



Illinois Department of Human Services



Illinois Department of Public Aid

09/30/02

POLICY MEMORANDUM

Distribution:

TANF, KidCare

RE: INTRODUCTION OF FAMILY HEALTH PLANS -
Change in Program Names for 94/96 Cases
Increase in Income Standard for 94/96 Adults
Choice Between KidCare Rebate and KidCare Share or KidCare Premium
Enrollment in Spenddown

SUMMARY

- The 94/96 programs are now called the Family Health Plans. The names of the different programs within the Family Health Plans are defined in this release.
- Introduces the Parent Assist Standard. This new standard is effective 10/07/02 and is based on 49% of the Federal Poverty Level (FPL). When determining if an adult is eligible without a spenddown, use this new standard. If countable income is above the new Parent Assist Standard, compare countable income to the Family Health Spenddown Standard (the old Parent Assist Standard) to determine the spenddown amount.
- A child with insurance that covers both inpatient hospitalization and physician services whose income is in the KidCare Rebate range can choose between KidCare Share and KidCare Rebate or KidCare Premium and KidCare Rebate.
- Beginning 10/21/02, a person will no longer be enrolled in spenddown unless there is a regular or spenddown met month at the time eligibility is determined.
- There are changes in Item 73 and Item 78. In addition, Item 68 indicates whether a person had health insurance at the time they applied for medical benefits.

This Policy Memorandum was prepared by the Illinois Department of Public Aid (DPA). DPA administers the Medicaid and KidCare programs. These programs provide medical benefits to families with children and to other persons. This

information is to be used by the Central KidCare Unit and staff of the Illinois Department of Human Services when authorizing medical benefits for persons on behalf of DPA.

FAMILY HEALTH PLANS

The 94/96 program is now called Family Health Plans. **We will no longer use the term MANG(P).** The individual programs within Family Health Plans are:

Family Assist:

Income is at or less than the Family Assist (TANF Cash Payment Level) Income Standard.

Parent Assist:

Income is greater than the Family Assist Income Standard but at or less than the Parent Assist Income Standard.

KidCare:

- **KidCare Assist** - Income is greater than the Family Assist Income Standard but at or less than 133% of the FPL.
- **KidCare Share** - Income is greater than 133% of the FPL but at or less than 150% of the FPL.
- **KidCare Premium** - Income is greater than 150% of the FPL but at or less than 185% of the FPL.
- **KidCare Rebate** - Income is greater than 133% of the FPL but at or less than 185% of the FPL and child has qualifying health insurance.
- **KidCare Moms and Babies** - Income is greater than the Family Assist Income Standard but at or less than 200% of the FPL.

Family Health Spenddown:

- For persons under age 19, income is greater than 185% of the FPL, **or** greater than 133% of the FPL and the person is ineligible for KidCare Share, KidCare Premium, and KidCare Rebate for nonfinancial reasons.
- For persons age 19 and over, income is greater than the Parent Assist Income Standard.

The spenddown amount is determined by comparing countable income to the Family Health Spenddown Income Standard.

Example: Countable family income is \$700. The Parent Assist Income Standard for 3 is \$613. Countable income is greater than the new Parent Assist Income Standard (\$700 > \$613). The adults are ineligible for Parent Assist. Now compare countable income to the

Family Health Income Standard (\$508). The adults have a spenddown of \$192 (\$700 - \$508). The children are eligible for KidCare Assist.

ESTABLISHMENT OF THE NEW PARENT ASSIST INCOME STANDARD

Illinois has received a federal waiver to establish the new Parent Assist Income Standard. The standard is 49% of the Federal Poverty Level (FPL). To determine eligibility for an adult who is not eligible for Family Assist, you first compare countable income to the new Parent Assist Income Standard.

- If income is equal to or less than the new Parent Assist Income Standard, then the adult is eligible without a spenddown.

Then determine whether income is equal to or less than the old Parent Assist Income Standard, which is now called the Family Health Spenddown Income Standard, to determine Item 78 coding and whether or not the adult has to cooperate with child support enforcement (see the following section regarding cooperation with child support enforcement).

- If income is greater than the new Parent Assist Income Standard, determine the adult's spenddown by comparing countable income to the Family Health Spenddown Income Standard.

Initiatives to get legislative and federal approval to expand coverage for parents became known as FamilyCare. Thus, state officials including the Governor, advocates, legislators and others often publicly refer to Parent Assist as "FamilyCare". For this reason, applicants may ask to apply for "FamilyCare" even though you will consider them for Parent Assist.

The new standards are as follows:

No. in Std.	Parent Assist Income Standard (49% of FPL)	Family Health Spenddown Income Standard	No. in Std.	Parent Assist Income Standard	Family Health Spenddown Income Standard
1	\$ 362	\$283	5	865	650
2	488	375	6	991	733
3	613	508	7	1,116	767
4	739	558	8	1,242	808
			each additional:		see PM
			\$126		15-06-01-d

Use the new standard for all actions processed 10/07/02 or later. When determining initial eligibility, or when adding someone to an existing case, you can backdate up to 3 months, if otherwise eligible.

Example 1: Mr. B applied for medical on 09/15/02 for himself and his 3 children. Eligibility is being determined on 10/10/02. Mr. B's countable income is \$720. Eligibility can be backdated to 06/01/02 if Mr. B was otherwise eligible.

Example 2: Ms. C has an active spenddown case for herself and an active KidCare Assist case for her 2 children. Ms. C has countable income of \$800 and she has a spenddown of \$292. Her REDE is being completed on 10/12/02 and her income decreased in 09/02 to \$600. Remove her spenddown effective 09/02.

COOPERATION WITH CHILD SUPPORT ENFORCEMENT

The Federal law under which we are operating the waiver does not require cooperation with child support enforcement for persons eligible under the increased income standard. For this reason, adults with countable income above the Family Health Spenddown Income Standard are not required to cooperate with child support cooperation requirements. These requirements apply only to adults with countable income equal to or less than the Family Health Spenddown Income Standard (old Parent Assist Income Standard).

Adults with income above the Family Health Spenddown Income Standard will not receive an automatic appointment letter from the Division of Child Support Enforcement (DCSE). Therefore, local offices will not receive Form 1611 on these cases. These adults are identified by new Item 78 coding as explained later in this release.

You are not required to collect absent parent information or complete a paternity interview for a Parent Assist case if income is above the Family Health Spenddown Income Standard.

If a person has been deleted from a case due to failure to cooperate with child support enforcement and countable income is above the Family Health Income Standard, have the person complete Form 243 and add the person back to the case.

Request new verification of income **when:**

- Form 243 indicates that income has changed, or
- income will be considered (such as stepparent income) which was not considered in determining the child(ren)'s income, or
- the worker has reason to believe income has changed, or
- a REDE has not been completed during the last 12 months.

Example 1: Ms. A was deleted from the case last year because she failed to cooperate with child support enforcement. On 10/14/02, Ms. A completes Form 243 to be added back to the case.

Ms. A has one child and her countable income is now \$400, which is above the Family Health Spenddown Income Standard (\$375 for a family of 2). Remove the RPN status and add Ms. A back to the case without determining if she is willing to cooperate with DCSE or requesting an appointment from DCSE. Eligibility can be backdated to 07/01/02, if otherwise eligible.

Example 2: Ms. B was deleted from the case last year because she failed to cooperate with child support enforcement. On 11/14/02, Ms. B completes Form 243 to be added back to the case and states that she is willing to cooperate with child support enforcement.

Ms. B has 2 children and her countable income is \$460, which is equal to or less than the Family Health Spenddown Income Standard (\$508 for a family of 3).

The caseworker refers Ms. B to DCSE and receives Form 493 from DCSE reporting that Ms. B has now cooperated. Remove the RPN status and add Ms. B back to the case. Eligibility can only be backdated to 11/01/02, the month in which Ms. B stated she was willing to cooperate.

When an adult applies for medical benefits for themselves and their children, explain that they may be required to cooperate with DCSE. Collect all information necessary to comply with child support enforcement only if the income is equal to or less than the Family Health Spenddown Income Standard.

Example 1: Ms. C applies for medical benefits for herself and her 4 children. She provides all necessary information except she refuses to provide information regarding the father of her oldest child who was born prior to her marriage. Her countable income is \$300. Ms. C is ineligible for medical benefits since countable income is equal to or less than the Family Health Spenddown Income Standard and she refused to cooperate with child support enforcement.

Example 2: Ms. D applies for medical benefits for herself and her 4 children. She provides all necessary information except she refuses to provide information regarding the father of her oldest child who was born prior to her marriage. Her countable income is \$800 which is above the Family Health Spenddown Income Standard. Therefore, Ms. D is eligible for medical benefits even though she didn't cooperate with child support enforcement.

CHOICE BETWEEN KIDCARE REBATE AND KIDCARE SHARE OR KIDCARE PREMIUM

A child with insurance that covers both inpatient hospitalization and physician services can choose between KidCare Rebate and KidCare Share or KidCare Rebate and KidCare Premium, depending on income.

NOTE: A child with insurance that does not cover inpatient hospital and physician services cannot choose KidCare Rebate.

Explain to all applicants with health insurance that covers both inpatient hospitalization and physician services and income is in the KidCare Rebate range that they can choose to receive medical benefits or a rebate.

Authorize KidCare Share or KidCare Premium when:

- a family fails to return a completed Rebate Form (Form 2378KC, Form 2378MC, or Form 2378KCB) and is otherwise eligible; or
- a family is not eligible for KidCare Rebate because health insurance is available at a cost of less than \$1.00.

The following computer actions are no longer valid: TA 05/TAR 15, TA 34/TAR 28, TA 22/TAR 03, and TA 22/TAR 05.

NEW ITEM 68, 73, AND 78 CODES

The federal government reimburses Illinois for a portion of most of the costs of the Family Health Plans. We receive a 50% reimbursement for some programs and 65% for others.

The information entered in Item 68 and Item 73 (for KidCare Share, KidCare Premium, and KidCare Rebate) and Item 78 (for all other Family Health Plan programs) is used by DPA to claim federal reimbursement. We need many different codes because the federal reimbursement process is very complex. It is very important that these fields be completed correctly.

A chart is attached which gives the new Item 78 code definitions for adults and all Item 73 code definitions for persons receiving KidCare Share, KidCare Premium, or KidCare Rebate.

Item 68

Item 68 is used to indicate whether or not a person had health insurance when initially applying for benefits. Code 1 means the person did have health insurance and a dash (-) means the person did not have health insurance. Once the code is entered, it should not be changed unless the case is canceled.

Item 73

Item 73 is used for KidCare Share, KidCare Premium, and KidCare Rebate cases to indicate:

- under which program a child is receiving benefits;
- whether a person receiving KidCare Share or KidCare Premium also qualifies for KidCare Rebate.

There are 2 new Item 73 codes (J for Share and L for Premium) to indicate that a family eligible for KidCare Rebate has chosen KidCare Share or KidCare Premium. In addition, we are eliminating Item 73 codes S, T, U, and W. Code S will be replaced with code Y, code T with code Z, code U with code V, and code W with code X.

Item 78

- New Item 78 code A indicates that an adult has income above the Family Health Spenddown Income Standard but equal to or less than the Parent Assist Income Standard and state-administered insurance **is not** available.
- New Item 78 code F indicates that an adult has income above the Family Health Spenddown Income Standard but equal to or less than the Parent Assist Income Standard and state-administered insurance **is** available.

AIS AND ACM

AIS and ACM will use the new Parent Assist Income Standard and Item 68, 73, and 78 coding beginning 10/07/02. For all actions processed through ACM when a calculation is done, ACM will determine eligibility and enter the new Item 78 code and delete the spenddown coding, if appropriate, beginning 10/7/02. This includes quarterly reporting, REDEs, and any other action for which a calculation is completed.

ENROLLMENT IN SPENDDOWN

Beginning 10/21/02, do not enroll a person in spenddown unless there is a regular or spenddown met month when eligibility is determined.

Example 1: Mr. and Mrs. N and their 3 children apply for medical benefits. Income is 95% of the FPL. There are no spenddown met months. Deny medical benefits for Mr. and Mrs. N. Approve KidCare Assist for the children.

Example 2: Ms. P's children receive medical benefits. Ms. P completes Form 243 to be added to the case. Income is 85% of the FPL and there are no spenddown met months. Do not add Ms. P to the case.

Example 3: The A family receives Parent/KidCare Assist. Income increases to 155% of the FPL and there are no met months. The LMDD is more than 12 months ago. Cancel the Parent/KidCare Assist case. Set up a KidCare Premium case for the children.

Anytime you review an active spenddown case, if you verify through MMIS that spenddown has not been met for any of the last 3 months, delete the spenddown person(s) with TA 34/TAR 39 unless the person is on a waiting list for a transplant. Form 157C is centrally generated, unless suppressed by the worker.

If the person needs medical benefits later, **and** provides medical expenses showing they have met spenddown, have them complete Form 243. In determining whether or not to authorize benefits for the adult, it is not necessary to reverify income unless:

- the family states income has changed, or
- the worker has reason to believe income has changed, or
- a REDE has not been completed within the last 12 months.

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Secretary
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KidCare Share, KidCare Premium, KidCare Rebate Item 73 Codes	
Program	Item 73 Code
Share	Y (existing code)
Share (eligible for Rebate - chose Share)	J (new code)
Premium	Z (existing code)
Premium (eligible for Rebate - chose Premium)	L (new code)
Rebate (income ~ 150% of FPL)	V (existing code)
Rebate (income [™] 150% of FPL)	X (existing code)

ITEM 78 CODES FOR PERSONS AGE 19 AND OVER IN A 94 OR 96 CASE	
Definition	Item 78 Code
Person age 19 or over with income equal to or less than the Family Assist Standard	(-) (dash)
Person age 19 or over with income greater than Family Health Spenddown Standard but equal to or less than Parent Assist Standard - State insurance not available	A
Person age 19 or over with income greater than Family Health Spenddown Standard but equal to or less than Parent Assist Standard - State insurance available	F
Person age 19 or over with income greater than the Parent Assist Standard	(-) (dash)

Family Health Plans									
					KidCare				
Family Size	Family Assist	Parent Assist*	Family Health Spenddown	MPE* a)	Assist*	Share*	Premium*	Rebate*	Moms & Babies*
	See TANF Payment Levels on Reverse			200% FPL	133% FPL	133% - 150% FPL	150% - 185% FPL	133% - 185% FPL	200% FPL
1		\$ 362	\$283		\$ 982	\$ 983 - \$1,108	\$1,109 - \$1,366	\$ 983 - \$1,366	
2		488	375	\$1,990	1,323	1,324 - 1,493	1,494 - 1,841	1,324 - 1,841	\$1,990
3		613	508	2,503	1,665	1,666 - 1,878	1,879 - 2,316	1,666 - 2,316	2,503
4		739	558	3,017	2,006	2,007 - 2,263	2,264 - 2,790	2,007 - 2,790	3,017
5		865	650	3,530	2,347	2,348 - 2,648	2,649 - 3,265	2,348 - 3,265	3,530
6		991	733	4,043	2,689	2,690 - 3,033	3,034 - 3,740	2,690 - 3,740	4,043

Other Medical Programs							Asset Limits			
Family Size	QMB & AABD Medical	SLIB*	QI-1*	QI-2*	HBWD* b)	BCC c)	Program	One Person	Two People	Additional
	100% FPL	100% - 120% FPL	120% - 135% FPL	135% - 175% FPL		Dept. of Public Health Determines Income Eligibility (200% FPL)	Family Health	No Limit		
1	\$ 738	\$ 739 - \$ 886	\$ 887 - \$ 997	\$ 998 - \$1,292	\$1,477		AABD Medical	\$2,000	\$3,000	\$50
2	995	996 - 1,194	1,195 - 1,343	1,344 - 1,741	1,990		QMB, QI-1, & QI-2	4,000	6,000	
3	1,252	1,253 - 1,502	1,503 - 1,690	1,691 - 2,190	2,503		HBWD	\$10,000		
4	1,508	1,509 - 1,810	1,811 - 2,036	2,037 - 2,640	3,017		BCC	No Limit		
5	1,765	1,766 - 2,118	2,119 - 2,383	2,384 - 3,089	3,530					
6	2,022	2,023 - 2,426	2,427 - 2,729	2,730 - 3,538	4,043					
Community Spouse Asset Allowance**		\$89,280	Community Spouse Maintenance Needs Allowance**		\$2,232	Family Maintenance Needs Standard		\$1,493	SSI Payment Level	Single \$545 Couple \$817

*These amounts change in March of each year. **These amounts change in January of each year. a) Medicaid Presumptive Eligibility for Pregnant Women
 b) Health Benefits for Workers with Disabilities c) Breast and Cervical Cancer

**MONTHLY PAYMENT LEVELS
AS OF OCTOBER 2002**

PAYMENT LEVELS FOR CASH PROGRAMS						FS BENEFIT AMOUNT	ASSET LIMITS			
Number of Persons	TANF and GA-FCA			GA-TA	AABD		== MAXIMUM AMOUNT*	PROGRAMS	ONE PERSON	2 PEOPLE
	Adult in Unit	(No Adult in Unit)								
	Group I	Group II	Group III							
1	\$223 (\$107)	\$214 (\$102)	\$182 (\$ 99)	\$100	Needs Standard	\$139	AABD CASH	\$2,000	\$3,000	\$50
2	292 (211)	282 (204)	270 (197)			256	TANF CASH	2,000	3,000	50
3	396 (261)	383 (254)	366 (249)			366	GA-TA & GA-FCA	2,000	3,000	50
4	435 (335)	423 (327)	408 (317)			465	FOOD STAMPS	== \$2,000 (\$3,000 if at least one person is a qualifying member)		
5	509 (398)	495 (387)	476 (377)			553				
6	572 (427)	555 (417)	537 (406)			663				
<p>NOTE: If gross income is at or above these levels, persons interested should still make application. There are some deductions allowed to arrive at countable income. These deductions vary from program to program.</p> <p>* These amounts change in October of each year.</p>										

COUNTY GROUPINGS							
GROUP I COUNTIES	GROUP II COUNTIES			GROUP III COUNTIES			
Boone Champaign Cook DeKalb DuPage Kane Kankakee Kendall Lake McHenry Ogle Whiteside Winnebago Woodford	Adams Bureau Carroll Clinton Coles DeWitt Douglas Effingham Ford Fulton Grundy Henry Iroquois Jackson	JoDavieess Knox LaSalle Lee Livingston Logan Macon Macoupin Madison McDonough McLean Mercer Monroe Morgan	Moultrie Peoria Piatt Putnam Rock Island Sangamon St. Clair Stephenson Tazewell Vermilion Wabash Warren Will	Alexander Bond Brown Calhoun Cass Christian Clark Clay Crawford Cumberland Edgar Edwards Fayette Gallatin	Greene Hamilton Hancock Hardin Henderson Jasper Jefferson Jersey Johnson Lawrence Marion Marshall Mason Massac	Menard Montgomery Perry Pike Pope Pulaski Randolph Richland Saline Schuyler Scott Shelby Stark Union	Washington Wayne White Williamson