

Operations Memorandum

Medical Assistance OPS080911

October 6, 2008

SUBJECT: Health Care Handshake: Automated Process for Handling Applications for Health Care Benefits
TO: Executive Directors
FROM: Joanne Glover, Director, Bureau of Operations

Purpose

To provide instructions on a new process developed between the Department of Public Welfare (DPW) and the Pennsylvania Insurance Department (PID) for processing applications for health care coverage.

Background

Currently, Medical Assistance (MA) applications that are rejected and recipients that are closed, which require a referral to PID for either Children's Health Insurance Program (CHIP) or adultBasic (aB), are forwarded manually by the caseworker. The worker copies and sends the applications and any required verifications to the PID contractors. A notice is mailed to the individuals to inform them of the routing of their application or renewal information. In a cooperative effort to simplify and expedite this process, PID and DPW have developed an automated process. This automated process, known as the Health Care Handshake (HCHS), links the Client Information System (CIS) and the CHIP and aB Processing System (CAPS). On March 17, 2008, the HCHS began piloting in five counties: Lancaster, Schuylkill, Northumberland, Montour and Columbia. On July 14, 2008, the pilot was expanded to include Bucks, Butler, Lawrence and Luzerne counties, as well as all CHIP and aB contractors.

Discussion

Effective October 15, 2008, the HCHS will be implemented statewide. The County Assistance Offices (CAOs) and PID contractors will continue to determine eligibility from information provided on the applications and renewals. However, the referral process from PID to DPW and from DPW to PID will be automated. This will eliminate the need for workers to manually copy and mail applications and supporting information.

There will be instances in which some information will not be automatically transferred. The worker will need to fax or mail this information to the PID contractor.

The current policy of forwarding an application to a PID contractor is still in effect. Only the methodology of how the application is forwarded has changed. The purpose of the HCHS is to reduce workload, ensure timely and accurate referrals between the departments and deliver health care coverage to the uninsured as quickly and efficiently as possible.

REFERRAL PROCESSES

The following steps will be used to exchange application and renewal information:

PID Contractor Referrals to DPW

PID Responsibilities:

- **Receives** application, renewal or other documentation.
- **Determines** the individual's or family's ineligibility for CHIP, aB or both.

NOTE: When an individual is no longer eligible for CHIP due to their age, the CHIP contractors do review for MA eligibility and will refer the individual through HCHS if they are potentially eligible for MA.

- **Forwards** the application/renewal information, including verification of income, to DPW through COMPASS if there is indication the individual or family may be eligible for MA.
- **Notifies** the individual or family of the decision and that the application, renewal or closure information has been forwarded to DPW for review of MA eligibility.
- **Maintains** the hard copy of any documentation that had been received.

CAO Responsibilities:

- **Pulls** the information from the CAPWEB, and **Assigns** the application to a worker.
- **Accepts** the information verified by the contractor. However, since PID contractors currently are not required to request or verify citizenship, identity and resource information, CAO workers may need to contact the household to request this verification (if applicable). The contractor does verify residency and income.

NOTE:

- Ø If a PA 1809, Birth Certificate, ID or other verification of citizenship and identity are in an existing DPW case record, no follow up is required.
- Ø If these items have not been previously provided to DPW, the caseworker is required to contact the family for the documents if PID did not verify citizenship and/or identity.
- Ø Processing of an application from PID is not to be held up due to lack of citizenship or identity documentation, as long as the household is cooperating in providing the documents. Reference Operations Memorandum [060705](#), Verifying Citizenship and Identity for Medicaid.

- Determines eligibility for MA.

TIME FRAMES FOR PROCESSING A REFERRAL

To ensure that individuals are receiving benefits timely, when an application is rejected and referred to DPW by a PID contractor, the CAO has ten business days to process the application.

EXAMPLE: An application is received Tuesday, 7/1/08 by the CAO. The CAO must process the application by the tenth business day, including the date of receipt, which is 7/15/08.

REMINDER: When there is a discrepancy between the information provided by the contractor and information known to the CAO, the CAO has two business days to clear up the issue either by contacting the contractor or the household applying for benefits. If contact cannot be made with a household within this time frame, a written request for information will be sent, allowing the household ten calendar days to provide the information. This should ensure that the CAO is able to process the application timely. Benefits cannot be denied until the ten-day calendar period given for the information to be provided has expired.

DPW Referrals to PID Contractor

CAO Responsibilities:

- Receives application, renewal or information that may result in MA closure.
- Determines the individual's or family's ineligibility for any MA category.

NOTE: When an individual reaches the age of 18, and does not meet any other MA eligibility criteria, or is income ineligible, the individual will be referred to PID through HCHS.

- Rejects or closes MA due to income, resources or failure to meet eligibility criteria for MA. The application, renewal and income, resource and household composition information is automatically forwarded to PID (CAPS) through COMPASS.
- Notifies the individual or family of the decision that the application or renewal closure information has been forwarded to PID.
- Maintains the hard copy of any documentation that has been received. Follow current retention procedure outlined in Supplemental Handbook Chapter 815, Case Record Retention.

NOTE: Application rejections or budget closures that result from Non-Financial Failure or Excess Resources may require the worker to mail or fax income information to the PID contractor:

- Ø A daily report will be posted to DocuShare informing each county of the number of applications, renewals and case records that were rejected or closed for Non-Financial or Resource reason codes and that were referred to PID.
- Ø The reports will display County/District and Caseload information and workers will review them in order to find which case records require income information to be sent to the PID contractors.
- Ø The location of the application will be shown in case management so the worker will know which contractor to mail the information to.
- Ø Caseworkers have seven business days from the date the report is generated to submit the information to the contractors.

- ∅ The CAO is not required to copy and fax verification of income. The attached HCHS fax cover sheet ([Attachment 3](#)) has fields for the CAO to provide all information necessary for a determination of eligibility for CHIP or aB.

The notice informing individuals of the forwarding of their information from the CAO to PID contains contact information for either the PID contractor or the Customer Service Center (See [Attachments 1](#) and [2](#)). Individuals will be instructed to contact the listed PID contractor or Customer Service Center for questions about the status of their application or the referral in general. The applications will be sent to the PID contractors on a round-robin basis. If there are system problems and COMPASS is not available to assign a contractor, the Customer Service Center contact information will be displayed as part of the notice provided to the individual.

If an individual contacts the Customer Service Center or CAO to inquire about the status of their application or renewal, caseworkers will look up the information in case management. Case Management will show the name of the contractor that the application was sent to and will show the status of the application at PID. The status will read “not available” until CHIP/aB has taken action to assign the contractor. For further information about the status of the case, caseworkers should refer the individual to the PID contractor listed on case management.

PID Responsibilities:

- Pulls the information from CAPS.
- Determines the individual’s or family’s eligibility for CHIP, aB or both.

NON-REFERRAL TO PID

The following are reasons why an application, or closure of an MA budget or individual, would not be referred to PID from DPW:

- Failure to Provide Information (042)
- Individual has Health Insurance Coverage
- Undocumented or Temporary Aliens
- Failure to Keep Appointment (047)
- Non PA Resident

- Permanent Move Out of State (064)
- Whereabouts Unknown (062)
- Institutionalization (056)
- Death of Payee (090)
- Death of Household Member (091)
- Voluntary Withdrawal (063)

Be sure to refer remaining household members to CHIP or aB when dealing with cases that only affect an individual, eg. death, institutionalization, etc.

INDIVIDUAL DELETE MODE

There are instances when an individual is no longer in the household due to death, institutionalization, or whereabouts unknown, and the removal of the individual makes other budget/case members ineligible for MA. In these situations, the deletion reason code is the driving force behind the referral. It is the first closure code associated with the case, even though the other members will close due to income, resources or other reasons. It is important that the caseworker process deletions in the “Individual Delete” mode and continue through all CIS modules until the processing of the case is completed.

INDIVIDUAL STATUS CHANGE

In a situation where an individual remains in the household, but requests that MA benefits be closed, it is important that the caseworker change the individual’s requesting status for MA and not use the individual delete mode. When an individual wants benefits to be stopped, but wants to remain in the household, the caseworker will:

- Go to Eligibility Status Change on the CIS AECM Action Menu.
- Change the requesting MA indicator on CAIREQ from a “Y” to an “N.”
- Process through all modules until the processing is completed.

Do not “Jump to CABUDG.” It is important that all modules are processed when there is a possibility that any member of the household may be a PID referral. Jumping to the end of the process disrupts the PID referral logic and the information necessary to make an appropriate referral is not collected.

Examples:

1. Pregnancy. When the caseworker jumps to CABUDG without entering the pregnancy termination date, the pregnancy information is sent to PID. This causes problems regarding household composition, because the newborn will be sent, and it will seem as though the mother is still pregnant.
2. Non Continuous Eligibility (NCE). When an NCE is processed and the recurring MA is processed later, many times caseworkers will jump to CABUDG as all information was previously entered. However, for NCEs, income is often end-dated. This means that the income sent to PID will show as terminated, and will not be used as a part of the determination for CHIP or aB.

TERMINATION OF INCOME

When an individual verifies that a source of income is ended, this source should be terminated in CIS. Simply putting zeroes on the income screens causes incorrect information to be sent to PID. When the source of the income is not terminated, an end date is not entered. The system sees an open income source and searches for and sends the last record with values other than zero. So, although the last months of the income source may have all zeroes, because it was not terminated, the system will forward the last month's values other than zero to PID.

INTER COUNTY TRANSFERS

There are instances in which a caseworker may need to do an immediate close on a budget that was already processed using code 099, Inter-County Transfer. Unless the household's situation has changed, and a referral reason code would be appropriate, it is important that the caseworker in the losing county not use a referral reason code to process the immediate closure. If the situation arises that the household appears MA eligible, and the caseworker is only processing an immediate closure so the budget can be processed in the receiving county, the caseworker should use reason code 052, Residence, and suppress the notice.

NON-REFERRAL TO DPW

The following are reasons why an application or closure of health care coverage would not be referred to DPW from PID:

- Failure to Provide Information
- Undocumented or Temporary Aliens (unless there is an emergency need for health care coverage)
- Non PA Resident

Next Steps

1. Review this memorandum with appropriate staff.
2. Direct questions regarding this Operations Memorandum to your area manager.
3. This Operations Memorandum becomes obsolete upon updating of the Medical Assistance Eligibility and Supplemental Handbooks.