



Policy Memo

KHPA POLICY NO: 2010-09-01	From: Jeanine Schieferecke Senior Manager - Medicaid Eligibility
Date: September 15, 2010	KEESM Reference: 2664.5
RE: Working Healthy (WH) Premium Exemption	Program(s): Working Healthy (WH) Medical

The purpose of this memo is to implement an exemption to the Working Healthy (WH) premium requirement. This change is effective immediately with the issuance of this memo.

This change will be incorporated in the Kansas Economic and Employment Support Manual (KEESM) during the next revision scheduled for October 1, 2010.

A. Background

The Centers for Medicare & Medicaid Services (CMS) has issued clarifying guidance indicating that American Indians and Alaska Natives are exempt from the Working Healthy premium requirement. This change was prompted by passage of the American Recovery and Reinvestment Act of 2009 (ARRA) which amended section 1916 of title XIX of the Social Security Act.

B. Application of Policy

- (1) **Recipients Only** – The premium exemption applies only to an American Indian or Alaska Native recipient. A non-recipient American Indian or Alaska Native responsible person included in the Working Healthy (WH) case for budgeting purposes only does not qualify the recipient for premium exemption under this policy.

Example: An applicant for Working Healthy (WH) is neither an American Indian nor an Alaska Native but is married to a spouse claiming that status. In this instance, the applicant would be coded as “IN” and the spouse as “DI” on the SEPA screen in the KAECSES system. The premium exemption policy would not apply to this applicant since they do not meet the race requirement.

- (2) **WORK Recipients** – The premium exemption also applies to WORK program recipients who have an underlying Working Healthy (WH) premium. The recipient would be exempt from the premium requirement.
- (3) **Income Standard** – An American Indian or Alaska Native qualifying under this premium exemption

Rm. 900-N, Landon Building, 900 SW Jackson Street, Topeka, KS 66612-1220

www.khpa.ks.gov

Medicaid and HealthWave:
Phone: 785-296-3981
Fax: 785-296-4813

State Employee Health Plan:
Phone: 785-368-6361
Fax: 785-368-7180

State Self Insurance Fund:
Phone: 785-296-2364
Fax: 785-296-6995

policy must still meet the basic Working Healthy (WH) program requirements, including the countable income test. There is no eligibility for an applicant/recipient whose countable income exceeds 300% of the poverty level standard (See KEESM Appendix item F-8, Medicaid and Healthwave Standards).

C. Identification

- (1) **Verification** – The classification of an individual as an American Indian or Alaska Native is based on client statement. No further verification is required in order to qualify the individual for the premium exemption under this policy.
- (2) **Recipient Status** – An individual reporting American Indian or Alaska Native status should be so indicated by placing an “X” under the “A” Race column on the ETRC screen in the KAECSES system. A report identifying current Working Healthy (WH) recipients with a premium who also have a race code of “A” has been created. That report will be sent to SRS eligibility staff who are responsible for checking the case record to confirm that each individual on the report is correctly coded.

Please note that the correct race code for an individual reporting Asian ancestry is “S”. Individuals incorrectly coded “A” (American Indian or Alaska Native) may lead to the issuance of inappropriate benefits.

D. Premium Exemption

- (1) **New Applications/Requests** – All currently pending applications and new applications received after the issuance of this memo are subject to the premium exemption policy.

Example: An application for Working Healthy (WH) coverage by a self-declared American Indian or Alaska Native received prior to this memo and processed after issuance shall be exempt from the premium requirement for all eligible months.

- (2) **Current Recipients** – Current American Indian or Alaska Native recipients with a premium under the Working Healthy (WH) program (as identified on the previously mentioned report) shall have the new premium exemption applied effective with the October 2010 benefit month. No adjustment for prior months is required.

Example: A current recipient of Working Healthy (WH) was approved for coverage on 7/21/2010 effective 7/2010 through 6/2011 with a monthly premium of \$83. Since the recipient has been identified as an American Indian or Alaska Native, the premium will be eliminated effective 10/2010. The premiums for months prior to 10/2010 would not be changed.

- (3) **Changes** – Individuals identified as American Indian or Alaska Native after approval for Working Healthy (WH) shall have this information treated like a change. The elimination of premium would be effective the month after the month the change is reported/discovered. There would be no adjustment for prior months unless the status was previously known to the agency with failure to act on that information.

Example: An individual applying for Working Healthy (WH) coverage is approved effective 8/2010 through 7/2011 with a monthly premium of \$55. The individual did not choose a race indicator on the application.

Since the race of the individual is unknown, an “X” is marked under the “O” Race column on the ETRC screen in the KAECSES system. The recipient returns the annual review form on 7/1/2011 reporting a race code of “A” for American Indian or Alaska Native. Since this is considered a change, the individual would be exempt from the premium requirement effective the month after the month reported (ie: 8/2010 on forward).

E. System Issues

- (1) **Premium** – A premium amount of \$0.00 shall be entered in the WH Premium field on the MSID screen in KAECSES for all Working Healthy (WH) recipients eligible under this policy.
- (2) **Notices** – The existing Working Healthy Premium Change notice (N742) shall be used to notify current recipients who are being exempted from the premium requirement. The new premium amount is \$0.00 effective 10/2010. The reason for the change should be entered as “You are exempt from the premium requirement”.
- (3) **Documentation** – Documentation that this individual is exempt from the Working Healthy (WH) premium requirement must be present in the case file. The exemption should be logged as well as a notation entered on the INDA screen or an alert set on the WOAL screen.

If you have any questions about the information in this memo, please contact the KHPA Elderly & Disabled Medical Eligibility Policy Manager, Tim T. Schroeder, at (785) 296-1144 or Tim.Schroeder@khp.ks.gov.