

Health Care Finance and Administration	Section: Categories of Eligibility
Policy Manual Number: 015.060	Chapter: TennCare Standard

TENNCARE STANDARD

Legal Authority: Tenn. Comp. R. & Reg's. Chapter 1200-13-14; March 2014 Amendment to the TennCare II section 1115 Demonstration Project; Tenn. Comp. R. & Reg's. Chapter 1200-13-20

1. Policy Statement

Children under age 19 who are losing TennCare Medicaid eligibility will be reviewed for TennCare Standard eligibility. TennCare Standard is available to children losing TennCare Medicaid eligibility, whose family income is at or below 211% of the Federal Poverty Level (FPL) or are determined to be medically eligible, and who meet all other non-financial eligibility requirements. Children may only gain TennCare Standard eligibility when they are terminated from a TennCare Medicaid category in a process known as Medicaid Rollover.

Children under age 19 are not eligible to roll over into TennCare Standard if their TennCare Medicaid benefits were either:

- Based on presumptive eligibility; or
- For Emergency Medical Services (EMS) for undocumented and/or ineligible aliens.

2. Definitions

Medically Eligible: TennCare Standard Medically Eligible individuals are children under age 19 who meet all of the following criteria:

- Are losing TennCare Medicaid;
- Have no insurance or access to insurance;
- Have household income above 211% of the FPL; and
- Have a qualifying medical condition that would have prevented them from getting health insurance prior to the Affordable Care Act (ACA).

Medically Eligible (ME) Packet: A multi-page document that must be completed regarding the child applicant's physical or mental health, if there is no existing encounter data. Corroborating verification from the physician or mental health provider must be provided.

Tax Filing Threshold: An annual income amount set by the Internal Revenue Service that determines whether an individual is required to file income taxes. The threshold varies by age, marital status and the number of tax dependents claimed.

Qualifying Medical Condition: A medical condition which is included among a list of conditions established by HCFA and which will render a qualified uninsured applicant medically eligible.

Uninsured: For the purpose of TennCare Standard eligibility, an uninsured person is a child under age 19 losing Medicaid with no insurance or access to insurance, and whose household income is at or below 211% of the FPL.

3. Application Procedures

a. TennCare Medicaid Closures based on Reported Changes

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New applicants are not eligible for TennCare Standard. Individuals are only eligible for this category if they are losing TennCare Medicaid eligibility and rollover into TennCare Standard. When a reported change results in closing of the current TennCare Medicaid category and ineligibility in any other category, processing for TennCare Standard as a Medicaid Rollover is required even if the child is not technically eligible. Although an actual application is not required, the individual must provide all required verifications to gain eligibility for TennCare Standard.

TennCare Standard rollover does not occur if:

- The individual requested his or her TennCare Medicaid closure; or
- TennCare Medicaid is closed because the individual left the state; or
- TennCare Medicaid closure is due to death; or
- TennCare Medicaid closure is due to the child becoming eligible for SSI Medicaid.

4. Co-Pay Responsibility

a. General Rule

TennCare Standard enrollees at or above 100% of the FPL pay co-pays for most TennCare covered services. Co-pays for pharmacy benefits for covered name brand and generic drugs are required for individuals with co-pay responsibility.

b. Aggregate Cost Sharing Cap

There are limitations on the amount of co-pays TennCare Standard children and their TennCare family members are obligated to pay. The aggregate cost-sharing cap is calculated by combining the TennCare cost sharing for all TennCare family members who have TennCare cost-sharing obligations, and may not exceed 5% of the family's annual income, prorated to a quarterly equivalent.

Family income will be calculated using the Modified Adjusted Gross Income (MAGI) methodology, and the family will be assigned to the corresponding income band to determine the standardized aggregate cap. The following income bands and corresponding aggregate annual caps will be used:

Income Band	Poverty Levels	Standardized Annual Aggregate Cap
1	0 – 99%	NA
2	100 – 149%	5% of the amount that corresponds to 100% FPL
3	150 – 199%	5% of the amount that corresponds to 150% FPL
4	200 – 249%	5% of the amount that corresponds to 200% FPL
5	250 – 299%	5% of the amount that corresponds to 250% FPL
6	300 – 349%	5% of the amount that corresponds to 300% FPL
7	350 – 399%	5% of the amount that corresponds to 350% FPL

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8	400 – 449%	5% of the amount that corresponds to 400% FPL
9	500 – 599%	5% of the amount that corresponds to 500% FPL
10	600% and over	5% of the amount that corresponds to 600% FPL

c. Enrollee Responsibility

Families of TennCare Standard children are responsible for tracking their own incurred cost-sharing obligations, including keeping copies of receipts or similar documentation, and notifying HCFA when they believe they have reached their cap for a particular calendar quarter. The quarterly cap amount is provided to the family when a child becomes eligible for TennCare Standard.

5. Non-Financial Eligibility Requirements

Children eligible for TennCare Standard must meet all non-financial eligibility requirements. Additional information about each condition of eligibility is available in the Non-Financial Eligibility chapters.

- a. Age:** TennCare Standard is only available for children under age 19 who are losing TennCare Medicaid eligibility.
- b. Citizenship:** A child must be a U.S. Citizen, U.S. National or eligible non-citizen.
- c. Enumeration:** A child must provide a valid Social Security Number, unless they meet an exception.
- d. State Residence:** A child must be a resident of the State of Tennessee.
- e. Child Support Cooperation:** A child is not required to agree to cooperate with Child Support Services. If the parent of a child who is applying for benefits refuses to cooperate, the child will not be penalized and will be reviewed for eligibility in this category.
- f. TennCare Medicaid Eligibility:** The child must be losing eligibility and is no longer eligible for any TennCare Medicaid category.

6. Access to Insurance

a. Changes under the Affordable Care Act

To be eligible for TennCare Standard, a child must not have health insurance or access to health insurance in the group health insurance market. Health insurance market reforms under the ACA will affect an individual’s ability to access insurance in the group market. However, the state is required by law to maintain all existing TennCare categories that cover children until September 30, 2019.

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Note: Insurance policies offered on the Federally Facilitated Marketplace (FFM) are for the individual and small group insurance market. If an individual has purchased health insurance through the Exchange, then he or she is insured. However, for the purpose of TennCare Standard eligibility, the State does not consider the ability to purchase health insurance through the Exchange as access to insurance.

b. Current Access to Insurance Policy

i. In order to be eligible for TennCare Standard, an individual must:

- Not have insurance or access to insurance in the group health insurance market; OR
- Have a qualifying medical condition that would have made the individual uninsurable prior to the ACA. If the individual has a qualifying medical condition, he or she must also not have insurance or access to insurance.

ii. Common Issues Related to Access to Insurance Policy

- Children with Non-Custodial Parents:
 - A child for whom a non-custodial parent is court-ordered to provide health insurance but does not, does not have access to insurance; or
 - A child whose non-custodial parent has access to health insurance but does not add the child to his or her policy does not have access to insurance.
- If a stepparent in the home has health insurance and could cover his or her stepchild but does not, it is not considered access to insurance.
- If health insurance offered by a college to its students is comprehensive coverage, a student is considered to have access to health insurance.
- If a parent begins a new job and his or her employer-offered health insurance will not start for a specified time period, the children would be considered to not have access to health insurance for the specified time period.

7. Financial Eligibility Requirements

a. Household Composition

The TennCare Standard category uses MAGI methodology to determine household size. Tax filer rules are for applicants who file taxes or are claimed as tax dependents. Non-filer rules are for those applicants that do not file taxes, are not claimed as tax dependents, or meet a tax dependent exception. Refer to the *Household Composition for MAGI* policy regarding application of MAGI household composition for this category.

Note: If sibling income is over the tax filing threshold it is included in the applicant's budget, but if under the threshold it is removed as income to the applicant budget which is a change for this category.

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b. Income Standard

For children that do not have access to insurance, the income standard for TennCare Standard is at or below 211% of the FPL.

For children with qualifying medical conditions and who are uninsured, the income standard is above 211% of the FPL.

c. Income Methodology

TennCare Standard uses the MAGI methodology to determine countable and excluded income.

d. Budget Overview

i. Total Gross Income Computation (for each household member)

Household Member's Total Countable Income is the total countable income for each individual.

Question 1: Is the household member a child or tax dependent? Yes or No

Question 2: Is the household member's income below the tax threshold? Yes or No

These two questions determine whether the household member's income will be included in the Total Net Income Computation. If both answers are yes and the individual is a child/tax dependent of their parent (natural, adopted or step), the Total Gross Income for that individual is \$0.

Total Gross Income, when applicable, is used in the Modified Adjusted Gross Income Computation.

ii. Modified Adjusted Gross Income Computation (for each household member)

Total Gross Income
 - Legally Obligated Alimony
 - Student Loan Interest Paid
 - Other Expenses
 = Modified Adjusted Gross Income

iii. Total Net Income Computation (for household)

Modified Adjusted Gross Income (total of included household members)
 - 5% Disregard of FPL (5% FPL, based on household size and converted to a dollar

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amount, is deducted if the applicant's MAGI is greater than the TennCare Standard Income Standard

= Total Net Income

Is Total Net Income less than or equal to the TennCare Standard Income Standard (based on household size)?

If Yes, Pass. If No, review for TennCare Standard.

e. Resources

There is no resource test for TennCare Standard.

f. Example Budget

The following budget is based on a household with a dependent 18 year old child that is losing TennCare Medicaid and includes the child's mother. This budget determines eligibility for the child. The child meets the income standard to be eligible in this category, so a 5% disregard is not applied.

Total Gross Income Computation		Child	Mother
Unearned Income		\$ 0.00	\$ 50.00
Earned Income	+	\$ 0.00	\$2,600.00
Subtotal	=	\$ 0.00	\$2,650.00
Is the household member a child/tax dependent		Yes	No
Is income below the tax threshold?		Yes	No
Total: Gross Income	+	\$ 0.00	\$2,650.00
Modified Adjusted Gross Income Computation			
Total Gross Income		\$ 0.00	\$ 2,650.00
Legally Obligated Alimony	-	\$ 0.00	\$ 0.00
Student Loan Interest Paid	-	\$ 0.00	\$ 10.00
Other	-	\$ 0.00	\$ 0.00
Modified Adjusted Gross Income	=	\$ 0.00	\$ 2,640.00
Total Net Income Computation			
Modified Adjusted Gross Income		\$ 2,640.00	
5% Disregard of FPL	-	\$ 0.00	
Total: Net Income	=	\$ 2,640.00	
TennCare Standard Income Standard		\$ 2,802.00	
Income Eligibility Determination		PASS	
Reasonable Compatibility Computation			
Modified Adjusted Gross Income from Hub		\$ 2,600.00	
TennCare Standard Income Standard		\$ 2,802.00	
Reasonable Compatibility Test Required		No	

The above budget is current as of January 2015.

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g. Medically Eligible

When a reported income change causes an enrollee’s household income to exceed 211% FPL, the child will be reviewed for TennCare Standard eligibility as Medically Eligible. See *TennCare Standard Medical Eligibility Procedures* policy.

h. Grandfathered Eligibility

There are individuals in TennCare Standard that have “grandfathered” eligibility. This refers to children enrolled in TennCare Standard since December 31, 2001, who have family incomes at or below 200% FPL and who have not purchased insurance even if they have access to it. Once an individual loses eligibility in this category, they are no longer considered to have this grandfathered eligibility status.

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