

## 7.14 SPECIFIC WV CHIP REQUIREMENTS

The information in this Section parallels the information in Chapter 16, which contains the requirements specific to the Children Under Age 19 Medicaid Group. Item A describes the criteria for WV CHIP. Sections B and C describe the similarities and differences between requirements for WV CHIP and the Children Under Age 19 Medicaid Group.

### A. REQUIREMENTS FOR WV CHIP CHILDREN

|         |  |             |
|---------|--|-------------|
| Income: | 211% FPL<br>300% FPL WV CHIP Premium Expansion<br>No Spenddown Provision | Assets: N/A |
|---------|--|-------------|

Individuals are eligible for WV CHIP when all of the following conditions are met:

1. At the time of application or redetermination, the child must not be financially eligible for a MAGI Medicaid coverage group. An individual interested in receiving WV CHIP, but eligible for MAGI Medicaid, cannot choose WV CHIP instead of Medicaid, but he can refuse MAGI Medicaid.

If the applicant chooses to pursue eligibility for a non-MAGI Medicaid coverage group while enrolled in WV CHIP, and is found to be eligible for a non-MAGI Medicaid coverage group, the applicant is no longer eligible for WV CHIP, see Chapter 16.3.

2. The child is not yet age 19, regardless of school attendance or course completion date. He becomes ineligible the end of the month in which he attains age 19. Emancipation does not impact eligibility.

**EXCEPTION:** When a child is receiving inpatient services on the date he would lose eligibility due to age, coverage continues until the child is discharged.

3. Household income, determined according to Section 7.10, is less than or equal to 300% FPL. See Chapter 10, Appendix A.
4. The child is not an inmate of a public institution.

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5. The child is not a patient in an institution for mental diseases.
6. The child meets the Medicaid citizenship and alienage requirements found in Chapter 4. See Chapter 7.5, F regarding enumeration.
7. The child is not receiving a state group health plan based on a family member's employment with a public agency that has access to a state health plan.

**NOTE:** Any child who has access to insurance through a state health plan, including Public Employee Insurance Agency (PEIA), may now receive WV CHIP, if otherwise eligible and currently not enrolled. West Virginia has expanded coverage which allows WV CHIP to offer benefits to children of public employees having income of up to 300% of the Federal Poverty Level. During PEIA's open enrollment period, children can be evaluated for eligibility for WV CHIP, and if otherwise eligible, will have coverage beginning July 1<sup>st</sup> of the coverage year. Due to IRS Section 125 rules regarding life-changing events, PEIA can only disenroll children during the program's open enrollment period. The only exception is for new employees that have not yet enrolled in PEIA. New employees have 60 days from date of hire to enroll in PEIA. WV CHIP is not a secondary payer. During this open-enrollment period, dual eligibility coding will exist in the state system for Medicaid and CHIP. Payments will be monitored via the CHIP and PEIA groups to ensure that dual payments will not exist. This occurs simply for the processing of the CHIP applications. The client must show an approval letter for CHIP coverage to be able to disenroll from active PEIA coverage.

**EXCEPTION:** This requirement does not apply if the public agency contributes less than \$10 more per family, per month toward the cost of dependent coverage, than their contribution toward the cost of covering the employee only.

**EXAMPLE:** A client has PEIA through his employment at a county agency. The employer pays \$25 toward the cost of his insurance. If he adds his son to his insurance, his employer pays \$30 (\$25 for him and \$5 additional for family coverage) toward the cost of his family insurance. The insurance is available and his son is eligible, but the employer pays less than \$10 more to add the child than they pay for the client's insurance alone. If otherwise eligible, the child is eligible for WV CHIP coverage.

For WV CHIP purposes, a public agency is defined as having operations funded by state revenues that are in part, used to pay an employer's share of an employee's health care in a state health plan such as, but not limited to, PEIA.

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**NOTE:** Employees of certain community-based non-profit agencies such as, but not limited to, community action programs, senior service agencies, and mental health centers, although commonly thought to be public agencies, do not meet the public agency definition as defined by federal regulations and are identified by a tax exempt status under IRS Regulation, (501(c)3. An applicant employed by an agency with 501(c)3 tax status can, if otherwise eligible, receive WV CHIP for her child(ren).

When there is a question if an applicant's employer is considered a public agency for WV CHIP eligibility, and this information is not available to the Department or obtainable from WV CHIP, the Worker requests verification of the employer's tax status from the client.

**EXAMPLE:** An applicant is working for Eldercare Mental Health Center, a community-based non-profit agency. She has access to a state health plan with the premium costs shared between the employer and employee. The Worker is unsure if this agency is considered a public agency for WV CHIP purposes and requests verification of the tax status from the client. If the employer's human resource department verifies the agency's tax status as 501(c)3, the applicant, if otherwise eligible, can receive WV CHIP for her son.

An employee who "buys in" to PEIA or another state health plan with his own funds, without any employer contribution, would, if otherwise eligible, be able to receive WV CHIP, since no state funds are used to pay his health insurance premiums.

8. The child does not have individual or group health insurance coverage. Most children with health coverage will not qualify for WV CHIP. See "Definitions" in Appendix A.

Failure to accept available health insurance coverage does not affect WV CHIP eligibility, except for public employees who are receiving or eligible to enroll in a state health plan such as PEIA. This requirement applies only to persons who drop out of an existing program.

**EXCEPTION:** Due to IRS Section 125 rules regarding life-changing events, PEIA can only enroll children during the program's open enrollment period or for new employees within 60 days of date of hire. When this occurs, the child will be considered eligible for WV CHIP.

**NOTE:** The Worker must not advise a family concerning dropping a child's existing health insurance or about other health care provider choices.

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**EXAMPLE:** Mr. Hamilton works for Kroger and is eligible for individual or family health insurance coverage through his employer. He chooses not to enroll. Since he does not have access to a state health plan, his choice does not affect his children's eligibility for WV CHIP.

When an applicant drops his non-state health insurance coverage without good cause. If otherwise eligible he may receive WV CHIP without a penalty the month after the insurance is no longer in effect.

**NOTE:** With the implementation of Affordable Care Act (ACA), individuals seeking WV CHIP or CHIP Premium benefits as of October 1, 2013, incur no waiting period for dropping private insurance without good cause. .

If the coverage is dropped with good cause, the child, if otherwise eligible, may receive WV CHIP the month after the insurance is no longer in effect.

A child who starts receiving other health insurance coverage after WV CHIP approval loses WV CHIP coverage prior to the expiration of the current 12-month continuous eligibility period

9. A WV CHIP child must not be required to live with a caretaker relative.

**NOTE:** When one child's circumstances result in closure of the WV CHIP AG, other WV CHIP recipients, if otherwise eligible, continue to receive their 12-month period of continuous eligibility, unaffected.

#### Deemed WV CHIP Newborn

A child born to a WV CHIP recipient is deemed WV CHIP eligible when:

- The child's mother was eligible for, and receiving, CHIP for the date of the child's birth,
- The child is not eligible for Medicaid,
- The child is deemed to have applied as of the date of the birth and is not required to submit an application.
- Moves out of state,
- Dies,
- The adult voluntarily requests closure of the child's eligibility.

Coverage begins from the first of the month of the child's birth.

**B. MEDICAID REQUIREMENTS APPLICABLE TO WV CHIP**

Consideration for all Medicaid groups must be made prior to closure of WV CHIP. This does not mean that applications for all coverage groups must be taken and processed; eligibility is determined based on case record information. See Chapter 16.3.

**C. MEDICAID REQUIREMENTS THAT ARE DIFFERENT FOR WV CHIP**

The policies listed below do not apply to WV CHIP or there is a difference in application of the policy.

**1. Special Drug Approval**

This does not apply to WV CHIP.

**2. Relationship With CSHCN**

This does not apply to WV CHIP.

**3. Assignment Of Medical Support Rights**

There is no requirement for the family to assign medical support rights to the Department.

**4. Certificate Of Coverage When WV CHIP Coverage Ends**

The Worker is not required to issue an DFA-HIP-1 to the family. This is a responsibility of the WV CHIP staff.

## 5. Child Support Requirements

WV CHIP children are not referred to BCSE and are not required to pursue or accept child/spousal support as a condition of eligibility. The Worker must explain the availability of child support services on a voluntary basis. The RAPIDS automatic referral to BCSE is blocked for WV CHIP children.

## 6. Backdating Coverage

The policy which allows Medicaid coverage to be backdated up to 3 months prior to the date of application does not apply to WV CHIP benefits.

The following situations require the Worker to backdate WV CHIP coverage.

- Failure of the Worker to request additional information in a timely manner and the delay results in a loss of coverage; or
- Failure of the Worker to approve a complete application within 13 days of receipt and the delay results in a loss of coverage; or
- Inability of the Worker to approve coverage beginning the 1<sup>st</sup> of the following month when the applicant applies and/or establishes eligibility too late in the month and the data system deadline for next month approval has passed.
- The child was eligible for a Medicaid group with a spenddown but failed to meet it during the 30-day period. In this situation, since the child at this point is ineligible for Medicaid, he is evaluated for WV CHIP. If eligible the beginning date of coverage is based on the date that all information needed to establish WV CHIP eligibility was provided.
- At the request of WV CHIP administration.
- When a redetermination cannot be completed automatically and the client does not respond to the additional information requested within 30 days, the benefit is closed. If the client responds and provides the information within 90 days of the effective date of closure, the agency will determine eligibility in a timely manner without requiring a new application. If the client is found eligible, the coverage must be reinstated to effective date of closure.

**NOTE:** When approval is delayed due to Worker error and results in eligibility for backdated coverage, the client must be given the following options:

- Accept the backdated coverage for any period for which the child was eligible; or
- Begin the coverage at a later time, if there are not incurred medical expenses for the past period.

Once an option is chosen and the AG is approved, the beginning date of eligibility cannot be changed.

**EXAMPLE:** A client applies for WV CHIP for her children. Her application is received in the local office on September 4th and placed in the client's file instead of being processed. The client calls on October 20th to check the status of her application. On October 21st, the application, date stamped September 4th, is found in the file and processed. The client has the option of accepting 12 months of coverage beginning in either September, October, or November. Since the children incurred no medical expenses for September, she chooses to begin coverage in October. The 12 months of coverage begins in October and ends in September of the following year. After approval, the 12 month eligibility period cannot be changed.

**EXAMPLE:** On December 15, 2013 a child's family applies for Medicaid and the child is ineligible for all Medicaid coverage groups except AFDC-Related Medicaid. There is a \$3,000 spenddown. Allowable bills equal to or greater than \$3,000 must be provided to meet the spenddown by January 14, 2014 to be eligible for Medicaid. All other verifications and information necessary to determine eligibility is provided by the client on January 1st. Bills in the amount of \$2,345 were submitted on January 10, 2014 and failed to establish Medicaid financial eligibility. All requirements for WV CHIP were met January 1st therefore coverage begins February

## 7. Relationship Between WV CHIP And Medicaid Coverage Groups

The only relationship between the two programs is that both provide health care benefits but services and/or amount of services differ. Certain medical providers will accept only one Groups' enrollees but not the other.

An individual must first be determined ineligible for a MAGI Medicaid coverage group before he can receive WV CHIP. If the applicant chooses to pursue eligibility for a non-MAGI Medicaid coverage group while enrolled in WV CHIP, and is found to be eligible for a non-MAGI Medicaid coverage group, the applicant is no longer eligible for WV CHIP, see Chapter 16.3 the WV CHIP must be closed after adverse notice.

An individual cannot receive both Program benefits at the same time.

#### 8. Long Term Care

If the child requires long-term care services, and qualifies for ICF/MR, AD Waiver, CDCS, or I/DD Waiver coverage groups, the child is then eligible for a full-coverage Medicaid eligible and since eligible for Medicaid, ineligible for WV CHIP.

Since WV CHIP is not a Medicaid coverage group, receipt of WV CHIP does not qualify an individual for Medicaid payment of nursing facility services.

#### D. GOOD CAUSE FOR TERMINATING NON-EXCEPTED INSURANCE HEALTH COVERAGE

A child is ineligible for WV CHIP if he has creditable health insurance. This section explains how to determine if good cause exists for dropping the child's current non-excepted health insurance coverage. When the applicant has good cause, the child, if otherwise eligible, may receive WV CHIP the month after the insurance is no longer in effect.

##### 1. Applicant's Responsibilities

The applicant is not responsible for knowing if he meets the good cause criterion that allows him to drop his health coverage. The Worker must determine if good cause exists prior to a denial.

When it appears there may be good cause, it is the applicant's responsibility to provide all necessary information for the Worker to make this determination within 45 days from the date of application or be denied.

When the applicant is informed that he is otherwise eligible for WV CHIP, except for having health insurance coverage, and he drops the coverage, he must provide verification that coverage is terminated and the effective end date of the coverage, before WV CHIP is approved.

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**NOTE:** The Worker must not advise a family concerning dropping a child's existing health insurance or about other health care provider choices.

## 2. Worker's Responsibilities

When the Worker receives an application showing that the family has non-excepted health insurance (see Appendix A), he must:

Consider the application to be a request for consideration under the good cause criteria.

If not already provided, request any additional information necessary to determine good cause.

Determine if the client is otherwise eligible for WV CHIP, except for having current non-excepted health insurance coverage.

Determine by the steps outlined in Procedure for Determining if the Criteria is met below if the individual's annual health insurance premium exceeds 5% of the family's gross annual income or the medical costs for the family exceeds 9.5% of their gross non-excluded annual income.

Inform the client in writing when he meets WV CHIP requirements except for having the non-excepted health insurance coverage.

Inform the client that WV CHIP coverage continues for 12 months and that if the family income increases there is a possibility the child may not be eligible at redetermination.

Advise the client that it is his decision whether or not to drop the health insurance for WV CHIP and that WV CHIP coverage begins only after the health insurance coverage ends.

## 3. Excessive Cost Of Family Coverage

Good cause for terminating non-excepted health insurance coverage exists when the annual cost of the family coverage exceeds 9.5% of the household income or if the premiums paid by the family exceed 5% of the family's household income. The total cost of family coverage includes basic coverage and any optional dental or optical coverage, even when paid separately from the basic coverage. When a good cause determination is made due to excessive cost of family coverage, special application processing procedures may apply. See Chapter 7.2.

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## a. Definition of Family

**NOTE:** This definition is only applied to this good cause determination.

The family includes:

The child, only;

**EXAMPLE:** Mr. Lytle had health coverage for himself and his son Samuel, through his state health plan. Mr. Lytle passed away. Even though Mr. Lytle's health insurance coverage ended, his employment relationship allows health coverage to be available for a limited number of months for Samuel through COBRA. Samuel has unearned income. His aunt applies for WV CHIP. Samuel is considered a family of one and only his annual gross income and annual cost of health insurance coverage is considered in determining if he meets the good cause criteria under the 5% or 9.5% cost provision to drop his health insurance coverage.

The mother or stepmother of the WV CHIP child, if living in the home with the child; and

The legal father or stepfather of the WV CHIP child, if living in the home with the child; and

The WV CHIP child; and

The legal spouse of the WV CHIP child, if living in the home with the child; and

The WV CHIP child's blood-related or adopted siblings who are under age 19, if living in the home with the child.

## b. Procedure for Determining if the Criteria is Met

Below are the steps for determining if the family's health insurance cost equals or exceeds 9.5% of their total gross annual income.

Step 1: Add together all of the family's annual gross, non-excluded earned and unearned income.

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- Step 2: Multiply the total in Step 1 by 9.5%
- Step 3: Determine the total annual cost of the family's health insurance coverage. Family insurance expenses for medical savings accounts, or for co-payments and deductibles, are excluded from this cost determination.
- Step 4: Compare the Step 2 amount to the total cost of the family's annual health insurance premium in Step 3.
- Step 5: If the family's annual health insurance cost in Step 3 equals or exceeds the amount in Step 2, good cause exists for dropping the health insurance. If the family's health insurance cost is less than the amount in Step 2, good cause does not exist for dropping the health insurance under this criteria.
- Step 6: If good cause exists, the family is eligible for WV CHIP and is notified.

#### 4. Geographical Non-Accessibility

Good cause for dropping non-excepted health insurance coverage exists when:

A child is covered under the insurance of a non-custodial parent; and

The insurance services can only be accessed in another state, or in a geographical area in WV that is considered to be non-accessible.

##### a. Definition of Non-accessible Benefits

Insurance coverage is considered non-accessible when the following travel times are exceeded:

|  |   |
|--|---|
| Primary Care Physicians                  | 60 minutes travel time from the client's residence to the site. |
| Hospitals, Specialists, Other Facilities | 90 minutes travel time from the client's residence to the site. |

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## a. Procedure For Determining Non-accessibility

WV CHIP staff at the State Office level have the primary responsibility of determining if this criteria is met, after referral from the Worker.

When the child is ineligible for WV CHIP due solely to having health insurance coverage and Worker believes that this criteria could be used to allow a child to become eligible for WV CHIP, he must forward the following information to the WV CHIP Office at [www.CHIP.wv.gov](http://www.CHIP.wv.gov) or (304) 558-2732:

Name, birthdate, address of child  
Name of custodial parent  
Phone number of custodial parent  
Name of non-custodial parent who is carrying the insurance  
Name of insurance company  
Policy number  
Phone number of insurance company (if available)

After receiving this information, WV CHIP staff contacts the insurance company to learn if any of the covered medical services can be accessed in WV within the travel times listed above.

The Worker will be notified in writing whether or not the insurance is accessible and is to act on the basis of the information from WV CHIP staff.

## b. Follow-up Action

When the Worker is notified by WV CHIP staff that the insurance is geographically accessible, the potential for other good cause criteria is explored. If none of the good cause criteria is appropriate, the application is denied due to the child's having non-excepted health insurance coverage.

When the Worker is notified by WV CHIP staff that the insurance is geographically non-accessible, follow-up action depends on the state of residence of the non-custodial parent who is providing the coverage.

If the non-custodial parent is a WV resident, the Worker must notify the family that the sole reason for ineligibility is the non-excepted health insurance. The Worker must explain the coverage and allow the client to make a decision about the option. See Worker's Responsibilities above. If the client terminates the coverage, there is no waiting period penalty.

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If the non-custodial parent resides outside of WV, the child may receive both WV CHIP and the other health insurance coverage as long as it is non-accessible.

5. Other Good Cause Criteria

Other factors that are considered to be good cause for the termination of health insurance coverage due to being out of the control of the employee are as follows:

The employer stops offering health insurance coverage.

Health insurance coverage stops when the job is terminated by the employer.

Health insurance coverage stops when the employee changes jobs.

**NOTE:** This refers to a change in jobs that disallows the continuance of the private health insurance the employee had. It does not mean simply changing job functionality or a change to another division or unit that still provides coverage but the employee uses this change as a chance to drop his coverage to obtain WV CHIP.

The child has special health care needs.

The child lost health insurance coverage due to the death or divorce of a parent or person through whom the child obtained coverage.

E. WV CHIP Premium Expansion

House Bill 4021 established the WV CHIP Premium Expansion coverage group to expand the WV CHIP income levels to 220% of the Federal Poverty Level (FPL) effective January 1, 2007. Effective January 1, 2009, the WV CHIP Premium Expansion coverage group was further expanded to include gross income levels less than or equal to 250% and effective July 1, 2011 to include gross income levels less than or equal to 300% FPL.

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## 1. Worker Action Required / Client Notification

When the WV CHIP application is denied solely for income in excess of 211% FPL the child is evaluated for WV CHIP Premium Expansion. The total countable income for the applicable MAGI household must be less than 300% FPL after the 5% MAGI disregard is applied. See Chapter 10, Appendix A for the allowable income limits. When a denial occurs due to income, the individual's electronic account will be transferred to the Marketplace for an evaluation for other health care benefits.

**NOTE:** Verification of income is not required when the client states his income exceeds 300% FPL.

## 2. Premium Payment

The premium amount is based on the number of children approved for WV CHIP Premium Expansion coverage. The premium amount for one child is \$35 per month. The premium amount for two or more children is \$71 per month.

The initial and ongoing premium payments may be made by check or money order, or online at [www.chip.wv.gov](http://www.chip.wv.gov). Continued participation in WV CHIP Premium Expansion requires payment of monthly premiums. Premiums are due by the 1<sup>st</sup> of the month to continue coverage for that month.

**NOTE:** Premium payments must not be accepted by the local offices. The client is instructed by WV CHIP to mail payments to the WV Treasurer's Office with the appropriate payment coupon or pay online.

3. Beginning Date of Eligibility

Families eligible for WV CHIP Premium will be provided 2 coupons that reflect coverage start dates. Some families are eligible to backdate their beginning date of eligibility to the month of application. The start date on the coupon is the first date that the child(ren) may be enrolled in WV CHIP Premium. The family chooses the coupon with the start date they wish their child's enrollment to be effective, or if the same date on each coupon, select the coupon for either 1 month or 2 month's coverage.

**NOTE:** There is no redetermination for WV CHIP Premium Expansion coverage. The client must reapply after the 12-month financial eligibility period ends.

4. Changes in AG Circumstances

WV CHIP Premium Expansion recipients must report all changes in AG information, including, but not limited to income to the WV CHIP Helpline at 1-877-982-2447.