



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201

**FAMILY INVESTMENT ADMINISTRATION
INFORMATION MEMO**

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

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

**RE: CONTINUING CURRENT MCHP RESTRICTIONS FOR
EMPLOYER-BASED INSURANCE COVERAGE**

PROGRAM AFFECTED: MCHP, MEDICAL ASSISTANCE

ORIGINATING OFFICE: OFFICE OF ELIGIBILITY SERVICES

SUMMARY:

Questions have been raised regarding "anti-crowd-out" provisions in the CHIP program. These provisions deny eligibility for P13 and P14 if a child is covered by employer-based health insurance or if the family has voluntarily dropped employer-based coverage within the last 6 months. Current rules continue in effect.

Current rules are found in the MCHP Manual, Section 600, Subsection G ("Health Insurance"), pages 600-13—600-14 (MR 17 issued August, 2005). Case Managers are to continue applying current rules with respect to employer-based insurance and voluntary termination of such coverage.

INQUIRIES:

Please direct MA policy questions to the DHMH Division of Eligibility Policy, and MCHP questions to the DHMH MCHP Division, both at (410) 767-1463 or

1-800-492-5231 (select option 2 and request extension 1463), and CARES questions to Debbie Simon at (410) 238-1363.

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

Attachment: MCHP Manual extract

C. PREGNANCY

In order to be eligible for MCHP benefits, a woman who is age 19 or older must be pregnant or be within the postpartum period. She must provide her expected date of delivery. If an applicant claims to be postpartum, she must provide the date of her delivery. A woman is no longer technically eligible as pregnant once her pregnancy is terminated due to an abortion or miscarriage.

D. AGE

In order to be eligible for MCHP benefits, a child must be younger than 19 years old. Age is considered to be reached as of the end of the month of birth.

C. INMATE OF A PUBLIC INSTITUTION – (See this Section in Chapter V of the Medical Assistance Eligibility Manual.)

In order to be eligible for MA or MCHP benefits, an applicant may not be an inmate of a public institution. A public institution is a facility run by a governmental agency, which provides food, shelter and treatment or services to four or more people unrelated to the proprietor. Public institutions include local, State, and federal correctional institutions for adults and juveniles. Public institutions do not include medical institutions, skilled nursing facilities, a privately operated juvenile correction facility, or publicly operated community residences that serve no more than 16 residents.

F. INSTITUTION FOR MENTAL DISEASES – (See this Section in Chapter V of the Medical Assistance Eligibility Manual.)

In order to be eligible for MA or MCHP benefits, a pregnant or postpartum woman who is 21 years old or older may not be an inpatient in an institution for mental diseases (IMD). IMDs include State hospitals, residential treatment centers (RTCs), and private psychiatric facilities, which provide acute and chronic inpatient treatment of mental diseases.

G. HEALTH INSURANCE

In order to be eligible for MCHP benefits, an applicant may not be covered by an employer-sponsored health benefit plan or have been voluntarily terminated from such a plan within the 6 months prior to the date of MCHP application.

Health insurance that is limited to vision and/or dental services only is not a health benefit insurance plan. However, coverage of any other outpatient or inpatient medical services does constitute a health benefit plan.

Loss of health benefits due to the parent's loss of employment through which the coverage was offered, changing employment, or moving out of the insurer's coverage area, does not constitute voluntary termination of a health benefit plan that disqualifies the individual from MCHP. Also, failure to enroll in a health benefit plan offered by an employer is not voluntary termination.

Coverage under, or termination from, private insurance (not employer-sponsored insurance), whether purchased by the child's parents or other parties (other family members such as grandparents or non-related individuals), does not disqualify the individual from MCHP.

Dropping employer-sponsored insurance based on the cost of coverage, level of coverage, convenience, or complaints against providers is considered voluntary termination of health benefits that would disqualify the individual from MCHP.