

August 5, 1998

Ms. Gail Sausser
Project Officer
Health Care Financing Administration
Division of Integrated Health Systems
7500 Security Boulevard, S2-01-16
Baltimore, Maryland 21244-1850

Dear Gail:

Please find enclosed corrected information in response to question #6 of the letter dated July 17, 1998 addressed to the State of New Hampshire regarding its Children's Health Insurance Plan.

Specifically: HCFA's Question #6 states: "Section 4.1.7. The first sentence in this section implies that children covered by Kids Care Plus (Medicaid) are not eligible if they have other insurance.. Our understanding is that children between 0-1 will be covered under the Medicaid coverage group at Section 1902(a)(10)(ii)(IX) using Section 1902(r)(2) disregard and not as "optional targeted low income children" as defined in 1905(u)(2)(C), thus they would be eligible regardless of whether they have other insurance. If this is correct, please clarify the language in this sentence. With regard to the remainder of section 4.1.7., please confirm that it applies to the Kids Care (Phase 2) program which is separate from Medicaid coverage!"

At the time we submitted our response, we thought HCFA's understanding of how the State was covering the children under Title XXI was correct. Upon further investigation, we have realized that HCFA's understanding was not correct. The State had originally drafted pages for a Title XIX plan amendment to select the coverage group at Section 1902(a)(10)(A)(ii)(IX) when the State intended to charge a premium for infants whose family income exceeded 185% of the Federal Poverty Level. These draft pages were submitted with the Title XXI plan on 5/30/98. When the State decided to withdraw its intention of charging a premium, the citation was changed to Section 1902(a)(10)(A)(ii)(XIV) - coverage for optional low income children. This Section is cited in the final version of the State's Title XIX plan amendment.

Although under Section 1902(a)(10)(A)(ii)(IX), the State may provide Medicaid to all children 0-1 whose family income is equal to or less than 300% of the FPL, without regard to whether they have health insurance coverage, enhanced federal matching funds would only be available to those children who do not have other health insurance. Coverage for children with other health insurance would be at the normal 50/50 matching rate. The State has verified this interpretation with the Regional Office. It is the State's intent to cover only uninsured children, ages 0-1, whose family income exceeds 185% of the FPL but is less than or equal to 300% FPL, through the Medicaid expansion and to receive the enhanced match rate.

Please accept my apology for any confusion this change may have caused. I have enclosed corrected pages for Section 4 of the NH CHIP plan for your review. Again, thank you for your assistance in moving our application through the review process. Feel free to contact me directly at (603)271-5249 should you need further clarification.

Sincerely,

Katie Dunn, MPH
Assistant Administrator

cc Dianne Luby, Director, Office of Health Management
Kathleen Sgambati, Deputy Commissioner
Julia Kaplan, Administrator, Division of Family Assistance
Ron Preston, HCFA Region 1 Office

Section 4. Eligibility Standards and Methodology. (Section 2102(b))

4.1. The following standards may be used to determine eligibility of targeted low-income children for child health assistance under the plan. Please note whether any of the following standards are used and check all that apply. If applicable, describe the criteria that will be used to apply the standard. (Section 2102)(b)(1)(A))

4.1.1. Geographic area served by the Plan: *Statewide*

4.1.2. Age: *For Phase 1: Infants up to age 1.
For Phase 2: Children between ages 1 to 19.*

4.1.3. Income: *Family income must be greater than 185% and equal to or less than 300% of the FPL. Income will be calculated in the same manner as currently used by the state for poverty level children (children with family income at or below 185% of FPL) with an additional disregard of 65 percentage points of the federal poverty level for the family size involved as revised annually in the Federal Register. In no case will income be disregarded such that the resulting net income is less than or equal to 185% FPL. The federal eligibility standard is 235% FPL.*

Methods for evaluating income include pay check stubs, W-2s, income tax returns and letters from employers on company letterhead.

4.1.4. Resources (including any standards relating to spend downs and disposition of resources): *There will not be a resource/assets test.*

4.1.5. Residency: *To be eligible a child must be a resident of the State of New Hampshire. There is no time requirement to be considered a resident.*

4.1.6. Disability Status (so long as any standard relating to disability status does not restrict eligibility).

4.1.7. Access to or coverage under other health coverage: ***Children who are covered under a group health plan or other health insurance coverage, or are children of a public employee eligible for coverage under a state health benefits plan are not eligible for the Phase 1 Medicaid Expansion or Phase 2 Healthy Kids - Silver. An application for Phase 1 and Phase 2 will be disapproved if it is determined that the child was covered under a health insurance plan within the last six months. However, an application may be approved for good cause. Such reasons include loss of employment, change of employment to an employer who does not provide dependent coverage, death of the employed parent, voluntary quit of employment, and the quit occurred for any of the good cause reasons specified in RSA 167:82 III (c) - (e) and discontinuation of coverage to all employees (regardless of income) by the employer.***

4.1.8. Duration of eligibility: *In general, a child who has been determined eligible for Healthy Kids - Silver or Healthy Kids - Gold Medicaid) and is enrolled in a managed care program in Phase 1 or Phase 2, shall remain eligible*

~~for~~ 6 months unless the child attains the upper age limit, as appropriate, ~~is~~ no longer a resident of the state, or fails to pay premiums. Exceptions to this policy are previously noted. A child who has been determined eligible ~~for~~ the Phase 1 Medicaid Expansion, who obtains services under a fee-for-service option, has no special durational eligibility. Upon failure to meet eligibility requirements, action will be taken to terminate coverage,

The state may determine that an enrollee is not eligible if eligibility was a result ~~of~~ making a false statement, misrepresentation or concealment ~~of~~ or failure to disclose income or health insurance coverage. The state may recover payments made by the state on behalf of enrollees as a result ~~of~~ any false statement, misrepresentation, etc. regarding income or health insurance coverage.

Eligibility shall be redetermined not more than 12 months after the effective date of eligibility and annually thereafter.

4.1.9. [] Other standards (identify and describe):

4.2. The state assures that it has made the following findings with respect to the eligibility standards in its plan: (Section 2102)(b)(1)(B))

4.2.1. [X] These standards do not discriminate on the basis of diagnosis.

4.2.2. [X] Within a defined group of covered targeted low-income children, these standards do not cover children of higher income families without covering children with a lower family income.

4.2.3. -[X] These standards do not deny eligibility based on a child having a pre-existing medical condition.

4.3. Describe the methods of establishing eligibility and continuing enrollment. (Section 2102)(b)(2))

The state will create a single, seamless application process for Healthy Kids - Silver and Healthy Kids - Gold Medicaid. For Phase 1 (May, 1998), families can continue to go to the established qualified sites or the local district offices to make application and have eligibility determined. In addition, the Medicaid 800-P short forms can be completed and submitted via the Title V agencies, Title X clinics, WIC sites, disproportionate share hospitals, Early Intervention sites and Federally Qualified Health Centers (FQHC's) per the state's presumptive eligibility process.

The state is also waiving the face-to-face interview requirement. With the implementation ~~of~~ Phase 2 the state will begin using a single application for both programs. The state will also establish a central unit within the Department ~~of~~ Health and Human Services where applications can be mailed. The Department will determine eligibility for both programs. This unit will be operational with the implementation ~~of~~ Phase 2 (January, 1999). The state will make applications

available via the Department's web site.

Eligibility for Healthy Kids - Silver and Healthy Kids - Gold (Medicaid) will be determined based on information collected on the application form, which will include name, address, date of birth, residency, family income, employment, and insurance (both current and in the previous six months). Eligibility for Healthy Kids - Gold (Medicaid) will also require the furnishing of a Social Security number for the child.

The state will verify address and income and whether the child is eligible for Healthy Kids - Gold (Medicaid). If the responses to questions regarding insurance coverage appear inconsistent, the state will contact the employer or insurer, as appropriate. If information is incomplete or questionable, the state will attempt to contact the applicant by phone to obtain missing information or to clarify questionable information within 10 business days of receipt of the application. If the family does not have access to a phone and/or if the state is not able to make contact by phone, the state will attempt to contact the family by mail. If no response is obtained within 10 days of sending a letter, the application will be denied.

The state will test for Medicaid eligibility first before determining eligibility for Healthy Kids - Silver. If a child meets Medicaid eligibility, he/she will be enrolled in Healthy Kids - Gold (Medicaid). This includes the option of enrolling in the voluntary managed care program. The state will serve as the enrollment counselor for these children, providing technical support during the enrollment process.

If a child is not eligible for Medicaid because the child does not meet programmatic requirements, but is eligible for Phase 2 Healthy Kids - Silver (including income, residence, and insurance requirements), he/she will be enrolled in Title XXI via Healthy Kids Corp. If a child is not eligible for either program but may be eligible for the non-subsidized Healthy Kids Corp. program, the state will refer the child to Healthy Kids Corp. Children whose eligibility for Healthy Kids - Gold (Medicaid) cannot be determined due to the lack of information needed to render an eligibility decision or failure to meet a procedural requirement, will not be screened for Title XXI eligibility. All efforts will be made to work with families to complete the eligibility process including working with community partners who may have on-going contact with families. Outreach efforts will also address this issue.

Eligibility information for children determined eligible for Healthy Kids - Silver will be entered into the state system and sent to Healthy Kids Corp. Healthy Kids Corp. will complete enrollment, including sending a letter notifying the family of the child's eligibility (including the effective date), materials about Healthy Kids Corp. and the health plan and a coupon payment book for premiums. Eligibility will be effective the date a child is enrolled in a plan and payment received. This will generally be the first day of the month after the child was determined eligible but may be later if eligibility is determined within one week of the end of the month, if the premium is not received or if the family takes additional time to select a plan (if and when there is a choice of plans) or primary care provider.

Not more than 12 months after the effective date of eligibility and annually thereafter, the state will re-determine eligibility for Healthy Kids - Silver and Healthy Kids - Gold

(Medicaid). The state will mail a form to enrollees to obtain information necessary to redetermine eligibility. Also, as noted in section 4.1.8, enrollees will be required to notify Healthy Kids Corp. of any change in circumstance that could affect continued eligibility for coverage. If the child is no longer eligible for Healthy Kids - Silver, he/she will be disenrolled. If he/she is eligible for Medicaid, he/she will be enrolled in Healthy Kids - Gold (Medicaid).

4.4. Describe the procedures that assure:

4.4.1. Through intake and follow-up screening, only targeted low-income children who are ineligible for either Medicaid or other creditable coverage are furnished child health assistance under the state child health plan. (Section 2102)(b)(3)(A))

As noted in section 4.3, the state will determine eligibility for both Healthy Kids - Silver and Healthy Kids - Gold (Medicaid). As part of the determination for Healthy Kids - Silver, the state will verify that an applicant is not a Medicaid beneficiary (through on-line access to the state's eligibility system). If the child is not a Medicaid beneficiary, the state will (based on the information collected as part of the application process) determine whether he/she may be eligible for Medicaid (e.g., because of income level). If the child is already enrolled in Medicaid, the application for Healthy Kids - Silver will be denied. If the child appears likely to be eligible for Medicaid, the state will determine eligibility and assist in the enrollment of the child into Healthy Kids - Gold.

The application will include questions about insurance coverage. **If a child has insurance coverage, he/she will not be eligible to receive coverage via Phase 1 or Phase 2 of the State's Title XXI program. Also, if a child has had insurance coverage in the past six months and does not meet one of the good cause exemptions (as noted in section 4.1.7), he/she will not be eligible to receive coverage via Phase 1 or Phase 2 of the State's Title XXI program.** Children currently enrolled in Healthy Kids Corp. who meet the remaining eligibility guidelines, will be grandfathered into Healthy Kids - Silver,

4.4.2. That children found through the screening to be eligible for medical assistance under the state Medicaid plan under Title XIX are enrolled for such assistance under such plan. (Section 2102)(b)(3)(B))

The same state unit will determine eligibility for both Healthy Kids - Silver and Healthy Kids - Gold (Medicaid), which will maximize coordination of eligibility for both programs. The state will first determine whether or not a child is eligible for Healthy Kids - Gold (Medicaid). If the child is eligible, he/she will be enrolled. Only if he/she is not eligible for Healthy Kids - Gold (Medicaid) but is eligible for Healthy Kids - Silver via Healthy Kids Corp., will he/she be enrolled in Healthy Kids - Silver.

4.4.3. That the insurance provided under the state child health plan does not substitute for coverage under group health plans. (Section 2102)(b)(3)(C))

The application process will include collecting information about current coverage and coverage in the past six months. Children currently covered will not be eligible for Healthy Kids - Gold (Medicaid) or Healthy Kids - Silver except for children currently enrolled in Healthy Kids Corp. who meet the remaining eligibility guidelines, will be grandfathered into Healthy Kids - Silver.

The state will review applications to determine whether applicants or employers of applicants have discontinued private or employer-sponsored dependent coverage in order to participate in the program. Children who had employer-sponsored coverage within the previous six months who lost coverage for reasons related to the availability of Healthy Kids (e.g., no longer purchasing family coverage) will not be eligible. As noted in section 4.1.7, an application may be approved for good cause. Such reasons include loss of employment, change of employment to an employer who does not provide dependent coverage, death of the employed parent, voluntary quit of employment, and the quit occurred for any of the good cause reasons specified in RSA 167:82 III(c) - (e), and discontinuation of coverage to all employees (regardless of income) by the employer.

4.4.4. The provision of child health assistance to targeted low-income children in the state who are Indians (as defined in section 4(c) of the Indian Health Care Improvement Act, 25 U.S.C. 1603(c). (Section 2102)(b)(3)(D))

New Hampshire does not have any federally recognized tribes.

4.4.5. Coordination with other public and private programs providing creditable coverage for low-income children. (Section 2102)(b)(3)(E))

The state will coordinate with Healthy Kids Corp in the implementation of the Title XXI plan to the fullest extent possible to reduce duplication of efforts and to provide quality health care coverage to New Hampshire's uninsured children.