

Policy Memo

To: All SRS and KHPA Staff	From: Kristi Scheve, Senior Manager Family Medical Eligibility Policy
Eligibility Policy Memo No.: 2006-11-20	KFMAM: Section 2045
RE: Verification of Citizenship & Identity No Longer Required for HealthWave 21	Program(s): HealthWave 21

Purpose, Background and Reason for Change for the Kansas Family Medical Assistance Manual (KFMAM) effective *November 20, 2006.*

Background

In July 2006, Kansas implemented mandatory citizenship and identity verifications required by the Deficit Reduction Act of 2005 for the Medicaid program. In order to provide consistent and simplified policies throughout the medical assistance programs, these provisions were also adopted for HealthWave 21 (the State Children’s Health Insurance Program).

Since implementation of the citizenship and identity requirements, Kansas has seen a drop in the number of children enrolled in the HealthWave program. The Kansas Health Policy Authority strives to create a simplified eligibility process while covering all children that are eligible for medical assistance. Because of the impact the citizenship and identity verification requirements have had on children, effective 11/20/2006 the citizenship and identity verification requirements are no longer mandatory for HealthWave 21 (HW 21). This change is applicable to all case actions processed on or after 11/20/2006.

It is important to note that this change is not applicable to the Medicaid program and that citizenship and identity verifications are still required for persons covered under those categories. Refer to the July 1, 2006 Summary of Changes and subsequent Implementation Instructions-Citizenship and Identity dated 8/1/06.

I. Instructions for HealthWave 21/Citizenship & Identity Verifications No Longer Required

The change in citizenship and identity verification for the HW 21 program is effective for all applications, reviews, and case actions processed on or after 11/20/2006. Any negative case action taken to end coverage or deny eligibility for HW 21 children who did not meet the citizenship or identity verification requirements prior to this date is appropriate and in accordance with policy in place at the time the action was taken.

In situations where coverage was previously stopped or denied for a HW 21 child, because of the failure to comply with citizenship and identity verifications, coverage can once again be approved if a re-determination is completed or any other action is taken on the case on or after 11/20/2006. Staff must make certain that all other financial and non-financial requirements of the HW 21 program are met before approving coverage for any child.

Note: HW 21 coverage cannot be retroactively approved. The child is added to the case and approved with enrollment in the HW 21 program effective the following business day.

Example A – Steven Douglas applied for coverage in October for his three children, Robby (16), Chip (12), and Ernie (8). The application was denied for income in excess of the program limits and failure to provide identity verifications for the children. Mr. Douglas calls within the 45 day application timeframe and reports that the income used in his determination was when he was working a good deal of overtime and is not the income he is making at this time. He is asked to submit current income verifications and reminded to provide the children's identity verification.

Days later, the new pay stubs are received and because the application is still within the 45 day timeframe a worker completes a re-determination on the case. The family income is now determined to be within the HealthWave 21 program guidelines (category T7).

The policy related to citizenship and identity verification changed after the application was initially processed, but before the re-determination was completed. In light of the new policy for HW 21, the worker approves all of the children for HW 21 coverage and sends appropriate notices. The children are enrolled in the HW 21 program and coverage is effective the following business day.

In instances where requested information was not provided, usually the family is denied for failure to cooperate or failure to provide information. With this change in policy for the HW 21 program, it is not appropriate to deny coverage to HW 21 eligible children in families that have not provided information, if the only information needed for the child is citizenship or identity verification.

Example B – The Cunningham family applies for medical coverage for their two children. Little Joni is 3 years old and Ritchie is 16 years old. The worker screens the application and requests identity documents for both children. Citizenship verification is not needed because each child's status has been verified through a match with Vital Statistics.

The family fails to respond to the request for information. Prior to 11/20/2006, the worker would have denied the application for failure to provide requested information. However, the worker realizes that Ritchie is within HW 21 income guidelines and can be covered without this verification while Joni is within the Medicaid income guidelines and cannot be covered.

The worker sends a denial notice informing the family that Joni cannot be covered because the identity documents have not been provided. The worker approves coverage for Ritchie under HW 21 and sends appropriate approval notices.

II. PRAP Coding for Citizenship & Identity Verification for All Programs

Use of the new citizenship and identity **PRAP** coding is imperative. A new code has been created with the HW 21 policy change. The new code, **IT**, is to be used to identify children that have not had their citizenship and identity verified, but are continuing to be covered because they are eligible for HW 21 program. This code will help staff to easily recognize when citizenship and identity verifications are needed when taking action on a case.

Reports related to the impact of the citizenship and identity verification requirements are based on **PRAP** coding. Please do not code HW 21 children as exempt from the citizenship and identity requirements through use of the **IE** code. This code is only to be used for populations that have specifically been identified as exempt from the requirement through federal guidance. Also, please do not use the **ID** code for HW 21 covered children who have not provided citizenship and identity verification. This code is needed to track persons who are without coverage due to the new requirements and we do not want HW 21 covered children included in these numbers.

Comprehensive List of Citizenship and Identity PRAP Codes	
IM	Identity/Citizenship Verification Requirement Met - Use when the individual has satisfied both the citizenship and identity verification requirements. EES, HealthWave Clearinghouse and CFS staff shall use this alert when complete verification has been received.
ID	Identity/Citizenship Verification Requirement Failed (benefits were denied or terminated) - Use when the individual fails to meet the verification requirements.
IP	Identity/Citizenship Verification - Pended or Continued Benefits - Use for new approvals when processing is delayed because verification is pending. Also used for recipients who are receiving continued benefits while awaiting verification.
IC	CFS Only - Identity/Citizenship Pended - A special code to be used only by CFS staff for cases where medical assistance is authorized, but verification is pending. Primarily for new FC and AS children in out of home placements. The code remains in place if verification is never received.
IE	Exempt From Citizenship and ID Verification - MC and SSI . This code is used for all plan members exempt from verification due to Medicare or SSI recipient status. Enter the code when Medicare beneficiary or SSI recipient status is verified.
IT	Identity/Citizenship Verification Not Met – Child is eligible for HW 21 coverage, but has not verified citizenship and/or identity.

III. Verification of Citizenship & Identity/Impact to Medical Applications

When screening the HealthWave application it is often not clear for which poverty level category each child will qualify. In many cases, staff cannot be certain until income verifications are received and the medical assistance request is processed in the system. For this reason and to help speed processing time of all applications, staff must ask for citizenship and identity verification for all children in the household regardless of the medical program being sought for each child. If citizenship and identity verifications are not submitted, negative action cannot be taken on a child who would fall into the HealthWave 21 category of assistance. In some cases, this may result in certain household members being approved for coverage under HW 21 and others being denied medical coverage because they are eligible for a Medicaid program and must verify their citizenship and identity to receive such assistance.

Note: Screening children for Medicaid eligibility is part of a HW 21 eligibility determination. HW 21 applications cannot be approved for children who are within Medicaid income guidelines and fail to verify their citizenship status and identity.

Example C – An application for children’s medical is received from the Addam’s family. They have two children, Pugsley who is 10 years old and Wednesday who is 3 years old. The worker screens the application and realizes that citizenship and identity verifications are needed, in addition to income verification from Mr. Addam’s job. A request for information is sent to the family.

Days later, the worker realizes that the deadline for the requested information has passed and checks the case file to see if the information has been submitted. The family has provided income verification and Kansas Vital Statistics data matches are complete for both Pugsley and Wednesday. There are no other documents in the case file. Although citizenship verification has been made, there isn’t any verification that would meet the identity requirements for each child. The worker attempts to call the family about this issue, but is only able to leave a message on the answering machine.

Timeliness is a concern, so the worker begins processing the application. The family’s income is at 130% of FPL making Pugsley HW 21 eligible (T6 category) and Wednesday HW 19/Medicaid eligible (N3 category). Identity verification must be present to approve Wednesday’s coverage under Medicaid, but is not mandatory for Pugsley’s coverage on HW 21. The worker sends a denial notice on behalf of Wednesday and approves Pugsley sending appropriate approval notices to the family.

A couple of days later, Morticia Addams calls irate that her little girl is not covered. She says Wednesday is a sick child with numerous unpaid medical bills and cannot understand why we would discriminate against her little girl. The worker explains that identity verification is needed to approve Wednesday because it is a federal requirement for the Medicaid program. He also explains that if Morticia is able to provide this by the 45th day of the application, coverage can be approved and prior medical assistance can be considered for Wednesday.

Morticia is apologetic to the worker and promises to get Wednesday's immunization record copied and mailed immediately to meet the identity requirements. Once the worker explains that it would be in the family's best interest to provide Pugsley's record, in case his coverage category would change in the future, she promises to send in his immunization record, too.

IV. Coverage Changes in an Ongoing Children's Medical Case/Impact to CE Periods

It is a common trend for children to cycle from one program to another. Continuous Eligibility (CE) provisions help in providing a consistent source of coverage for the child, but often circumstances within the household dynamic make it necessary for changes in coverage within an established CE period.

Staff must recognize that the citizenship and identity requirements continue to apply to HealthWave 19 which is Medicaid. Staff must make certain that citizenship and identity verification is in the case file for each child prior to approving Medicaid coverage under any category for a child who was previously covered through HealthWave 21.

Careful consideration must be taken to insure that the child's coverage category is not changed without proper case file documentation, especially when reacting to a reported decrease in family income or change in household composition within the certification period.

Note: It is also important for staff to make the switch from HW 21 to Medicaid for a child in a future month without overlaying previous HW 21 eligible months.

Example D – The Drummond family is currently open receiving HW 21 assistance for Kimberly, Willis, and Arnold. Mr. Drummond contacts the Clearinghouse and reports that his job has drastically cut back his hours. He asks that his family's HW 21 premium be reduced based on his new income which he is able to verify through a fax of his latest paycheck stub.

The worker reacts to the change and realizes that the new income entered into KAECSES system would make the children Medicaid eligible. The worker is new, but remembers that the children are in the midst of their continuous eligibility periods and that the coverage category shouldn't change. She reduces the family premium obligation to \$0 and re-authorizes the case. She sends a notice of action about the change in premium. The children remain eligible for HW 21 for the duration of their established CE period.

Realizing the family is approaching a re-certification in a few months, the worker makes a notation in the case file that citizenship and identity verifications are not present in the case file. If at review, the family's income is still at this level, they must provide this documentation for the children to access Medicaid coverage.

Note: If the worker was inexperienced and adjusted the continuous eligibility dates on the PLGD screen, the medical subtypes would have changed from T6 to N4. Medicaid coverage would have been authorized in error, if the worker failed to recognize this and subsequently override the medical subtypes. This would be a case error because the State has not verified their citizenship and identity per the federal guidelines. The children cannot be covered under Medicaid until this verification is made.

HW 21 households can sometimes become MA-CM eligible during a certification period due to a change in family income or changes in household composition. The family cannot be automatically switched to Medicaid from HW 21 without citizenship and identity verification for all members of the Mandatory Filing Unit (MFU). Coverage must continue on the HW 21 program for the children who are within an established CE period while the documentation is being requested and compiled for all of the MFU members. Coverage is not approved under HW 21 for any new household member who is not already HW 21 eligible and within an established CE period.

Household members who meet the citizenship and identity documentation requirements are coded **IN** on the **SEPA** screen on the MA-CM program and coverage is approved.

In the case of children, coverage is switched from HW 21 to the new MA-CM (Medicaid) category and new CE periods are established.

In the case of adults, coverage is approved and notices are sent. Adults are not continuously eligible.

If any member of the Mandatory Filing Unit fails to provide the documentation, coverage under Medicaid cannot be authorized for that person.

In the case of a child MFU member, the child will continue to receive HW 21 for the remainder of their established CE period or until the citizenship and identity verifications are received and the switch to MA-CM for that child can be completed. Be certain that the premium for HW 21 is reduced to \$0 based on the new household income/circumstances.

In the case of an adult MFU member, coverage is denied for that person and a notice of action is sent.

Note: Any person who is not approved for MA-CM coverage because citizenship and identity has not been verified is still a member of the MFU for the MA-CM program. This person's needs and income must be included in the household's determination. Be sure to use the **DI** participation code on the **SEPA** screen for these individuals. Carefully note in the case log the reason the individual is not receiving coverage on the MA-CM program, even though they are MFU members.

Example E – Shelly and Sam Smith are receiving HW 21 coverage (T6 category) for their four small children. Lars (6 years), Ed (4 years), Ava (2 years), and Lon (9 months old) are in the middle of their HW 21 certification period. Shelly calls to report that she and Sam have separated and he has moved to Los Angeles to try his hand at acting. Sam was the primary bread winner and Shelly doesn't know what the family will do. The Clearinghouse worker reacts to the change, removes Sam from the case, reduces the family's HealthWave premium to \$0, and tells Shelly how to apply for other types of assistance that may help the family.

Some time later, the local SRS office contacts the Clearinghouse to tell them that TAF has been approved for Shelly and the kids. The SRS worker has placed the **PRAP** codes on the KAECSES system indicating they have citizenship and identity documentation in their case file for Shelly, Ava, and Lon (the **IM** code is used). The SRS worker copies the documents and faxes them to the Clearinghouse.

The Clearinghouse approves MA-CM authorizing coverage for Shelly, Ava, and Lon and establishes new CE periods for Ava and Lon. The other children (Lars and Edie) are coded **DI** on the **SEPA** screen for the MA-CM case. Lars and Edie remain covered under HW 21 because they are in the midst of their HW 21 CE period. The Clearinghouse also sends a request for information for citizenship and identity documents for Lars and Edie (the two HW 21 eligible children).

Days later, the citizenship and identity verifications for Lars and Edie are received. The HW 21 case is closed and they are added to the open MA-CM case for the following month by changing their participation coding on the **SEPA** screen from **DI** to **IN**. The CE periods for Lars and Edie are extended to coincide with Ava and Lon's CE periods.

Note: If the family failed to document citizenship and identity for Lars and Edie, their coverage would have ended at the end of the HW 21 CE period. The children would continue to be coded **DI** on the MA-CM case until their citizenship and identity verification is provided.

V. Verification of Citizenship & Identity/Impact on Medical Reviews

Re-certification is another time when changes in coverage categories often occur for children. Staff must be cognizant of the potential for a coverage change and make certain that citizenship and identity verifications are requested with all Family Medical reviews. As with applications, staff are to request documentation of citizenship and identity for each household member requesting assistance regardless of which medical program the family is currently receiving or potentially eligible to receive in future months. If the household fails to provide the documentation, staff cannot take negative action for children who qualify for HW 21.

Conclusion

This memo related to the change in policy direction for the HealthWave 21 program is pressing because of the need to react to the numbers of children who are losing HW 21 coverage. Enrollment in the HealthWave 21 program is not retroactive and every effort is to be made to make certain that eligible children are approved for coverage as soon as possible. Additional citizenship and identity verification guidance for staff, including a Question and Answer document and Desk Guide, is being created by Eligibility Policy Staff within KHPA and will be issued as soon as possible.

If you have questions about this memo, please send them to Kristi Scheve, Senior Manager, Family Medical Eligibility Program Policy at Kristi.Scheve@khp.ks.gov or Patty Rice, Manager, Family Medical Eligibility Program Policy at Patty.Rice@khp.ks.gov

Agency Website: www.khp.ks.gov

Address: Rm. 900-N, Landon Building, 900 SW Jackson Street, Topeka, KS 66612-1220

Medicaid and HealthWave:

Phone: 785-296-3981

Fax: 785-296-4813

State Employee Health

Benefits and Plan Purchasing:

Phone: 785-296-6280

Fax: 785-368-7180

State Self Insurance Fund:

Phone: 785-296-2364

Fax: 785-296-6995