



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201



**FAMILY INVESTMENT ADMINISTRATION
ACTION TRANSMITTAL**

Control Number: #10-29

Effective Date: Upon Receipt

Issuance Date: May 12, 2010

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY / ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS AND ELIGIBILITY STAFF
HEALTH OFFICERS, LOCAL HEALTH DEPARTMENTS AND
LOCAL HEALTH DEPARTMENT ELIGIBILITY STAFF**

FROM: KEVIN M. MCGUIRE, EXECUTIVE DIRECTOR, FIA 
DEBBIE RUPPERT, EXECUTIVE DIRECTOR, DHMH/OES 

**RE: END OF FEDERAL "LOCK-OUT" PROVISIONS FOR TITLE XXI
MARYLAND CHILDREN'S HEALTH PROGRAM
COVERAGE GROUPS: P13, P14, D02 AND D04**

**PROGRAMS AFFECTED: MARYLAND CHILDREN'S HEALTH PROGRAM
(MCHP); MEDICAL ASSISTANCE**

ORIGINATING OFFICE: OFFICE OF ELIGIBILITY SERVICES

SUMMARY:

This Action Transmittal provides clarification based on advice recently received from the federal Centers for Medicare and Medicaid Services (CMS), regarding the applicability of Title XXI lock-out provisions for children of State employees eligible to participate in the State of Maryland Health Benefits Plan.

Maryland's Children's Health Insurance Program (MCHIP), established under Title XXI of the Social Security Act, is made up of four coverage groups, the P13 and P14 which are free, and the D02 and D04 which carry a premium. Because both the "free" and premium portions of the CHIP program are operated as a Medicaid expansion rather than a stand-alone Title XXI program or a combination program, we are permitted to apply federal MA (Title XIX) rules for CHIP eligibility, as explained below.

Federal law and regulation under Title XXI provided that children of State employees with access to State employee health coverage were excluded from eligibility in CHIP. **For CHIP programs operated as Medicaid expansions, CMS has determined that Title XIX eligibility rules apply and Title XXI rules do not apply.**

ACTION REQUIRED:

1. Applications filed by Maryland State employees at the Local Health Department (LHD) or the Local Department of Social Services (LDSS) for CHIP **will no longer be "locked out"** of the P13, P14, D02 or D04 coverage groups based on their parents' ability to participate in the State of Maryland Health Benefits Plan.
2. Continue to apply the 6-month waiting period for applicants to the P13, P14, D02 and D04 coverage groups who voluntarily terminate employee health coverage. This action is specifically authorized by CMS through the Medicaid HealthChoice demonstration waiver.

INQUIRIES:

Please direct policy questions to the MCHP Division at 410-767-1463 or 1-800-492-5231 (select option 2 and request extension 1463).

cc: DHR Executive Staff
DHMH Executive Staff
FIA Management Staff
Constituent Services
DHR Help Desk