Policy Memo	
KDHE-DHCF POLICY NO: PM2024-06-02	**From: Erin Kelley, Senior Manager**
Date: June 24, 2024	**Medical KEESM/KFMAM Reference(s):**
RE: June 2024 KEES Release – Review Changes	**Program(s): All Medical Programs**

This memo sets forth instructions for implementation of policy changes related to the review processes and requirements effective with the June 2024 KEES release on June 22, 2024, although some policies have already been implemented through back-end processes in order to come into compliance with federal regulations for annual renewals. Previous policies are superseded by this memo where noted. The policy manuals will be updated with the next scheduled revision.

Applicable to all medical programs:

- Review Form Changes
- Review Types
- Passive Review Criteria Updates
- Pre-populated Review Update – Changing Programs
- Passive Review Responses

I. Changes Impacting All Medical Programs

A. Review Form Changes

To align with the federal and state requirements that reviews be conducted at the individual level for all Medicaid and CHIP recipients, as well as assess eligibility for all potential programs, the review forms are being updated with new sections for these purposes.

1. Cover Page

Both the KC-1200 Family Medical and KC-1600 E&D Pre-populated Review forms will now have a new section on the cover page indicating which individual(s) are due for review.

The names of individuals up for review will populate in a table with text that indicates what will happen if they do not return the review form.

Due to policy changes described in sections C and D below, some individuals who receive a pre-populated review will not be required to return it as a condition of eligibility when the agency has sufficient information available through data-sources to make a determination for them. For those members, the following text will display:

"If this form is not received for the individuals listed below, eligibility will be redetermined based on the information we have on file. You will receive a separate notice with the outcome of that eligibility determination."

For individuals for whom we do not have enough information on file to make an eligibility determination, the return of the review form is required, meaning coverage will discontinue automatically if the form is not returned by the due date. For these individuals, the following text will display:

"If this form is not received for the individuals listed below, eligibility will end on [date]."

These texts and tables have been programmed to display dynamically based on the review type of the individuals due for review. If the household contains members with both review types, two tables should display under the appropriate text for each type.

2. *New Questions Added*

Additional changes are being made to the KC-1200 Family Medical and KC-1600 E&D review forms. In order to collect sufficient information to make a determination for each individual on all bases (i.e., for all available programs), the following questions have been added for each household member being reviewed:

1. Is this person pregnant? – This question has been added to both review forms and will allow staff to determine individuals on the basis of pregnancy.

2. Does this person need help paying medical bills from the last 3 months (including Medicare premiums)? – This question has been added to both review forms. This information will likely not be needed under current rules, as these members will typically have had active coverage in the prior medical period; however, the question is being added to account for future policy changes.

3. Does this person have a disability that will last at least 12 months or result in death? – This question has been added to both review forms for existing recipients and will allow staff to determine eligibility for individuals on the basis of non-MAGI (i.e., disability-based) programs (if applicable) when they no longer qualify under Family Medical program criteria.

4. Has this person ever applied for Social Security Benefits? – This question has also been added to both forms. The information will aid E&D staff and hybrid workers in assessing eligibility under non-MAGI criteria when applicable.

Additionally, Sections H and HH have been added to the KC-1200 to collect further

information for any person in the household who has applied for Social Security. Sections L and LL have been added to the KC-1600 to collect this information as well.

B. Review Type Update

Per PM2017-02-01, when a review is due for a Medicaid/CHIP recipient, KEES determines their review type based on certain criteria. The review type assigned determines whether the person will be passively renewed based on available data/information or sent a pre-populated review form. The list of review types has previously included the following: Super-Passive, Passive, Pre-populated, Targeted, Internal, Administrative, and No-review.

With this release, the super passive review type will still be assigned when certain program criteria are met; however, they will function the same as regular passive reviews. The programs or aid code types assigned a super passive review will now receive a passive review letter and follow all passive review logic.

Additionally, the term “ex-parte” has been added as a collective term for automatic renewals. This term refers to any review completed through automated processes as opposed to requiring a completed form to be returned by the consumer, including passive, super-passive, and no-review types. Ex-parte is also the term used by CMS to refer to automated reviews.

C. Passive Review Criteria Updates

1. Individual-Level Passive Review

Per federal policies, MAGI reviews must be conducted at an individual level no more often than once in a 12-month period and for non-MAGI programs at least once in a 12-month period. When information is available through data-sources to support a decision of ongoing eligibility, the person must be passively reviewed, meaning no further action or information is requested from them and coverage is automatically renewed. When we are unable to confirm eligibility through our data-sources or the individual appears to be ineligible based on available information, a pre-populated review form is sent with at least 30 days allowed to return it. Previously, if the pre-populated form was not returned, coverage would close with timely notice for all members due for review, even if some members would have qualified for a passive review at the individual level.

With the updates made to the existing KEES logic for reviews, review types assigned at the individual level will now be honored, and those who qualify for a passive review will not be discontinued when the review form is required but not returned for other household members. This means that when a household contains individuals with both pre-populated and passive review types, and the review form is not returned by the time the discontinuance batch runs for the review month, only those who had a pre-populated review type assigned will be closed by the batch.

NOTE: Prior to this system update, an informal backend process was implemented to stop coverage from closing for individuals who qualified for a passive review in order to align with federal requirements.

When a pre-populated review is received timely for a household with multiple review types (i.e., both passive and pre-populated), the review may be processed under normal policies for all household members, regardless of their originally assigned review type. Eligibility will continue to be re-determined for all individuals due for review based on the information provided on the review form. If additional information is requested and not provided by the due date, coverage will be discontinued for any impacted individuals. Combined notices will be sent for all review types at the time of the final determination.

NOTE: If there are individual members with a review type of passive in a combined household where a pre-populated review form has been sent, those individuals will receive their final determination notice after the full determination has been made for the household.

Example 1 – A review is due in August for a PA and two children. The PA is receiving TMD, and the two children PLN. Based on information in available data sources, the two children remain eligible for PLN, but the data source information would make the PA over-income for all programs. The children are assigned a review type of passive, and the PA is sent a pre-populated review to gather updated information. The review form is not returned by the time the discontinuance batch runs for August. Coverage ends 08/31 for the PA due to failure to return review. The two children are passively approved for PLN beginning 09/01.

Example 2 – In the same example as above, the review form is returned, reporting a new job. The review is processed, and the PA is determined ineligible for all programs. With the income verified for the new job, the children are now CHIP eligible. The PA is discontinued due to not meeting program requirements, and the children are approved for CHIP beginning with the next review period and/or with timely notice.

In situations where the review is received untimely, after the discontinuance batch has already run, and coverage discontinued for the member(s) requiring a pre-populated review form, the late review may be processed under existing policies for those members. Any members who qualified for passive review would have already received an approval notice for the program type determined by available information via data sources. Their coverage cannot be adversely impacted by the information provided on the late-received review form. If processing the review form impacts them in a *positive* way, such as reducing a premium or moving them to a better program, the change should be addressed accordingly as a reported change in circumstances.

2. Passive Review Criteria Changes

As stated above, when a review is due for an individual, before any information is requested, they must first be checked against available data sources and renewed automatically if all passive criteria is met. PM2017-02-01 lists the criteria for passive review by program.

With this release, some passive criteria have been removed as described below:

No individuals outside the home are claimed as tax dependents – This was previously a passive criterion for MAGI programs (CTM, TMD, PLN/PW, CHIP, and PLN). With this

release, this criterion is being removed, meaning it will no longer be system-checked as a requirement to receive a passive review.

Income does not exceed 200% of the FPL – This was previously a passive criterion for the CHIP program. As the CHIP upper limit has expanded beyond 200% in recent years, this check is being removed and will no longer be a preclusion from being passively reviewed.

Elimination of Trust Ownership – Previously, ownership of a trust would disqualify an individual from meeting passive review criteria, resulting in a pre-populated review form being sent. This check has been removed given that the availability of a trust does not typically change during an individual's review period. If the availability of a trust does change during a review period, the consumer is to report those changes per MKEESM 9121, and the change processed accordingly.

Past Due and Owing Expenses – This check was previously used to determine an individual's eligibility to be reviewed passively. As past due and owing expenses are worked throughout an individual's review period and set up in the KEES system to be applied and end-dated appropriately, this will no longer be a preclusion from being passively reviewed.

The below passive criterion has been added:

The primary applicant is not deceased and/or listed 'permanently out of the home' – Because of CE requirements, there may be situations where the PA is no longer part of the household, but the children must remain open through their review period(s). This check has been added to prevent children from receiving a passive review when there is no primary applicant listed in the household, and we are needing their current caretaker to apply on their behalf.

3. Social Security Number (SSN) Passive Criterion Exception

Under existing rules in KEES, a recipient over the age of one (1) will not qualify for passive renewal if they are missing a verified SSN in KEES. These members will be assigned a pre-populated review type and sent the appropriate form, even if other household recipients qualify for a passive review.

If the only passive criterion not met is the missing SSN and the consumer fails to return the pre-populated form but *does* contact the agency and supply the missing SSN after the pre-populated review was sent out and/or during the review reconsideration period, this will nullify the requirement to provide the form in order for coverage to continue (or be reinstated). The information used in the passive review for other household members may also be used to administratively renew the individual as long as other eligibility criteria is met.

NOTE: See instructions in the KEES manual for how to complete an administrative review for an individual in this scenario.

4. Pre-populated Review Sent in Error

There may also be situations where a consumer was sent a pre-populated review in error when we had all the information on file to approve continued coverage using the information on file. This could occur when a record was incorrectly set to an unverified status after it had already been verified, such an SSN or Citizenship records, which only require a once-in-a-lifetime verification. When a verified record flips to a pending or unverified status, this will cause a pre-populated review to be assigned in error, putting the individual at risk of losing coverage for failure to return the review form.

If it is determined that a person was incorrectly sent a pre-populated review when they qualified for passive/ex parte, it will be necessary to complete an administrative review using the data on file to mitigate incorrect loss of coverage. If the person has already been discontinued due to failure to return the form, they must be reinstated.

If the pre-populated review is sent in error but returned timely, it may be processed under normal guidelines.

NOTE: See instructions in the KEES manual for how to identify when a Citizenship/Identity record has been previously verified and how to complete an administrative review for an individual in this scenario.

D. Passive Review and Program Change

There are times when an individual will meet the passive review criteria, but it will result in different program eligibility, such as a change from CTM to TMD or from PLN to CHIP. Previously, when the data source information resulted in a switch between programs, the individual would continue through the passive review process, receiving a letter with the information used in their determination and what their new eligibility was.

Based on clarifying information from CMS, when an individual will change to either a lower program in the medical program hierarchy or will move from CHIP to PLN at passive review, they must be sent a pre-populated review form in order to allow them the opportunity to provide new information, similar to those who will be ineligible or for whom we don't have sufficient information. Specific to this group, if the review form is *not* returned, they will be automatically renewed on the new program rather than being closed for failure to return the review, since they qualified to be passively reviewed.

The system has been updated to make this distinction and to automatically authorize the switch in programs when the review form is not returned. When the review form *is* returned timely, it will be processed by staff as usual, including requesting additional information if needed and closing due to failure to provide if the information is not returned. If the review is received late, after coverage has already been approved on the new program, the information on the review form should be addressed as a reported change during an active coverage period and reacted to under existing policies for reported changes (KFMAM 7140 and MKEESM 9121.1). The timeframes for processing a review would still apply.

Example 1: Two children receiving PLN coverage are due for review in August. KEES determines they are eligible for passive review, but based on the information available via data sources, they will now be CHIP eligible. A pre-populated review form is mailed. The

form is not returned by the time the discontinuance batch runs for August reviews. The children are automatically moved to the CHIP program with timely notice and an approval notice is sent.

Example 2: Same example as above, but the review form is received back timely. The review is processed, and based on updated information, the children will now be ineligible for all programs due to excess income. Coverage is closed in the next available month with timely notice.

Example 3 – A review is due in October for a married individual (PA) who is actively receiving MSP/QMB. The spouse (SP) is not actively receiving any coverage. The PA receives Social Security Disability Income (SSDI). The spouse has earned income. Based on information in available data sources, PA is no longer eligible for MSP/QMB due to an increase in the SP earned income. However, their combined countable income would place PA within the MSP/LMB program limit. PA is assigned a review type of passive; however, as this is considered an adverse change, PA is sent a pre-populated review form and provided the opportunity to report information that would support a continued MSP/QMB determination. The review form is not returned by the time the discontinuance batch runs for October. Given that PA met the passive review criteria but did not provide the review form back, PA is passively reviewed and determined eligible for MSP/LMB beginning with the next review period and/or with timely notice.

E. Passive Review Responses in response to KC-1700 and KC-1300

Currently, as specified in PM2017-02-01, consumers who are passively reviewed are notified of their potential passive review determination and the information that was used to make that determination. This information is sent on the KC-1300 Family Medical passive review form or the KC-1700 E&D passive review form at the time the initial reviews batch runs. These forms will continue to be sent for individuals who qualify for passive review.

NOTE: Passive individuals who receive a pre-populated review due to criteria outlined in section C or D will receive these forms at the same time as their approval NOA, if applicable. This section does not pertain to those individuals.

Consumers who receive the KC-1300 or KC-1700 passive review form are required to review the information on the KC-1300 or KC-1700 form and contact the agency (either orally or in writing) if any information used in the passive review needs to be updated. If changes are reported within a certain timeframe, they are considered Passive Review Responses and will impact the consumer's coverage at review. Staff will need to adjust the IR record from 'sent' to 'received' and process the change in appropriate month, as indicated in PM2017-02-01.

Previously, the policy specified that in order to be considered a Passive Review Response, the reported change must have occurred on or before the 15th of the last month of the review period. This required staff to clarify when the change occurred to determine whether it constituted a Passive Review Response, rather than make a determination based on when the change was reported.

Going forward, this document specifies that for passively reviewed individuals who receive

a KC-1300 or KC-1700, any change reported by the last day of the review month will be considered and acted upon as a Passive Review Response. Any changes reported on or after the beginning of the new review period will not be considered a Passive Review Response and will be treated as a change in circumstance.

NOTE: All other information pertaining to passive review responses outlined in PM2017-02-01 will remain in effect.

II. QUESTIONS

For questions or concerns related to this document, please contact the KDHE Medical Policy Staff at KDHE.MedicaidEligibilityPolicy@ks.gov.

Erin Kelley	Senior Manager
Amanda Corneliusen	Family Medical Program Manager
Jennifer Sanders	Family Medical Program Manager
Danielle Burns	Elderly & Disabled Program Manager
Jessica Pearson	Elderly & Disabled Program Manager

Questions regarding any KEES issues are directed to the KEES Help Desk at KEES.HelpDesk@ks.gov.