

## Wyoming Administrative Rules

# Health, Department of

## Kid Care CHIP

Chapter 5: Rules and Regulations for Kid Care CHIP ("Children's Health Insurance Program")

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## CHAPTER 5

### Rules and Regulations for Kid Care CHIP ("Children's Health Insurance Program")

**Section 1. Authority.** This Chapter is promulgated pursuant to Title XXI of the Social Security Act, 42 C.F.R., Part 438, 42 C.F.R., Part 457, and the Child Health Insurance Program Act at Wyoming Statutes 35-25-101 through 35-25-108.

#### **Section 2. Purpose and Applicability.**

(a) This Chapter has been adopted to describe a Kid Care CHIP applicant, client's rights and responsibilities associated with Kid Care CHIP eligibility, and to establish uniform procedures for Kid Care CHIP eligibility.

(b) The Department may issue manuals and newsletters to interpret this Chapter. Such manuals and newsletters shall be consistent with and reflect this Chapter. The provisions contained in manuals and newsletters shall be subordinate to this Chapter.

(c) Nothing in this Chapter shall be construed as providing an individual with an entitlement to Kid Care CHIP.

#### **Section 3. Definitions.**

(a) Except as defined in the Act or as otherwise specified in this section, the terminology used in this Chapter is the standard terminology and has the standard meaning used in health care, health insurance, Medicare, and Medicaid. For the purposes of this Chapter, the following shall apply:

(i) "Act" shall mean the Child Health Insurance Program Act at W.S. 35-25-101 through 35-25-108.

(ii) "Adverse action" shall mean the denial, suspension, or termination of benefits, other than a suspension or termination caused by a suspension of Kid Care CHIP, pursuant to Section 12 or a change in federal or state law, including an amendment to this Chapter. "Adverse action" does not include program reduction or termination, or the denial of eligibility due to a moratorium or the denial of services because they are not covered services.

(iii) "Alien" shall mean a person residing in Wyoming who is not a citizen of the United States of America.

(iv) "Applicant" shall mean a child on whose behalf an application for coverage by Kid Care CHIP has been submitted, but there has been no final determination of eligibility.

(v) "Application" shall mean the single, streamlined application form that is used by the State in accordance with 42 CFR § 457.330.

(vi) "Application date" shall mean the date an application for Kid Care CHIP is received by the Department.

(vii) "Benefit year" shall mean a year of benefits coverage that begins January 1 of each year and ends December 31 of the same year.

(viii) "Child" shall mean an individual who has not yet reached the nineteenth (19<sup>th</sup>) anniversary of his or her birth.

(ix) "Cost sharing or co-payment" shall mean premium charges, enrollment fees, deductibles, coinsurance, copayments or other similar fees that the enrollee has responsibility for paying.

(x) "Department" shall mean the Wyoming Department of Health.

(xi) "Federal funds" shall mean the Federal funds received by the Department pursuant to 42 C.F.R. § 457 Subpart F.

(xii) "Household" shall mean, for the purposes of eligibility, number of persons counted as members of an individual's household, including the modified adjusted gross income (MAGI) household determinations as defined in 42 CFR § 457.315.

(xiii) "Kid Care CHIP" shall mean the Children's Health Insurance Program created by the Balanced Budget Act of 1997, enacted Title XXI of the Social Security Act, and established pursuant to W.S. 35-25-101 through W.S. 35-25-108, administered by the State to provide child health assistance (insurance) to uninsured, targeted low income children.

(xiv) "Kid Care CHIP funds" shall mean that combination of Federal funds and State funds which is available to the Department per 42 CFR Part 457 Subpart F to make payments to participating insurance companies for child health assistance (insurance) for eligible, enrolled children as well as administrative expenditures, outreach and health initiatives and further defined by W.S. 35-25-107.

(xv) "Kid Care CHIP State Plan" shall mean the comprehensive written statement submitted by the Department to The Centers for Medicare and Medicaid (CMS) describing the purpose, nature and scope of the Program, as per 42 CFR § 457.50, referenced in W.S. 35-25-108.

(xvi) "Medically necessary" or "medical necessity" shall mean a health service that is required to diagnose, treat, cure, or prevent an illness, injury, or disease which has been diagnosed or is reasonably suspected; to relieve pain; or to improve and preserve health and be essential to life. The service shall be:

(A) Consistent with the diagnoses and treatment of the insured's condition;

(B) In accordance with the standards of good medical practice among the provider's peer group;

(C) Required to meet the medical needs of the insured and undertaken for reasons other than the convenience of the insured and the provider; and

(D) Performed in the most cost effective and appropriate setting required by the insured's condition.

(xvii) "Orthodontia medical necessity" shall mean orthodontic condition(s) that must meet specific criteria and determined eligible for services as outlined by Program guidelines.

(xviii) "Services" shall mean medical, mental health and dental services, medical supplies, or medical equipment as described in the Kid Care CHIP State Plan.

(xix) "Targeted low income child" shall mean a child who has a household income, as determined according to 42 CFR §457.315, at or below 200 percent of the Federal poverty level for a family of the size involved.

(xx) "Well-baby or well-child services" shall mean the regular or preventive diagnostic and treatment services necessary to ensure the health of babies and children.

#### **Section 4. Application Process, Application Rights and Responsibilities.**

##### **(a) Application Process.**

(i) Applicants shall submit an application in the manner and form prescribed by the Department. The application shall be completed, dated, and signed by the applicant or by any person who is assisting the applicant as specified in 42 CFR §435.907(b).

(A) Any individual who knowingly makes a false statement or misrepresentation or knowingly fails to disclose a material fact in obtaining benefits may be guilty of a misdemeanor or felony, as specified in Wyoming Statute § 42-4-111.

(ii) Applications shall be acted on within forty-five (45) days from the date of the application, as required by 42 C.F.R. § 457.340(d).

(iii) Applicants shall be notified in writing of the reasons for the action, the specific regulation supporting the action, and an explanation of the right to request a hearing, as required by 42 C.F.R. § 457.340(e).

##### **(b) Applicant Rights.**

(i) Applicants shall be allowed the opportunity to apply for Kid Care CHIP

without delay, as required by 42 C.F.R. § 457.340(a).

(ii) Applicants may be accompanied, assisted, or represented by an individual or individuals of their choice during the application process, as required by 42 C.F.R. § 457.340(a).

(iii) Applicants may request assistance completing the applications or obtaining required verification, as required by 42 C.F.R. § 457.340(a).

(iv) Applicants shall be informed of the following information in writing and verbally as appropriate, as required by 42 C.F.R. § 457.340(a):

(A) The eligibility requirements;

(B) Available Kid Care CHIP services; and

(C) The rights and responsibilities of applicants and clients.

(v) Applications and other personal identifying information are confidential and shall not be disclosed, except as allowed by state and federal regulation, as required by 42 C.F.R. § 438.224.

(vi) Applicants shall not be excluded, denied benefits, or otherwise discriminated against on the grounds of race, color, sex, religion, political belief, national origin, age, or disability, as required by 42 C.F.R. § 438.100(d).

(c) Applicant Responsibilities.

(i) Applicants shall cooperate in the process of determining eligibility by providing all information and documentation requested by the Department, including, but not limited to documents listed in Sections 5 and 6.

(ii) Applicants shall assign to the Department any right to medical support and to payment for medical care from a third party to the extent that Kid Care CHIP has paid for medical services.

(iii) Applicants who fail to cooperate or provide the information requested by the Department shall be denied eligibility.

(d) Eligibility Period and Redeterminations.

(i) Effective Date of Benefits.

(A) Kid Care CHIP eligibility begins the first day of the month following the application date if the application date is on or before the twenty-fifth (25th) day of the month; or the first day of the month after the following month if the application date is

after the twenty-fifth (25th) day of the month.

(B) Individuals are deemed to be continuously eligible for twelve (12) months from the effective date of eligibility or for 12 months from the last periodic review, as required by 42 C.F.R. § 457.342, unless the child turns age nineteen (19), enters a public institution, moves out of state, becomes eligible for Medicaid, or requests that the Kid Care CHIP policy be closed.

(ii) The Department shall re-determine an individual's eligibility every 12 months, as required by 42 CFR § 457.343

### **Section 5. General Eligibility Requirements.**

(a) Applicants shall meet the following requirements to be eligible for Kid Care CHIP.

(i) Applicants shall be citizens or qualified non-citizens of the United States, and provide documentation of such, as specified in 42 C.F.R. § 457.320.

(ii) Applicants shall provide proof of identity, as specified in 42 C.F.R. § 435.407.

(iii) Applicants shall reside in Wyoming or meet the criteria, as specified in 42 C.F.R. § 435.403.

(iv) Applicants who are citizens or nationals of the United States shall provide record of a social security number, as specified in 42 C.F.R. § 457.340(b).

### **Section 6. Kid Care CHIP Eligibility Requirements.**

(a) Applicants shall meet the following additional requirements to be eligible for Kid Care CHIP.

(i) Children must be between the ages of zero (0) and age eighteen (18).

(ii) Countable family income shall be between one hundred fifty-four percent (154%) and two hundred percent (200%) of the Federal Poverty Level (FPL) and calculated using the modified adjusted gross income of the household, as specified in 42 C.F.R. § 457.315.

(iii) Applicants who are American Indian or Alaska Natives shall provide proof of being an enrolled member.

(iv) Applicants cannot be in a public institution.

(v) Applicants cannot be covered by the State of Wyoming employee health insurance coverage.

(vi) Applicants cannot be covered by any health insurance plan.

(vii) Applicant cannot have been covered by a health insurance plan for one (1) month or more before the date of application (unless the plan is ended for a reason considered to be an exception in the CHIP State Plan).

(viii) Clients shall immediately report changes in any of the following circumstances to the Department:

(ix) Income;

(x) Household composition;

(xi) Health insurance;

(xii) Address.

**Section 7. Basic Level of Benefits.**

(a) The covered services provided to children eligible for Kid Care CHIP shall include, at a minimum, the following services:

(i) Inpatient hospital services

(ii) Outpatient hospital services

(iii) Physician services

(iv) Surgical services

(v) Clinic services and other ambulatory health care services

(vi) Prescription drugs

(vii) Laboratory and radiological services

(viii) Prenatal care and pre-pregnancy family planning services and supplies

(ix) Inpatient mental health services

(x) Outpatient mental health services

(xi) Durable medical equipment

(xii) Abortion, only if necessary to save the life of the mother or if the

pregnancy is the result of rape or incest

- (xiii) Dental services
- (xiv) Medically necessary orthodontia
- (xv) Inpatient substance abuse
- (xvi) Outpatient substance abuse treatment services
- (xvii) Preventive care, screening and immunization
- (xviii) Hospice care
- (xix) Emergency medical transportation
- (xx) Vision services

(xxi) Any other additional or different services required by the Request for Proposal for health benefits, and resulting contract.

(b) Except as otherwise specified, coverage shall be one hundred percent (100%) with no deductible or co-payment. Co-payments by insureds or their families shall be in compliance with Section 9.

(c) Any recommended/approved plan for targeted low-income eligible children shall not contain any exclusion for pre-existing conditions or a maximum life-time benefit per child.

#### **Section 8. Cost Sharing Maximums and Tracking Requirements.**

(a) Cost sharing shall not exceed five percent (5%) of a family's gross income for the length of the child's eligibility period as specified in 42 C.F.R. 457.560. Each family shall be notified of their cost sharing maximum for the eligibility period as per 42 CFR 457.525(b)(1).

(b) Families will be provided resources to track their benefit year cost sharing expenditures for medical, pharmacy, dental, vision and medically necessary orthodontia and submit receipts to the Department when they believe they have met the benefit year cost sharing maximum.

(c) If it is determined the family has paid more than their five percent (5%) annual cost sharing maximum the family shall be reimbursed by the insurance contractor.

#### **Section 9. Co-payments.**

(a) The benefit year cost sharing maximums and co-payments for particular services shall be determined by the Department and insurance contractor. Co-payment amounts shall be

determined according to the family income reported at the time of application.

(b) Children who are American Indians or Alaska Natives as defined in 42 CFR 457.10 may not have any cost sharing charges imposed, as per 42 CFR 457.535.

(c) The benefit year maximum amounts for co-payments shall be contained in the Kid Care CHIP Handbook developed by the insurance contractor and shall be made available to each CHIP enrollee.

(d) Co-payments, coinsurance, deductibles or any other cost sharing will not be imposed for well-baby, well-child services, including but not limited to immunizations and preventive services, as outlined in 42 CFR §457.520.

(e) No insured shall be terminated because of the failure to make co-payments as per the Kid Care State Plan.

**Section 10. Provider Participation.** No person or entity that provides services to a client shall receive Kid Care CHIP funds unless the person or entity is a participating provider.

**Section 11. Participating Insurance Company.**

(a) No insurance company may provide benefit and claims administration services for Kid Care CHIP, unless it is licensed by the Wyoming Insurance Commissioner as outlined in W.S. 35-25-101 and offers coverage which meets or exceeds benefits outlined in 42 CFR Subchapter D, Part 457, Subpart D, W.S. 35-25-104, and pursuant to Minimal Essential Health Benefits as outlined in Section 2001 of the Affordable Care Act. The participating insurance company must have entered into an agreed upon contract with the Department.

(b) The Department shall provide the participating insurance company with the identity of the eligible enrollees and shall make payments on behalf of those enrollees directly to the participating insurance company as per the agreed upon timeframe and process.

(c) The participating insurance company, upon completion of agreed reconciliation process with the Department, shall submit invoices to the Department, in the manner specified by the Department, to request payment for premiums.

(d) When an insured seeks services, the provider must verify the individual's eligibility with the participating insurance company using the procedures established by the company. If a provider fails to verify eligibility, the Department shall not be responsible for paying such services.

**Section 12. Contingent on Funding.**

(a) In accordance with Program Expenditure provisions of the Act, payment to participating insurance companies shall be contingent on the availability of Kid Care CHIP funds.

(b) If the budget projections prepared show that there will or may be insufficient program funds, the Department may declare a partial or total moratorium on new insureds, so that otherwise eligible individuals will not be determined eligible until such time as the Department determines that sufficient program funds are available.

(c) A program reduction or termination, or the denial of eligibility because of a moratorium, shall not be an adverse action, and shall not be subject to reconsideration pursuant to this Chapter or an administrative hearing pursuant to Chapter 4 of the Wyoming Department of Health's Medicaid rules.

**Section 13. Reconsideration and Administrative Hearings.** An applicant or insured who is denied eligibility or terminated from eligibility may request an administrative hearing. Chapter 4 of the Wyoming Department of Health's Medicaid Rules shall govern administrative hearings involving Kid Care CHIP eligibility issues in all respects, except a client can submit a request for a hearing verbally and within 60 calendar days, as required by 42 C.F.R. § 438 Subpart F.

**Section 14. Financial Audits.** The Department may audit a participating insurance company's financial records at any time to determine the accuracy and appropriateness of invoices submitted to the Department.

**Section 15. Interpretation of Chapter.** The order in which the sections of this Chapter appear is not to be construed to mean that any one section is more or less important than any other section. The text of this section shall control the titles of its various sections.

**Section 16. Superseding Effect.** This Chapter supersedes all prior rules or policy statements issued by the Department, including manuals or newsletters, which are inconsistent with this Chapter.

**Section 17. Severability.** If any portion of this Chapter is found to be invalid or unenforceable, the remainder shall continue in effect. If any portion of this Chapter is inconsistent with the State plan, the State plan shall control.