



DATE: September 27, 2013

OPERATIONS MEMORANDUM #13-09-03

SUBJECT: Application Requirements Under the Affordable Care Act (ACA)

TO: Executive Directors

FROM: Tom Strickler
Director
Bureau of Operations

PURPOSE

To inform County Assistance Offices (CAOs) of the policy changes in the Medical Assistance (MA) application process that are effective statewide with the implementation of the ACA provisions on October 1, 2013.

BACKGROUND

The ACA makes several major changes to the MA application process by requiring a single, streamlined application for all insurance affordability programs which include MA, Children's Health Insurance Program (CHIP), Advance Premium Tax Credits (APTC) and Cost-Sharing Reductions (CSR). This document discusses the changes to the application process, Commonwealth of Pennsylvania Access to Social Services (COMPASS) and paper applications, made in accordance with the federal requirements for a single, streamlined application.

DISCUSSION

With the implementation of the ACA, CAOs must use a single, streamlined application to determine eligibility for MA based on Modified Adjusted Gross Income (MAGI). No additional forms will be required to make a MAGI eligibility determination.

Individuals will submit MA applications through the Federally-Facilitated Marketplace (FFM), COMPASS or CAOs. The ACA also requires states permit individuals to apply via telephone. A Consumer Service Center will be established to assist individuals who wish to apply for MA only. If individuals contact CAOs to submit MA-only applications over the phone, CAOs must transfer these calls to the Consumer Service Center. To ensure coordination of eligibility and enrollment, changes have been made to the existing COMPASS and paper applications, and a new process will be introduced for transferring information to and from the FFM.

The major changes made to COMPASS and paper applications entail the inclusion of additional sections related to:

- An individual's tax household.
- An individual's deductible tax expenses.
- A selection of an Authorized Representative.

Changes to the Application Process and CAO Responsibilities

Effective October 1, 2013, individuals will be able to apply for MA coverage through the FFM, COMPASS, CAOs and by phone. During the open enrollment period, October 1, 2013 through December 31, 2013, if an individual submits an MA application through the FFM, the FFM will determine eligibility for MAGI MA.

FFM Applications for MA: October 1, 2013 – December 31, 2013

When the FFM determines the individual eligible for MAGI MA, it will transmit the electronic account to the CAO in the county/district where the applicant resides. The electronic account will contain the FFM account transfer application in PDF format and will have a form number that will begin with an "F". The FFM will not transmit document images received from clients.

When the FFM transmits the electronic account, the CAO must:

- Accept the determination made by the FFM as final.
- Process the application as if the CAO had determined eligibility. The information received from the FFM is considered verified upon receipt for MA applications.

When the FFM assesses the individual potentially eligible for non-MAGI MA, it will transmit the electronic account to the CAO in the county/district where the applicant resides. CAOs must treat FFM assessments for non-MAGI MA as new applications.

Although the open enrollment period begins on October 1, 2013, the FFM will not be ready to perform account transfers to CAOs on October 1, 2013. Further information about FFM account transfers will be forthcoming.

FFM Applications for MA: January 1, 2014 and Ongoing

Starting January 1, 2014, the FFM will perform eligibility assessments for MAGI and non-MAGI MA applications submitted through the FFM and will transmit to CAOs electronic accounts of individuals who appear to be eligible for MA.

When the FFM transmits the electronic account, CAOs must:

- Accept information from the FFM as verified upon receipt for MA applications.
- Review the electronic account and, if no additional information is required, promptly determine eligibility. CAOs must not request duplicative information or documentation, as information transmitted from the FFM is verified upon receipt.
- If additional information is needed, CAOs are to complete the eligibility review and request verification in accordance with Operations Memo, Medicaid Eligibility Rule Changes Under the ACA, before authorizing MA benefits.
- Process account for eligibility within 30 days of the receipt of account.

NOTE: More detailed information will be posted in the near future regarding FFM Account Transfers.

The Date of Application and MA Eligibility Begin Date

For applications submitted through COMPASS, CAOs or by phone, CAOs must first determine the date of application in accordance with Section 304.14 of the *MA Eligibility Handbook*. The application date dictates when MA can be authorized to begin:

- If the date of application is **September 30, 2013 or earlier**, eligibility for MA will be determined using current MA rules.
- If the date of application is **October 1, 2013 or later**, MA eligibility will be based on the MAGI rules in accordance with Operations Memo, Medicaid Eligibility Rule Changes Under the ACA.

Examples:

- An individual submits an application via COMPASS on September 30, 2013 at 11:58 p.m. The date of application is considered September 30, 2013 and the individual's MA determination would be based on current MA rules.

Note: For COMPASS applications, the date the form is submitted is considered the MA application date, NOT the date imported from COMPASS.

- An individual submits a paper application to the CAO on October 1, 2013. The date of application is considered October 1, 2013 and the individual's MA determination would be based on MAGI rules.

If an individual submits an application with a date of application **ON** or **AFTER** October 1, 2013 and is not eligible for MA based on either MAGI or non-MAGI rules, the CAO must transfer the electronic account to the FFM for the individual to be evaluated for other insurance affordability programs.

Though FFM referrals will be generated by CAOs beginning October 1, 2013, the FFM will not be ready to accept transfers on October 1, 2013. Further information regarding FFM account transfers will be forthcoming.

Changes to the COMPASS Application

To ensure compliance with the federal requirements for a single, streamlined application, a number of changes have been made to the COMPASS application. The changes consist of updating existing screens as well as creating new screens. The COMPASS Summary will contain additional fields to reflect changes made to the COMPASS application.

Tax Household

Individuals will be asked questions about their tax household on the following screens:

- A **Household Screen** will include language asking individuals applying for Health Care to list everyone expected to file taxes along with the applicant. Individuals will be asked to specify if each individual lives in the same household as the applicant. Individuals not living in the same household, who are included on the application due to a tax relationship, cannot select to apply for benefits since they are not a part of the household.
- A **Benefits Screen** will inform clients that only individuals living with the applicant may apply for benefits on this application.
- An **Individual Details Screen** will collect tax filing information by asking an individual if he or she is planning to file taxes or not. Each individual will be asked if he or she is going to be claimed as a tax dependent or claim anyone as a tax dependent.

Note: A dependent cannot be claimed by more than one filer or joint filers.

Individuals will have an option to add another dependent and tax filer who is not already listed, which will return the applicant to the household screen.

If an individual indicates a marital relationship to another person on the application, COMPASS will ask the individual if he or she will file taxes jointly with the spouse.

Deductible Tax Expenses

An **Expenses Screen** will collect tax deductible expenses for tax filers only. If an individual indicates that he or she has tax deductible expenses, a new screen named "Tax Deductible Expense" will appear allowing the individual to specify the source, amount, and frequency of the expense.

Authorized Representative

An **Additional Contact Screen** will appear if the applicant chooses to have an Authorized Representative. The screen will collect Individual Details on the Authorized Representative.

Additional changes made to COMPASS include the following:

- Identity Proofing.
- Former Foster Care status.
- Number of expected children.
- Incarceration information.

Identity Proofing

An **Identity Proofing** screen has been added. Individuals completing applications online will be required to answer a set of challenge questions to prove their identity during My COMPASS Account set-up. Current COMPASS users will have their identity proofed when they first login to COMPASS following the ACA implementation. Questions will be generated so that only the person answering them would have the correct answers. Individuals on the application who are not the head of the household will not have their identity proofed. Additionally, Community Partners will not be required to complete the identity proofing process.

If online identity proofing fails, applicants will be asked to attempt identity proofing over the phone through Experian. COMPASS will confirm the result of identity proofing.

Those who fail online and phone Identity Proofing will still be able to submit an online application.

The following scenarios will not receive Identity Proofing questions:

- Individuals indicated as Head of Household who are deceased.
- Individuals indicated as Head of Household who are under age 18.
- Individuals indicated as Head of Household who do not exist in the Experian system due to lack of credit history.

Former Foster Care Status

Every applicant age 18 through 25 will be asked if he or she was in foster care at age 18 or older. If the applicant answers yes, he or she will be asked if the foster care ended because of the applicant's age, the age at which foster care ended and the state where they were in foster care.

Number of Expected Children

If an individual indicates that she is pregnant, COMPASS will ask for the number of children expected.

Incarceration information

Individuals will now see the question about the incarceration status of household members. If there is an incarcerated person in the household, a new screen will appear to collect information about incarceration details.

Changes to the Paper Application

Please refer to the Attachment for the PA 600 HC application.

The following changes have been made to the paper application:

- Besides individuals living in the same household, applicants are required to list anyone included on their federal income tax return. Applicants are required to answer questions related to their expected tax filing status and tax relationships in the new section "Tax Information."
- The "Deductions" section collects information about applicants' tax deductions. Applicants are asked to list expenses that can be deducted on a federal income tax return.

- Applicants will have an opportunity to name an Authorized Representative on the application. An Authorized Representative section will collect information on the individual the applicant chooses to have as his or her Authorized Representative.
- A series of questions has been added to collect data for APTC eligibility.
- Appendix A has been added to collect information relating to American Indians and Alaska Natives.

Besides the inclusion of the new sections in the paper application, some sections have been revised with the addition of new questions:

- Applicants under the age of 26 are asked if they ever were in foster care at age 18 or older. If they were, applicants are asked whether or not the foster care ended because of their age, the age at which they left foster care and the state where they were in foster care.
- In addition to the Expected Due Date, pregnant women are asked to provide the number of children expected.

NEXT STEPS

1. Share and review this information with appropriate staff members.
2. Please contact your Area Manager if you have questions regarding this Operations Memorandum.
3. This Operations Memorandum becomes obsolete upon release of revised *Handbook* changes.

[Attachment](#)