



# STATE OF NEW YORK DEPARTMENT OF HEALTH

Corning Tower      The Governor Nelson A. Rockefeller Empire State Plaza      Albany, New York 12237

Antonia C. Novello, M.D., M.P.H., Dr. P.H.  
*Commissioner*

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*Executive Deputy Commissioner*

**ADMINISTRATIVE DIRECTIVE**

**TRANSMITTAL:** 05 OMM/ADM-2

**TO:** Commissioners of  
Social Services

**DIVISION:** Office of Medicaid  
Management

**DATE:** May 18, 2005

**SUBJECT:** Reduction in the Child Health Plus A (Medicaid) Income Limit for Children Age Six through Age Eighteen from 133% to 100% of the Federal Poverty Level

|                                |  |
|--------------------------------|--|
| <b>SUGGESTED DISTRIBUTION:</b> | Medicaid Staff<br>Fair Hearing Staff<br>Legal Staff<br>Staff Development Coordinators<br>Temporary Assistance Staff  |
| <b>CONTACT PERSON:</b>         | Bureau of Local District Support<br>Upstate: (518) 474-8216<br>NYC: (212) 417-4500   |
| <b>ATTACHMENTS:</b>            | Attachment IA: Upstate Language for Discontinue Medicaid<br>Attachment IB: New York City Language for Discontinue Medicaid - Excess Income<br>Attachment IC: New York City Language for Discontinue Medicaid Excess Income and Resources<br>Attachment II: Notice to Pick a CHPlus B Health Plan<br>Attachment III: Notice of Decision Based on Disability Status<br>Attachment IV: Children with Special Health Care Needs Program<br>Attachment V: Case Examples |

**FILING REFERENCES**

| Previous<br>ADMs/INF | Releases<br>Cancelled | Dept. Regs. | Soc. Serv.<br>Law & Other<br>Legal Ref. | Manual Ref. | Misc. Ref.                     |
|----------------------|-----------------------|-------------|---|-------------|--------------------------------|
|                      |                       | 360-4.7     | 366(4)                                  |             | GIS 01 MA/032<br>GIS 02 MA/008 |

**I. PURPOSE**

The purpose of this Administrative Directive (ADM) is to alert local social services districts to changes in the Child Health Plus (CHPlus) A income level for children age six through age eighteen, pursuant to Chapter 58 of the Laws of 2004. The income level for these children will decrease from 133% to 100% of the Federal Poverty Level (FPL). The Department is implementing this change effective April 1, 2005.

**II. BACKGROUND**

Currently, in determining financial eligibility for CHPlus A for children age six through age 18, the family's income is compared to 133% of the FPL. With the passage of Chapter 58 of the Laws of 2004, the income standard will be decreased to 100% of the FPL.

**III. PROGRAM IMPLICATIONS**

The legislation requires children currently enrolled in CHPlus A due to their eligibility at the higher income level to remain enrolled until their next scheduled renewal. Therefore, districts will not be required to take action on these cases until the child's annual renewal. Children who become ineligible for CHPlus A due to the reduction of the income standard to 100% of the FPL do not need a new application to enroll in CHPlus B. Potentially disabled children must be screened for eligibility under the Supplemental Security Income (SSI)-related category. Districts will need to ensure processes are in place to expedite the disability determinations of any children identified by the Department as potentially disabled. Any child whose family requests a disability determination for their child losing eligibility because of the income reduction to 100% of the FPL should also receive an expedited disability determination.

**IV. REQUIRED ACTION**

The Department has developed the following procedures to meet the legislative requirements.

Upon the return of a child's annual renewal form and the completion of the new budget, children previously eligible with incomes above 100% of the FPL, who are no longer eligible due to the reduction of the income level to 100% of the FPL must be closed using unique closing reason codes (see Systems Implications Section). Use of these codes will generate a notice (Attachments IA for Upstate districts and IB or IC for New York City) explaining that the child is no longer eligible for CHPlus A and the process that will be followed to confirm their eligibility in CHPlus B. The notice will also explain the child's option to remain in CHPlus A with a spenddown and/or to request a determination of eligibility under SSI-related provisions.

**NOTE:** These unique closing reason codes should also be used if a family reports an increase in income or other budget change prior to annual renewal that results in ineligibility for a child previously eligible between 100% and 133%. (See Systems Implications Section.)

Use of the appropriate closing reason code will generate an extension of CHPlus A coverage for 90 days or for the balance of any continuous coverage period, whichever is longer. During this extension, the appropriate health plan will determine if the child is eligible for CHPlus B and enroll the child, if eligible.

A file of all children closed with the new closing reason codes will be generated from the Welfare Management System (WMS). The file will contain the data elements needed by a CHPlus B health plan to determine if the child is eligible for CHPlus B, including income information available in the MBL subsystem. The file will be sorted using the following criteria:

1. Children living in counties where only one CHPlus B plan is available

The Department will provide the information on children residing in the following 18 counties to the CHPlus B plan operating in that county. The plan must contact the family to confirm the child's eligibility. Once the child's eligibility has been confirmed, the child will be enrolled in the CHPlus B plan, beginning the month following the last month of the child's CHPlus A extension period. The 18 counties are:

|             |            |
|-------------|------------|
| Cayuga      | Chemung    |
| Chenango    | Franklin   |
| Genesee     | Jefferson  |
| Lewis       | Livingston |
| Monroe      | Ontario    |
| Schuyler    | Seneca     |
| St.Lawrence | Steuben    |
| Tompkins    | Wayne      |
| Wyoming     | Yates      |

2. Children enrolled in CHPlus A managed care plans in counties other than the above mentioned 18 counties

This file will be reviewed by Department staff, who will determine if the CHPlus A plan also offers CHPlus B. If so, the Department will provide the child's information to the plan. The plan must contact the family to confirm the child's eligibility. Once the child's eligibility has been confirmed, the child will be enrolled in the CHPlus B plan, beginning the month following the last month of the child's CHPlus A extension period.

Children enrolled in CHPlus A plans that do not offer CHPlus B will be identified and processed in the manner described in item 3 below.

3. Children enrolled in CHPlus A fee-for-service in counties other than the above mentioned 18 counties

For those children in CHPlus A fee-for-service or in CHPlus A plans that do not provide CHPlus B, the Department will send a second mailing (Attachment II) to the families. This mailing will contain information about the CHPlus B plans available to the family and explain that the family must pick a plan and call the toll-free phone number provided in the letter with their plan choice. When a family responds, the Department will provide the child's information to the plan the family has chosen. Depending on when a child chooses a health plan, some children will be enrolled in the CHPlus B plan on a presumptive basis, beginning the month following the last month of the child's CHPlus A extension period. The CHPlus B plan will confirm the child's eligibility as soon as possible, but no later than sixty days after enrollment in the plan.

For children whose families do not respond to the request to pick a plan, the Department will randomly forward the child's name to a CHPlus B plan in their county of residence, using the algorithm used by the Medicaid Managed Care Program for auto-assignment. The CHPlus B plan must confirm the child's eligibility, as noted above.

Department of Health staff will be responsible for:

1. Preparing mailings for each family that include instructions for choosing a plan, CHPlus B plan information, and the deadline for responding.
2. Answering calls from families in response to the mailing and recording the family's plan selection for enrollment in CHPlus B.
3. Providing information to assist the family in choosing a plan, if assistance is requested, and answering any other questions the family may have.
4. Identifying those children whose families do not respond by the deadline, whose names will then be randomly assigned to an available CHPlus B plan.

Children Identified As Potentially Disabled

Districts must ensure processes are in place to expedite the disability determinations of any children identified by the Department as potentially disabled. The Department will generate a report of those children who appear potentially disabled based on information available in the claims payment system. This report will be sent to districts under separate cover. Districts are required to contact the family to determine the family's interest in pursuing disability status for the

child. Suggested wording for a notice to the family will be included in each district's report. Districts must assist the family in the disability determination process, when requested. This includes scheduling a consultative exam, if necessary.

If upon receipt of the child's closing notice, the family requests a disability determination for the child, districts must expedite the disability review. A complete disability packet consists of the completed LDSS-1151 "Interview form", appropriate portions of the LDSS-486T, signed by a medical doctor or a qualified psychologist (as applicable) and all requested supporting medical evidence, such as hospital records, office notes and treatment records, etc. It is important that the Medical Report forms be signed by a medical doctor, psychiatrist or qualified psychologist, as appropriate. If forms are received that are unsigned or otherwise incomplete, you must return it to the provider for completion prior to submitting it to the Disability Review Team. For those districts that have the State Disability Review Team perform their disability determinations, attach a DSS-654 (Rev. 2/05) Transmittal Sheet to the disability packet and check the box labeled "child case." This will alert the State Review Team that the determination should be expedited.

When the disability determination is complete, districts must redetermine financial eligibility, based on SSI-related budgeting, when appropriate. In addition, all children must be notified of the results of the determination, as follows:

1. The child is approved disabled and determined financially eligible. Districts must inform the family of the results of the disability determination, using the LDSS-4141, "Notice of Medical Assistance Disability Determination," and reinstate the child's Child Health Plus A coverage, retro-active to the date of closure, if necessary.
2. The child is approved disabled but determined financially ineligible. In this instance districts must inform the family of the results of the disability determination, using the LDSS-4141 and provide a "Notice of Decision Based on Disability Status" (Attachment III of this Directive) to inform the family of their child's financial ineligibility. This notice must be used without modification. Districts must reproduce the notice, as needed. In addition, districts must also include with the notice the LDSS 4038, "Explanation of the Excess Income Program," the LDSS 4548, "Optional Pay-In Program" the LDSS 4321, "Explanation of the Excess Resource Program" (if appropriate) **and** Attachment IV of this Directive, "Children with Special Health Care Needs Program." This document contains information about the Physically Handicapped Children's Program. The child's transition to CHPlus B will proceed, unless the family requests to remain on CHPlus A with a spenddown of income/resources.
3. The child is disapproved disabled. In addition to informing the family of the disability determination using the LDSS-4141, districts must also send the family the LDSS 4038, "Explanation of the Excess Income Program" **and/or** LDSS 4321 "Explanation of the Excess Resource Program" **and** Attachment IV, "Children with Special Health Care Needs Program." No additional eligibility notice is required. The child's transition to CHPlus B will proceed unless the family requests to remain on CHPlus A with spenddown of income/resources.

**FACILITATED ENROLLERS**

Facilitated enrollers routinely forward renewal applications to the appropriate program. In these cases, the children will appear CHPlus B eligible. Under usual circumstances, the facilitated enroller would simply forward the application to a CHPlus B plan. However, to ensure that these children receive the full benefit of the transition process described in this directive, facilitated enrollers have been instructed to advise families whose children are impacted by this change to return the renewal to the local district and to follow any instructions provided by the district.

**V. SYSTEMS IMPLICATIONS**

Effective March 21, 2005, new CNS closing reason codes (C25 upstate and E42 and E43 in New York City) have been programmed for children losing eligibility under these provisions. Use of these codes will generate an extension of CHPlus A coverage for ninety days from the first day of the month following the month of the closing transaction, or the balance of any remaining continuous coverage period, whichever is longer. During this period, the Department of Health will take the actions described in this Directive to enroll the affected children in CHPlus B.

It is important that districts use the appropriate closing codes, to ensure that these children are processed appropriately and do not experience a gap in coverage. These codes are only valid for children age 6 through age 18 with expanded eligibility categorical codes that indicate eligibility at 133% of the FPL. Attachment V provides examples of the appropriate use of the new closing codes.

When a family reports a change at any point during the authorization period other than at renewal, these closing codes must also be used. The child's categorical code should not be changed to the continuous coverage Categorical Code 67 (continuous coverage-child 6-18, 100-133% FPL) because the system will automatically generate the appropriate extension.

The MBL subsystem has also been programmed to display eligibility for children age 6 through 18 at 100% of the FPL, when the budget from date is April 1, 2005 or later, for EEC codes B and D.

**NOTE:** April 1, 2005 (or later) renewals completed and processed by the districts prior to March 21, 2005 will have budgets showing eligibility at 133% of the FPL for these children. These children will remain eligible until their next scheduled renewal in 2006, and are not required to have eligibility redetermined until that date.

**Date:** May 10, 2005

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Further information on Systems changes may be found in the WMS/CNS Coordinator Letter dated February 28, 2005.

**VI. EFFECTIVE DATE**

The effective date of this Directive is April 1, 2005

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Kathryn Kuhmerker, Deputy Commissioner  
Office of Medicaid Management