



Department of Human Resources  
311 West Saratoga Street  
Baltimore MD 21201

Family Investment Administration  
**ACTION TRANSMITTAL**

Control Number: #04-06

Effective Date: September 1, 2003

Issuance Date: September 4, 2003

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

**FROM:**

**KEVIN M. MCGUIRE, EXECUTIVE DIRECTOR, FIA**

**JOSEPH E. DAVIS, EXECUTIVE DIRECTOR, DHMH/OOE**

**RE: CHANGES TO THE MARYLAND CHILDREN'S HEALTH PROGRAM  
(MCHP AND MCHP PREMIUM) EFFECTIVE September 1, 2003**

**PROGRAM AFFECTED: MCHP**

**ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND SYSTEMS**

**Summary:**

Effective September 1, 2003, the following changes will occur in the MCHP program:

- Children certified prior to September 1, 2003 whose family income is above 185 percent Federal Poverty Level (FPL) but at or below 200 percent FPL (current coverage group P14) will have to pay a premium to continue coverage after that date. Children who applied prior to September 1, 2003, but whose eligibility is determined on or after that date, will have eligibility determined for the months prior to September, 2003, according to the eligibility rules in effect at that time.
- All children applying on or after September 1, 2003 whose family income is above 185 percent FPL but at or below 200 percent FPL will have to pay a premium before coverage will be provided. These children will not be enrolled in MCHP but will be referred to DHMH by CARES for enrollment in MCHP Premium. The required premium amount is \$37 per family per month.

These changes are the result of changes in State law enacted by the Maryland General Assembly in the 2003 session. The General Assembly also made changes to the MCHP Premium Program effective July 1, 2003. These changes are listed at the end of the Transmittal, for informational purposes only.

## **Action Required:**

The Department of Health and Mental Hygiene (DHMH) will assume responsibility for notifying all affected MCHP recipients of these changes and providing information about the effect of the changes on continuing eligibility. **Local health departments and local departments of social services do not need to issue closing notices to any children active in coverage group P14.**

DHMH will revise the MCHP application form, brochure, and brochure insert card (which states qualifying income levels and premium amounts), effective September 1, 2003. DHMH will also develop an attachment to the current (April, 2003 revision) MCHP application form detailing Program changes. Local departments should include the application attachment whenever the April, 2003 application form is sent to a customer. English language attachments can be ordered from the DHR Warehouse, following the same procedure used to order application forms. Spanish language attachments can be ordered from the Maryland Children's Health Program Division. Contact information for ordering brochures, brochure insert cards, and Spanish application forms and application attachments is given at the end of the transmittal.

## **CARES Procedures:**

### **I. P14 Coverage Group changes**

Children in the P14 coverage group will be required to pay a premium of \$37 per family per month after September 1, 2003. During a mass modification effective August 11, 2003 for currently active MCHP cases, CARES will:

- Terminate eligibility for any child active in coverage group P14, without sending notice of adverse action and without transmitting the termination to MMIS through the CARES/MMIS interface; and
- Deny MCHP eligibility to any child who applied on or after September 1, 2003, and whose family income would place him in coverage group P14, and refer that child to DHMH for enrollment processing in the MCHP Premium Program.

NOTE: Children will remain active in coverage group P14 on MMIS after CARES termination. Coverage group P14 will be used to identify this new population of MCHP Premium children until MMIS can create a new coverage group code, on or about January 1, 2004. Case Managers and Screeners need to be aware that P14 Assistance Units will be closed on CARES but active on MMIS until a new code is created for MMIS. These assistance units should be processed in the same manner as children in MCHP Premium coverage groups D01-D04.

These children may apply for MCHP at any time and should be screened and pended regardless of their status on MMIS.

Effective September 1, 2003, DHMH will complete enrollment for any child in coverage group P14 who is active on MMIS, and for any child subsequently referred to MMIS from CARES whose family income is above 185 percent FPL but at or below 200 percent FPL, and whose family pays the required monthly contribution amount of \$37 per family.

***For coverage months June, July, and August, 2003:***

Case managers will continue to determine eligibility for applicants in coverage group P14 according to eligibility rules in effect for those months. Customers determined eligible for coverage in any of those months will be entitled to all benefits which were in effect for coverage group P14-eligible children prior to September 1, 2003 (i.e., retroactive eligibility, fee-for-service coverage prior to enrolling in HealthChoice, and a guaranteed period of coverage, if applicable).

***For coverage months September, 2003 and later:***

- A. Case managers will continue to determine eligibility for MCHP applicants. If family income exceeds 185 percent FPL but is at or below 300 percent FPL, CARES will deny MCHP eligibility and refer the case to DHMH for MCHP Premium, using the automated process established in July, 2001, for MCHP Premium referrals.
- B. No eligibility for retroactive coverage will be granted to applicants whose family income is above 185 percent FPL.
- C. Case managers will use the system-generated denial letter to notify all children whose family income is above 185 percent FPL of their ineligibility for MCHP and their referral to MCHP Premium.
- D. After August 31, 2003, DHMH will not provide the 6-month guarantee of coverage for children whose family income is above 185 percent FPL.
- E. DHMH will not provide coverage from the first day of the month of application through the date of enrollment in HealthChoice for children whose family income is above 185 percent FPL.
- F. To support transfer of the children active in coverage group P14 before September 1, 2003, DHMH has sent a notice to each affected family in June, 2003, and will send a second notice and a bill for the premium amount,

beginning in September, 2003. The notices will include an explanation of the Program changes which affect the children's continued eligibility.

1. Customers will have 30 days to make payment.
  2. DHMH will bill parents for children added to the P14 coverage group after August 31, 2003, within 90 days of CARES referral to MMIS. Customers will have 30 days to make payment.
- G. Customers who pay the premium will receive monthly bills from DHMH and will remain eligible as long as they pay the monthly premium.
- H. Customers who do not pay the premium will receive timely notice of adverse action, including the COMAR citation supporting denial or termination of eligibility, from DHMH.
1. DHMH will assemble a list of the customers who have not paid timely.
  2. DHMH will terminate eligibility in MMIS for all P14 children on the non-payment list and will generate a letter to the customer, giving timely notice of adverse action.
  3. If the customer is covered by a 6-month guaranteed span of coverage, DHMH will adjust the end date of eligibility on MMIS to reflect the 6-month guarantee period and code the eligibility span with "G." Termination will be effective at the end of the guaranteed span.
- I. Redetermination of eligibility. The redetermination process currently used for MCHP Premium children will apply to P14 children, also.
1. DHMH will notify the family of the need to complete redetermination and will send a MCHP application form stamped to identify the case as a MCHP Premium case.
  2. The local health department or local department of social services will determine MCHP eligibility and deny MCHP eligibility if the income exceeds 185 percent FPL. If the family meets technical and financial eligibility factors and has indicated a willingness to pay a premium for coverage of the children, the application will be referred to DHMH for MCHP Premium processing.

## **II. Eligibility processing for babies born to P14 coverage group mothers**

- A. A baby born to a P14 coverage group mother before September 1, 2003 is automatically eligible in coverage group P03.
- B. A baby born to a P14 coverage group mother on or after September 1, 2003 is not automatically eligible for MCHP. The mother must apply for coverage for the baby and, if the baby is eligible, the baby will be assigned to coverage group P06. If the local health department or local department of social services receives a form DHMH-1184 to add the baby to the mother's case, the agency should advise the customer that the baby is not automatically eligible and provide a MCHP application form for the mother to complete, if she wishes to have MCHP coverage for the baby.

### **III. Future adjustments to CARES and MMIS**

- A. Effective August 11, 2003, CARES will reset the P track coverage groups to begin at P06 each time eligibility is called on a P track Assistance Unit (AU). This change insures that CARES will trickle the AU to the proper P track medical coverage group.

NOTE: CARES will continue to trickle to P14 coverage group whenever the income is above 185% FPL. CARES will deny eligibility for MCHP, and refer the applicant to MCHP Premium, if the applicant: (1) does not have employer-sponsored health insurance, (2) has not dropped employer-sponsored insurance voluntarily within six months prior to the date of application, and (3) has agreed to pay a premium, if not eligible for free coverage.

- B. On or about January 1, 2004, CARES will revise the denial notice text for all children referred to MCHP Premium to indicate that the customer will receive written enrollment materials for MCHP Premium, instead of a telephone contact.
- C. On or about January 1, 2004, MMIS will create a new coverage group for the children in families with income above 185 percent FPL but at or below 200 percent FPL.

## FOR REFERENCE ONLY

*Information provided below relates to MCHP Premium only. This information is provided for reference. Eligibility determinations for MCHP Premium are the responsibility of DHMH.*

The General Assembly made the following changes to MCHP Premium effective July 1, 2003.

- Eliminated Employer-Sponsored Insurance (ESI) as an enrollment option.
  - Current ESI-enrolled children will remain enrolled in ESI until the begin date of the next plan benefit year. This date will occur at the same time or shortly after the annual open enrollment period in which employees may make changes to ESI enrollment.
  - Parents of children currently enrolled in ESI received a notice in June, 2003, advising of the changes in the Program and that the changes will not affect their children until the end of the current ESI plan benefit year. Each family will receive a reminder notice about the Program changes shortly before their scheduled open enrollment period for their ESI plan.
  - Disenrollment from ESI and enrollment in HealthChoice will be managed by the MCHP Premium Case Management Unit, DHMH. Case managers at the local health departments and the local departments of social services are encouraged to refer customer inquiries to the MCHP Premium Case Management Unit at 1-866-269-5576.
- Froze Enrollment for MCHP Premium for children in families with incomes above 200 percent FPL.
  - Enrollment in MCHP Premium is frozen for children whose application date is after June 30, 2003 if family income is above 200 percent FPL but at or below 300 percent FPL. Beginning July 1, 2003, no application will be approved for new enrollment for children whose family income is above 200 percent FPL but at or below 300 percent FPL.
  - Children who are enrolled in MCHP Premium prior to July 1, 2003 may remain in MCHP Premium as long as they do not have a break in coverage. Children who applied prior to July 1, 2003, but whose eligibility is determined on or after that date, will have eligibility determined for the months prior to July, 2003, according to the eligibility rules in effect at that time.
  - Children enrolled in MCHP Premium on June 30, 2003 (including those who applied prior to July 1, 2003, but whose eligibility is determined on or after that date) will remain eligible if their families pay premiums as they are due and complete annual redetermination timely. These children will not be

allowed to re-enroll if they have a break in coverage. All families whose children are affected by the freeze were notified of the Program changes in June, 2003, by an attachment to their July invoice.

The current redetermination process will continue for these children. The family will be notified of the need to complete redetermination and will be sent a MCHP application form stamped to identify it as a MCHP Premium case, as is done currently.

The local health department or local department of social services will determine MCHP eligibility and deny MCHP eligibility if the income exceeds 185 percent FPL. If the family has indicated a willingness to pay a premium for coverage of the children, the application will be referred to DHMH for MCHP Premium processing.

## **Inquiries**

Questions about CARES procedures discussed in this transmittal should be directed to Cathy Croghan-Sturgill at 410-238-1247. Questions about MCHP policies should be directed to the MCHP Division at 410-767-3641. Questions about MCHP Premium policies should be directed to Kim Turner at 410-767-6890 or Prince Aneni at 410-767-6898. Questions about MCHP Premium procedures should be directed to Debbie Simon at 410-767-5359. Requests for brochures, brochure insert cards, Spanish language applications and application attachments should be directed to Herb Washington at 410-767-6899.

Attachment: Chart: Income Standards for 185, 200, 300 percent FPL

cc: FIA Management Staff  
DHMH Executive Staff  
Constituent Services  
DHR Help Desk  
RESI

Maryland Department of Health and Mental Hygiene  
*Maryland Children's Health Program Division*  
**201 W. Preston St., Room SS-10**  
**Baltimore, Maryland 21201**

**MCHP and MCHP Premium Annual Income Guidelines, Effective April 1, 2003**  
**Based on Federal Poverty Level (FPL)**

<b>Family Size</b>	<b>185% FPL</b>	<b>200% FPL</b>	<b>300% FPL</b>
1	\$16,613.00	\$17,960.00	\$26,940.00
2	\$22,422.00	\$24,240.00	\$36,360.00
3	\$28,231.00	\$30,520.00	\$45,780.00
4	\$34,040.00	\$36,800.00	\$55,200.00
5	\$39,849.00	\$43,080.00	\$64,620.00
6	\$45,658.00	\$49,360.00	\$74,040.00
7	\$51,467.00	\$55,640.00	\$83,460.00
8	\$57,276.00	\$61,920.00	\$92,880.00
Each Additional Person, ADD:	\$5,809.00	\$6,280.00	\$9,420.00