



DATE: April 3, 2014

OPERATIONS MEMORANDUM #14-04-01 Medicaid

SUBJECT: Transition of “Grandfathered” Children from the Children’s Health Insurance Program (CHIP) to Medical Assistance (MA)

TO: Executive Directors

FROM: Tom Strickler
Director
Bureau of Operations

PURPOSE

To inform County Assistance Offices (CAOs) of the processing procedure for children who are currently eligible for CHIP based on “grandfathering” and who opt to receive MA.

BACKGROUND

Under the Affordable Care Act (ACA), changes to MA and CHIP included Modified Adjusted Gross Income conversions of the income limits for children. The income limit for children ages 6-18 for MA changed from 100 percent of the Federal Poverty Limit (FPL) to 133 percent. Children who were eligible for CHIP with income between 100 percent and 133 percent of the FPL remained enrolled in CHIP and are referred to as “grandfathered” children. The families of these children have the choice to switch from CHIP to MA.

DISCUSSION

On Friday March 14, 2014, letters will be mailed to families of CHIP recipients between the ages of 6 and 18 who have countable household income between 100 percent and 133 percent of the FPL. The letter informs the families that they have the choice to terminate CHIP coverage and opt for MA coverage.

Families who opt for MA coverage will be sent to the Department of Public Welfare (DPW) from the Pennsylvania Insurance Department (PID) for processing through the existing Health Care Handshake process.

Processing Grandfathered Children

The COMPASS PDF referral received from PID for “grandfathered” children will be identical to current PID referrals. There will be NO designation on the referral that a

child is a “grandfathered” child. Referrals for “grandfathered” children will be processed using the current policy for PID referrals (See Ops 08-09-11) with the addition of the items listed below.

When the CAO enters the Case Open or Program Add workflow:

1. A green edit message will be present on the Program Request Questions screen to inform the worker that one or more children on the referral are a “grandfathered” child.
2. The Special Category Request dropdown on the Program Request Questions screen will be prepopulated with MG19 for each “grandfathered” child.

Note: The referral could be for multiple “grandfathered” children. There will be a separate green edit message for each child and the Special Category Request will be prepopulated for each child.

3. The CAO will process the referral as normal up to the Eligibility Result Summary. The CAO must process the case using the income information sent from PID on the referral.
4. At the Eligibility Result Summary, the MG19Y category will be built for each “grandfathered” child based on the Special Category Request.

Note: The Special Category Request forces the build of the category and no income test will be performed.

5. A new notice option (966 option G) has been created to be sent out at authorization for “grandfathered” children.

On the Client Notice screen, the 966 notice will be presented. The caseworker must select option G from the Option dropdown.

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.