



<b>Policy Memo</b>	
<b>KDHE-DHCF POLICY NO: 2022-08-01</b>	<b>From: Erin Kelley, Senior Manager</b>
<b>Date: 08-11-2022</b>	<b>Medical KEESM/KFMAM Reference(s): 2664.5(4)(a), 8400.4, 8400.5</b>
<b>RE: Policy Implementations for the Working Healthy Program</b>	<b>Program(s): E&amp;D Medical Programs (Working Healthy)</b>

This memo sets forth instructions for implementation of policy changes related to retroactively adjusting Working Healthy premiums and temporary nursing facility stay impacts to the WORK program. The policies implemented in this memo are effective upon release. The Medical KEESM manual will be updated with the next scheduled revision.

Applicable to Elderly and Disabled Medical Programs only:

- Working Healthy Retro Premium Adjustments
- Temporary Stay Policy Impacts to the WORK Program

This memo supersedes PM2007-06-02, when applicable.

## **I. WORKING HEALTHY RETRO PREMIUM ADJUSTMENTS**

### **A. BACKGROUND**

All individuals receiving coverage in the Working Healthy program are subject to the premium requirements as noted in Medical KEESM 2664.5. Policy has allowed for the adjustment of these premiums in certain situations such as agency error, untimely reporting or action, etc. However, the allowable reasons to retroactively adjust premiums by policy did not specify the requirements surrounding consumer reported hardships nor when the consumer passes away.

## **B. NEW POLICY**

Effective with the release of this memo, the following policies will be applicable to retroactively adjusting Working Healthy premium payments for Working Healthy recipients:

### **1. PREMIUM PAYMENT - HARDSHIP**

There may be situations where the consumer contacts the agency stating that they cannot pay their premium due to unforeseen circumstances and attest paying these premiums will result in a hardship and requests assistance by the agency.

Note: Hardship waivers shall not be proactively offered as a premium payment solution by the agency. Additionally, bankruptcy is not an allowable premium waiver hardship request as existing policy applies as noted in Medical KEESM 11126.3.

#### **a) HARDSHIP CRITERIA**

The Working Healthy (including STEPS) Program Manager and/or Senior Manager may approve hardship waivers in the following situations:

- Housing
  - Consumer is homeless.
  - Consumer is more than 30 days behind in rent or mortgage payment.
  - Consumer has received an eviction or foreclosure notice.
- Utilities
  - Consumer received a shut-off notice from their utility company (gas, electric, oil, water, or telephone).
  - Consumer has one or more utilities shut off, or one or more of their utility companies is refusing to deliver services because they cannot pay.
- Medical Expenses
  - Consumer has medical and/or dental bills that KanCare or another insurance provider does not cover for which reasonably prevents them from paying their premium. These bills may be for them or for someone else in the immediate family that they are financially responsible for (such as a child or a spouse).

Hardship waivers requests that fall outside of these specified reasons must be sent to KDHE-DHCF Policy to review and issue a determination.

**b) HARDSHIP VERIFICATION REQUIREMENTS**

Evidence must be presented to the agency to support the individual's claim that the premium payment requirement will result in a hardship for them. This evidence should be directly related to the hardship claim. Verification may be of any form (e.g., utility notice, landlord eviction or bank foreclosure notice, medical expense statement, etc.). The circumstances surrounding the hardship shall also be considered. Supporting evidence of the claimed hardship must be presented and reviewed prior to the agency's decision to approve or deny the hardship request.

**c) HARDSHIP TIMEFRAMES**

To be considered a hardship, the request and documentation must support two full months of delinquent premiums asking to be waived. A single month of delinquent premiums is not considered a hardship as it does not cause Working Healthy coverage to end.

Only one hardship waiver may be granted within a 12-month time frame by the Working Healthy (including STEPS) Program Manager and/or Senior Manager. Any additional hardship waiver requests must be approved by KDHE-DHCF Policy.

**d) NOTIFICATION OF OUTCOME**

If the hardship claim is granted, the premium payment requirement shall be waived as noted in section I.B.1.c below. The Working Healthy hardship approval notice must be sent to the consumer and any appropriate administrative roles.

**Note:** Hardship waivers that are approved by the Working Healthy Program Manager/Senior Manager or KDHE-DHCF Policy may require a ticket to be removed by the fiscal agent.

If the hardship claim is denied, the individual retains fair hearing rights per Medical KEESM 1610. The Working Healthy hardship denial notice must be sent to the consumer and any appropriate administrative roles.

Example 1: The consumer contacts the agency and states that they have a hardship and cannot pay their Working Healthy premiums of \$124. They provide a copy of their child's orthodontics bill. They have not had a hardship granted in the past 12 months.

Example 1a: The bill shows an amount due of \$100. Since this bill is less than two months of their Working Healthy premiums, this is not considered a hardship and the premiums will remain in place. The hardship denial notice is sent to the consumer and appropriate administrative roles.

Example 1b: The bill shows an amount due of \$2,000. Since the document provided verifies that the amount due and that insurance will not pay it, a hardship may be granted by the Working Healthy Program Manager or Senior Manager. The \$124 premium for two months (totaling \$248) may be waived. The Senior Manager sends the request to the fiscal agent. The hardship approval notice is sent to the consumer and appropriate administrative roles.

Example 2: The consumer contacts the agency and states that they have a hardship and cannot pay their Working Healthy premiums of \$97. They state that their utilities have been shut off.

Example 2a: They provide a statement from the utility company which shows that they are past due by \$564.32 and that the past due amount must be paid to turn services back on. This is more than two months of premiums, and a hardship has not been granted in the last 12 months so the request may be granted. The \$97 premiums for two months (a total of \$194) may be waived by the Working Healthy Program Manager or Senior Manager and is sent to the fiscal agent. The hardship approval notice is sent to the consumer and appropriate administrative roles.

Example 2b: The situation is the same as in 2a however a hardship was granted 10 months ago. A hardship cannot be granted by the Working Healthy Program Manager or Senior Manager. If they feel it is warranted, they may email the case information and situation to the policy mailbox for further review. The hardship denial notice is sent to the consumer and appropriate administrative roles.

Example 2c: The situation is the same as in 2a however the past due amount is \$153. Since the past due amount is less than two months of premiums, a hardship cannot be granted as it did not directly impact the Working Healthy eligibility coverage. The hardship denial notice is sent to the consumer and appropriate administrative roles.

## **2. DEATH**

At the time the agency is notified that a Working Healthy recipient has passed away, Eligibility shall follow existing policies and processes pertaining to adding the date of

death to KEES to end coverage appropriately. This will ensure that Premium Billing receives the date of death which will end the monthly premium payment requirement correctly.

There may be situations where a decedent's premiums were due and owing at the time of their death. This means that the individual had failed to pay their premium while receiving active coverage, however, their coverage had not yet been closed resulting in delinquent premiums that continue to display on a Working Healthy delinquent premium monthly report.

Though these delinquent premiums were incurred correctly, they are not likely to be paid after the consumer's death. The premiums may be paid by someone in the household or related to the estate, but that is also not expected to resolve all delinquent premiums in these situations. Premiums work differently in the Estate Recovery process and are very unlikely to be recovered. For these reasons, the agency may make the administrative decision to eliminate the delinquent premiums from the premium billing system after the individual is deceased for a minimum of 3 full months. The coverage that was issued in the KEES system is not to be changed.

### **3. AGENCY ERROR**

Per Medical KEESM 2664.5(4)(a), when it is found that there was an agency error, the error must be corrected so that KEES reflects the correct information. Premium corrections must always be made in KEES.

## **II. TEMPORARY STAY POLICY IMPACTS TO THE WORK PROGRAM**

This section applies to individuals enrolled specifically in the WORK program. This section does not apply to individuals enrolled solely in the Working Healthy Program as there are existing policies and processes that apply to those living arrangement changes.

### **A. BACKGROUND**

Prior to the implementation of this memo, active WORK participants that admitted into an institutional living arrangement (nursing facility, State Hospital, State Institutional Alternative facility (SIA), etc.) were no longer eligible to participate in the WORK program. WORK participation terminated upon entry into the nursing facility or other institution.

### **B. NEW POLICY**

Effective with the release of this memo, WORK participants that admit into a nursing facility or other institution as noted above for a short term (temporary) stay shall be treated

similarly to HCBS recipients that have a short term stay in a facility, so long as the eligibility requirements of KEESM 8114 are met. (Also see KEESM 8173.4(2)).

### **1. WORK TEMPORARY STAY GUIDELINES**

WORK recipients that admit into a nursing facility with an anticipated short-term stay will continue to be regarded as a WORK participant and will be required to continue paying their premium(s). WORK income and resource methodologies remain in effect throughout the duration of the short-term stay. This means that while a WORK recipient is admitted into a nursing facility on a temporary stay, the Working Healthy resource limit of \$15,000 will apply rather than the \$2,000 Long Term Care resource limit. Additionally, there is no patient liability owed to the facility for the duration of the short-term stay.

Additionally, as the individual is continually regarded as a WORK participant throughout the duration of the temporary stay, mid-month facility admittance(s) and/or discharge(s) may be eligible for the temporary stay coding, if otherwise eligible.

### **2. WORK TEMPORARY STAYS TO LTC PERMANENT STAY**

There may be situations where the WORK recipient's temporary stay exceeds the temporary stay time frame. In these situations, the individual's WORK enrollment ends the last day of the month of the temporary stay time frame (meaning, the last day of the second month after the month of admission). The individual is budgeted for Long Term Care (LTC) in accordance with the LTC budgeting methodologies as noted in Medical KEESM 8172 (or Medical KEESM 8113 and 8144 for Spousal Impoverishment determinations). The Working Healthy resource limit is no longer applicable effective the first month of the LTC permanent stay and resource methodology as noted in Medical KEESM 5130 or 8144.1 (2) for spousal impoverishment determinations apply.

Consumers who are discharged after the temporary stay time frame must be referred to Working Healthy to be assessed and meet the WORK program criteria per Medical KEESM 8400 and WORK coverage may begin prospectively. (See Medical KEESM 8400.5.)

Note: Temporary Unemployment Plan (TUP) policies are not applicable once the temporary stay time frame has passed.

### **3. WORK TEMPORARY STAYS IN A STATE HOSPITAL OR SIA**

WORK recipients between the age sixteen (16) through twenty-one (21) that admit into a State Hospital or SIA - IMD facility for a short-term stay, may be eligible for coding.

As stated above, these individuals are regarded as WORK participants and the policy stated in section II.B.1 apply for this age group.

Per Medical KEESM 8112.4, WORK recipients between the ages of twenty-two (22) through sixty-four (64) are not eligible for Medicaid coverage and are discontinued allowing for timely and adequate notice.

**Note:** There is not Working Healthy eligibility for individuals age 65 and older, therefore, those State Hospital policies are not applicable to this WORK temporary stay policy. Additionally, State Hospital or SIA – IMD facility stays that exceed the temporary stay time frame follow section 2 above.

#### **4. WORK TO LTC PERMANENT STAY**

It is important to note that WORK recipients are regarded as WORK participants when the anticipated length of stay does not exceed the temporary stay time frame. This policy is not applicable when the anticipated length of stay is noted “Permanent” on the MS-2126 and WORK participation terminates upon entry in the nursing facility or other institution. LTC budgeting methodologies as noted in Medical KEESM 8172 (or Medical KEESM 8144 for Spousal Impoverishment determinations) are applicable.

These living arrangement changes must be coordinated between eligibility staff and the WORK Program Manager. Please refer to the KEES User Manual for specific processing instructions for all temporary stay coding procedures.

### **III. QUESTIONS**

For questions or concerns related to this document, please contact the KDHE Medical Policy Staff at [KDHE.MedicaidEligibilityPolicy@ks.gov](mailto:KDHE.MedicaidEligibilityPolicy@ks.gov).

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Questions regarding any KEES issues are directed to the KEES Help Desk at [KEES.HelpDesk@ks.gov](mailto:KEES.HelpDesk@ks.gov).