



Policy Memo	
KDHE-DHCF POLICY NO: PM2024-04-01	From: Erin Kelley, Senior Manager
Date: April 29, 2024	Medical KEESM/KFMAM Reference(s):
RE: CE for Children & Household Changes	Program(s): All Medical Programs

This memo sets forth instructions, both as clarification and new policy direction, for implementation of requirements related to continuous eligibility (CE) for children when changes occur within the child’s household and/or eligibility for primary applicants and caretakers. This guidance is effective May 1, 2024, though some information may be applied retroactively in absence of previously existing policy. Previous policies are superseded by this memo where noted. KFMAM and MKEESM will be updated with the next scheduled revision.

Applicable to all medical programs:

- Children of Incarcerated Individuals
- Children of Deceased Caretaker
- Other CE Scenarios
- Residential Custody – No Response to Outreach

I. BACKGROUND

CE refers to the 12-month period of continuous coverage, which remains in place for certain populations regardless of changes in circumstances with limited exceptions, see KFMAM 2311. For child recipients of Medicaid or CHIP, CE applies to all programs.

Historically, when household or eligibility changes have occurred for the parental or adult caretaker primary applicant(s) on the case, this has been allowed to impact their child(ren)’s coverage. Examples of this include a parent or caretaker becoming incarcerated or deceased. In these cases, coverage was previously allowed to end during a CE period with the contingency that a new application must be submitted in order to resume the CE period on a new case or begin a new CE period depending on updated circumstances.

Based on clarification received from CMS and an overall focus on preventing procedural loss of coverage for children during a CE period, it is no longer allowable for these types of changes to negatively impact a child's coverage during a CE period. In these and similar situations, the child's coverage will remain in place through the end of the CE/review period at which time they will go through the review process.

A. CHILDREN OF INCARCERATED INDIVIDUALS

When an adult caretaker is the PA and becomes incarcerated, their eligibility becomes suspended, or temporarily closed, in order to prevent payment of medical claims during the period of incarceration (see [PD2023-11-01](#)). Previously, it has been part of this process to close coverage for the children in the household as well. This document clarifies that in these situations, the child or children on the case should be maintained on their existing coverage at least through the end of their CE/review period, regardless of the incarcerated status of the PA.

NOTE: This includes situations where a newborn child is born to a Medicaid eligible incarcerated individual. Per PD2023-11-01, incarceration does not end eligibility, only Medicaid payment of claims, so all rules regarding deemed eligibility would remain the same for a child born to an incarcerated individual.

B. CHILDREN OF DECEASED CARETAKER

Previously, when the adult caretaker was the PA on a family medical case and passed away, the case was closed in order for another adult caretaker to apply on behalf of the child(ren). This document clarifies that in these situations, the child(ren) and any other surviving caretakers actively receiving CE coverage on the case must be maintained on their existing level of coverage at least through the end of their CE/review period. If the surviving caretaker is either on the existing case or can be located through case file research (i.e., non-medical case records, case logs, images, etc.), they should be contacted and provided with an application as best practice in order to be established as the case head or PA for the child(ren) going forward; however, coverage for the child(ren) must continue through the end of the CE/review period regardless of whether the application form is returned.

Example: PA, SP, and three children are receiving CTM through review date 05/2024. On 03/01/2024, verification is received that the PA has passed away on 01/05/2024. Worker runs EDBC to close the PA for being deceased and then marks the PA out of the household in KEES. The children and the surviving SP should remain active on the case through their CE period. If a new application is received for them, the existing case is closed and coverage authorized on the new case.

NOTE: It is not considered a policy error to move existing family members to a new case without a new application on file; however, it should be reserved as last resort, under Policy or KEES Helpdesk advisement preferably, in order to maintain case history and the correct CE/review periods.

C. OTHER CE SCENARIOS – PA NO LONGER HOUSEHOLD MEMBER

There may be other scenarios outside the ones specified above where the case head/primary applicant is no longer a case member. In these situations, the same policies would apply, and coverage for the child(ren) will remain intact through the review period with all reasonable efforts made to encourage the existing caretaker to apply on their behalf.

While these policies apply predominantly to children, there could be instances where an adult is continuously eligible on a MAGI adult program (i.e., CTM, TMD, PW/PLN) and the PA is no longer living with the household. CE adults should also continue on their existing coverage through their review period.

D. RESIDENTIAL CUSTODY, NO RESPONSE TO OUTREACH – POLICY CHANGE

Per [PC2017-10-02](#) and [PC2021-12-01](#), when we receive an application for a child who has existing coverage with a different caretaker, it is required to request proof of residential custody from both parties. If the information is received, staff shall proceed accordingly; however, in situations where neither party responds to the request for information, the existing policy states to deny/close coverage for the child on both cases due to failure to provide.

Going forward, it is no longer permissible to discontinue coverage on the existing case when no response is received from either party. The new application may be denied due to failure to provide, but coverage will remain in place through the review period on the existing case. No notice of action (NOA) is required to be sent on the existing case as negative action will not be taken.

NOTE: Verification must still be requested from both households in order to do our due diligence to determine the correct residence of the child. All other rules regarding discrepancies in residential custody remain in place.

II. QUESTIONS

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

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