



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201

Family Investment Administration
ACTION TRANSMITTAL

Control Number: #01-52

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**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS AND CASE MANAGERS
HEALTH OFFICERS, LOCAL HEALTH DEPARTMENTS
LOCAL HEALTH DEPARTMENT ELIGIBILITY STAFF**

**FROM: CHARLES E. HENRY, EXECUTIVE DIRECTOR
JOSEPH E. DAVIS, EXECUTIVE DIRECTOR, DHMH/OOE
TERESA KAISER, EXECUTIVE DIRECTOR, CSEA**

RE: EXPANSION OF THE MARYLAND CHILDREN'S HEALTH PROGRAM

PROGRAM AFFECTED: MARYLAND CHILDREN'S HEALTH PROGRAM

ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND SYSTEMS

SUMMARY

In last year's session the General Assembly enacted The Maryland Health Program Expansion Act of 2000. This act expands coverage under the Maryland Children's Health Program (MCHP) to include two new groups. The first group includes pregnant women who have income greater than 200% of the Federal Poverty level (FPL) but not greater than 250%. The second group includes children under the age of 19, who have family income greater than 200% FPL, but not greater than 300% FPL. This act is effective July 1, 2001. The second group will pay a premium for coverage.

ACTION REQUIRED

Local DSS and Local Health Department case managers will process the MCHP application for pregnant women, using the current procedures. The income standard for pregnant woman has been increased from 200% FPL to 250% FPL. CARES will use this information to determine if the customer is eligible. If the customer is eligible, she will be enrolled in HealthChoice. If the customer is found ineligible the case will be denied.

Under this new program, called MCHP Premium, there are a number of new factors that determine eligibility for children under this MCHP expansion act. **CARES**

has been reprogrammed to identify children under the age of 19 who have income greater than 200% FPL, but less than 300% FPL. The most distinctive difference between this program and the current MCHP program is the requirement that the customer agrees to pay a family contribution and to maintain payment of that family contribution based on family income. This family contribution will assure medical coverage for all children regardless of how many children in the household. The MCHP Premium program requires a family contribution of:

\$38.00 per month for a family with income above 200% through 250% of FPL
\$48.00 per month for a family with income above 250% through 300% of FPL

The MCHP Premium program was developed to ensure that more children receive health care. DHMH determines the cost of care for children enrolled in the program. Children who have access to Employer Sponsored Insurance (ESI) will receive their coverage through enrollment in ESI if the ESI meets coverage standards and does not cost the state more than it would cost to enroll the child in a Medicaid Managed Care Organization (MCO) under HealthChoice. They will also receive secondary insurance coverage to pay for co-payments, deductibles and co-insurance amounts through a policy provided by DHMH. Children who do not have access to ESI, or whose ESI does not meet State standards or would cost more than enrollment in HealthChoice, will be enrolled in the Medicaid MCO of their choice.

Customer's responses to questions about insurance are a factor in determining eligibility for those who trickle to the highest level of MCHP due to income and in determining whether a referral is made to DHMH for potential coverage under MCHP Premium Program. The current declaratory questions about dropping insurance have been changed to include various reasons for dropping insurance. Two new questions have been added to the MCHP application to identify families interested in participating in the MCHP Premium Program if their children are not eligible for MCHP. They are as follows:

- 1. If the child applying for MCHP is not eligible for free medical care, would you (the parent or guardian of the applicant) be willing to pay part of the cost for health insurance coverage?**
- 2. Does the employer of the child's parent or guardian offer health insurance coverage for children?**

A referral will be made to DHMH by CARES for potential coverage under MCHP Premium Program for potential customers whose income results in ineligibility for MCHP and the applicant is willing to pay a premium. A newly established unit at DHMH will determine and maintain MCHP Premium eligibility for this population only and will be responsible for processing interim changes which could include unscheduled

redetermination. DHMH will provide case management for this population including setting and collecting premiums. The redetermination process for the MCHP Premium Program will be a re-application at the LDSS or LHD. The re-application packet will be mailed out to the customer by the MCHP Premium unit at DHMH advising them to re-apply for eligibility at the LDSS or LHD. The case manager will complete the new application using current procedures for re-application. If the child continues to meet the eligibility factors for the MCHP Premium Program they will remain certified. If the child's income is at or lower than 200% FPL, the child will be certified through regular MCHP procedures. The CARES to MMIS interface will certify the child in the correct medical coverage group. If the child fails eligibility for either program the case will be denied.

LDSS and LHD case managers will complete all technical and financial requirements to process the MCHP application. CARES will collect the data, test for eligibility and send the referral to DHMH for all children who meet the age limit, family income requirements and have indicated the willingness to pay a family contribution for the children's coverage. Transfer of the case record to DHMH is not required. CARES closure and denial notices for MCHP Premium have been modified to explain to the customer whose children are potentially eligible for MCHP Premium Program, that the case was referred to DHMH. If the customer has a change in family unit composition due to birth of a child to a member of the unit, DHMH will direct the customer to apply for MCHP through the LDSS or LHD for the newborn. Newborns in MCHP Premium families are not automatically eligible for MCHP or MCHP Premium coverage.

DHMH has developed a new eligibility coverage group track for MMIS to identify children eligible for the MCHP Premium Program. They are as follows:

D01 - Employer-Sponsored Insurance (ESI) income above 200% through 250% of FPL;

D02 – HealthChoice income above 200% through 250% of FPL;

D03 – Employer-Sponsored Insurance (ESI) income above 250% through 300% of FPL; and

D04 – HealthChoice income above 250% through 300% of FPL

ADDITIONAL FEDERAL MCHP POLICY CHANGES EFFECTIVE JULY 1, 2001

There are no Federal requirements for cooperation with Child Support Enforcement (CSE) under TITLE XXI State Children's Health Insurance Program (SCHIP) rules. Customers will no longer be required to pursue medical support for children who receive medical assistance under the MCHP Program. The revised MCHP application (copy attached) has eliminated all mention of assignment of rights to medical support and does not include questions concerning the absent parent. The application for MCHP will not be denied if the customer does not want to pursue medical support for eligible children.

A pregnant woman applying for coverage through MCHP will not be required to provide written proof of pregnancy. The pregnant woman's declaration that she has verified her pregnancy is acceptable. For example, a positive home pregnancy test is medical verification. The pregnant woman's estimate of her due (EDC) date will be accepted without further verification.

INQUIRIES:

Please direct questions about FIA-MA Outreach to Alice Bey at (410) 767-8557, about MCHP eligibility policy to Cathy Croghan at (410) 238-1247, about MCHP Premium policy to Nancy Dieter at (410) 767-8392, and about FIA systems to Emma Tisdale-Clary at (410) 238-1298.

C: DHR Executive Staff
DHMH Executive Staff
FIA Management Staff
Constituent Services
CTF
Help Desk