to review the results of any EDBC run to determine if the results are reasonable. The determination made using KEES is expected to correctly determine the Aid Code for all months where an EDBC is processed, including months in the past. So, for cases processed or authorized after the KEES update, staff should not have to utilize the process for any determinations. Notices issued after this date should correctly reflect the aid code of the child.

The KEES deployment will also include a one-time mass conversion that will move the remaining MCHIP eligible children into the MCHIP group. This mass conversion should identify all impacted children and place them into the appropriate group effective 01-01-2016. This adjustment should be made without regards to current continuous eligibility of the child. For example, a CHIP child with a CE period through 05-2016 should move to the MCHIP aid code if all criteria are met.

Notices will not be produced to individuals impacted by this mass update.

3. Implementation Schedule
The M-CHIP group will be implemented in three separate phases, as described below.

A. New Determinations: All applications for new coverage processed on or after receipt of this memo that include individuals who meet the M-CHIP criteria shall be enrolled in either the full M-CHIP group (PLN/C4) or the M-CHIP with Insurance group (PLN/C3). Enrollment is retroactive to any and all prior medical months as well as current eligibility. This process also applies when an original denial or discontinuance is reprocessed. If the child is in the M-CHIP income/age range, he or she is placed in the M-CHIP group.

Staff must override any person who meets these criteria into the appropriate coverage group. Please keep in mind, KDHE staff must make the final M-CHIP eligibility determination because these are technically Medicaid decisions.

B. Determinations After 07-01-2015: All new determinations made after 07-01-2015 that involved a child who would have been in the M-CHIP group must be moved to the correct group no later than 12-31-20015. The change will be made effective the month following the month of action. In most cases, this will involve overriding the existing CHIP eligibility code to the appropriate Medicaid or M-CHIP code. A report of all cases that appear to be eligible under the new M-CHIP group has been provided. Staff must review these cases and adjust
eligibility accordingly. There is no need to generate a new notice or to change the existing
review or CE periods. This is seen as an administrative action.

C. **Transition of existing CHIP Eligibles.** In December, an automated KEES determination is
scheduled to be placed in production. This will result in children being correctly placed in the
M-CHIP and eliminate the need for the override.

4. **Denied Applications**
Because of the delay in implementing the M-CHIP group, many children who fell into the income/age
range were evaluated for CHIP coverage. This means the insurance tests may have been
inappropriately applied that may have resulted in denials.

In order to ensure eligibility is correctly determined for these individuals, a special eligibility review
must be conducted. This review will be conducted on cases denied through a regular eligibility
channel as well as those denied Presumptive Eligibility who were not ultimately approved for
KanCare. Cases that were potentially impacted have been identified and will be issued through a
special report. The review must be completed by December 31, 2015. Eligibility must be reconsidered
for each individual through the following process:

1. Review the reason for denial: If the sole reason for denial was related to health insurance
then the, individual must be further evaluated to determine if all other factors were met. If other
denial reasons existed, the denial is appropriate and no additional action is necessary. For
example, there was also a failure to provide requested information or the individual was living
out of state. In these situations, the individual will not receive a subsequent determination. No
action in KEES is required.

2. Review the income/age of the individual. The individual must appear to be in the M-CHIP
income and age range at the time of the application. If the individual reported income above
this range, no additional action is necessary. If reported income is within the range it must be
verified through the Tier verification process. Note that the income recorded in KAECSES
and/or KEES at the time of the initial application may not be accurate. Staff must review the
income in the case file to determine if the actual countable income puts the child in the M-CHIP
range.

3. Current verification policies are applicable, including the Tier verification protocol. KEES
interfaces are used to verify elements where possible, including citizenship and identity. For
all applicants, contact with the family may be necessary if information isn’t available or is
inconsistent or incomplete. This process must be followed for other eligibility elements,
including tax filing status/budget unit.

4. Except those who were not entitled to a new determination (Step 1 above). A final eligibility
determination for the family is executed. A notice of action must be sent for all members
receiving a new determination. This will include requests for prior medical coverage.

5. For persons eligible, used the special M-CHIP aid codes identified above.
6. If persons are part of an eligible household, use the CE and review dates on the current case.

7. For new individuals, a new CE and review date will be established according to the following.

   a. Evaluate using existing CE/review date policies (using the first date of eligibility for the current period). If the resulting date is 02-28-16 or later, that review date is applicable.

   b. If a date prior to 02-28-16 results the new review and CE shall be set six months beyond the date the application is processed. Example: An applicant originally applying in July, 2014 is approved in October, 2015. The new CE and review dates would be June, 2015. However, this is prior to December, 2015. Therefore, the review and CE dates are extended six months beyond the current processing date, or April, 2016. The following chart is used as a guide:

<table>
<thead>
<tr>
<th>Month Processed</th>
<th>Review Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>09-2015</td>
<td>03-2016</td>
</tr>
<tr>
<td>10-2015</td>
<td>04-2016</td>
</tr>
<tr>
<td>11-2015</td>
<td>05-2016</td>
</tr>
<tr>
<td>12-2015</td>
<td>06-2016</td>
</tr>
</tbody>
</table>

QUESTIONS

For questions or concerns related to this document, please contact one of the Medical program staff below.

Jeanine Schieferecke, Senior Manager – jschieferceke@kdheks.gov
Tim Schroeder, Elderly and Disabled Program Manager – tschroeder@kdheks.gov
Allison Miller, Family Medical Program Manager – amiller@kdheks.gov