



# TENNCARE POLICY MANUAL

<b>Policy No: CON-08-002 (rev. 2)</b>	
<b>Subject: Assignment of Newborns, Coverage and Billing</b>	
<b>Approved by:</b> <i>Tracy Russell</i>	<b>Date:</b> 7/5/2011
<b>Approved by:</b> <i>Keith Harris</i>	<b>Date:</b> 7/5/2011

## PURPOSE:

The purpose of this policy is to explain TennCare policy with respect to eligibility of newborns, assignment of newborns to Managed Care Contractors (MCCs), and billing for services provided to newborns.

## POLICY:

Newborns may apply for Medicaid like any other potential enrollees. There are some circumstances, however, in which newborns may *automatically* be eligible for TennCare. These circumstances are described in Section 1 below.

Section 2 discusses factors involved in enrolling newborns in TennCare. A newborn can be added to his mother's case without having to wait for the Social Security enumeration process to conclude. However, the enumeration process should begin promptly. As a general rule, newborns are assigned to the same MCCs as the ones in which their mothers are enrolled. The exception to this rule is infants who are SSI-eligible at birth.

Section 3 describes payment policies, focusing on specific policies regarding "misaligned newborns" (i.e., newborns who are assigned plans different from their mothers') and provider payments.

### **Section 1: Newborns to whom TennCare Eligibility May be Extended**

#### **1.1 TennCare Medicaid Newborns with Medicaid-eligible Mothers**

Children born to Medicaid-eligible mothers automatically qualify for Medicaid. The birth of the baby must be reported by the parent(s) to the Department of Human Services (DHS) in order for the child to be enrolled. **Children born to undocumented alien mothers who have been found**

by DHS to qualify for reimbursement of emergency services are also included in this coverage group.<sup>1</sup> The effective date of eligibility is always the child's date of birth.

A newborn infant may remain eligible for Medicaid for a period of up to one year on the following conditions:

- (i) The mother was eligible for Medicaid at the time the infant was born; and
- (ii) If the mother is *not an undocumented alien*, the mother would be eligible for Medicaid if she were still pregnant.

TennCare Medicaid eligibility for a child must be renewed when he reaches age one (the month of his first birthday).<sup>2</sup> The infant continues to be eligible if all eligibility requirements are met. However, individuals who are initially eligible for Medicaid (or CHIP) as deemed newborns are considered to have provided satisfactory documentation of citizenship and identity (by virtue of being born in the United States) and will not be required to further document citizenship or identity at any subsequent Medicaid (or CHIP) eligibility redetermination.<sup>3</sup>

## **1.2 Newborn Children of TennCare Standard-eligible Mothers**

If a newborn's mother is TennCare Standard-eligible, the child will *not* be deemed eligible for TennCare Standard. He must be determined Medicaid-eligible in his own right in order to qualify for TennCare.

### **Section 2: Enrollment of Newborns in TennCare**

The newborn whose mother was not eligible for TennCare Medicaid may, upon his birth, be eligible for TennCare Medicaid benefits, if he meets the technical and financial criteria of any other TennCare Medicaid category.

#### **2.1 Enumeration or Acquisition of a Social Security Number (SSN)**

A newborn can be added to his mother's case without having to wait for the enumeration process to conclude. However, it is important to note that a newborn can only be added to the case of a *Medicaid-eligible* mother.

In most situations, the enumeration process<sup>4</sup> now occurs for newborns at the hospital. **The mother should promptly report the child's birth to DHS or the Family Assistance Service Center; her report will trigger the issuance of a pseudo-SSN if the child's permanent SSN is not yet available.**

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<sup>1</sup> Under federal law found at 42 C.F.R. § 440.255(c)(1), all labor and delivery is considered an "emergency" service, for purposes of payment for services provided to women who are undocumented aliens.

<sup>2</sup> 42 C.F.R. § 435.916 (Periodic redeterminations of Medicaid eligibility).

<sup>3</sup> CMS: State Health Official (SHO) Letter, # 09-009, CHIPRA # 5, dated August 31, 2009.

<sup>4</sup> 42 C.F.R. § 435.910 (Use of a Social Security number).

Form SS-5, which is provided by the Social Security Administration, is kept in DHS county offices to be used to apply for SSNs. The newborn is not required to be enumerated until he reaches age one. However, the newborn must be enumerated *by age one* or before he can be approved in any other TennCare Medicaid category (whichever occurs first).

## **2.2 Assignment of Newborns to MCCs**

The general policy is that a newborn is assigned to the same MCC as the one in which his mother is enrolled. The TennCare system has been set to “wrap” a newborn with his mother’s case when information is available linking the mother and the newborn, unless the mother is assigned to TennCare Select. If a newborn’s mother is not TennCare-eligible at the time of his birth but she gains eligibility at a later date, the system will then wrap her with her child so that she will be enrolled in the MCC to which her child is assigned.

Since there are various avenues to enrollment in the TennCare program, it is possible that a newborn could be assigned to a MCC that is different from his mother’s—**Instances of “misaligned newborns” can be reduced by the prompt reporting of births by new mothers to the Family Assistance Service Center at tel. 1-866-311-4287.**

## **2.3 SSI-Eligible Infants**

The exception to the rule that newborns are assigned to the same MCCs as their mothers is infants who are SSI-eligible at birth. These children are automatically assigned to TennCare Select.<sup>5</sup> It should be noted that when TennCare notifies a mother that her newborn child has been changed from the initially assigned MCC to TennCare Select, she is advised that she can “opt out” of assignment to TennCare Select and choose another MCC for her child. *Nevertheless, when an SSI child is assigned to TennCare Select and his parent requests a change to another MCC within the 45-day time limit, the change to the new MCC is not retroactive to date of birth; rather, it is effective within 10 days of the change being made.*

Problems may occur when an infant is not SSI-eligible on date of birth but becomes SSI-eligible retroactive to date of birth at a later date. If not SSI-eligible at birth, the newborn would be assigned to an MCC other than TennCare Select (presumably to the plan in which his mother is enrolled) but when found to be SSI-eligible, he would be assigned to TennCare Select. At that point, billing issues between the original MCC and TennCare Select may arise.

## **Section 3: Payment Policies**

### **3.1 General Policy**

An MCC has the same responsibilities for making payment for services provided to newborns enrolled in its plan as it has for any other persons enrolled in its plan. **MCCs have the option of paying for services provided to the infant during the first 30 days of life under the mother’s SSN.**

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<sup>5</sup> *TennCare II Medicaid section 1115 demonstration* (July 1, 2010 through June 20, 2013), Special Term and Condition (STC) #40.

TennCare issues an individual identification number for a newborn when his eligibility is added to interChange. An exception must be made for an infant born to an undocumented alien mother. In such a case, the State must immediately issue a separate Medicaid eligibility identification number for the child upon notification of his or her delivery. The child receives full Medicaid coverage, but he may not be covered under the mother's identification number because the mother is only covered by Medicaid for emergency medical services.<sup>6</sup>

### 3.2 Specific Policies Regarding Misaligned Newborns

- a. In cases of misalignment involving non-SSI-eligible infants, **the MCC in which the mother is enrolled at the time of delivery will ultimately be responsible for the coverage and payment of all MCC-covered services provided to the newborn, beginning at birth.** In other words, the plan in which the non-SSI newborn child is correctly enrolled will be his mother's plan, and that plan is responsible for the coverage and payment of TennCare-covered services provided to the newborn child for the full period of eligibility.
- b. **The plan in which the newborn child was incorrectly enrolled has no liability** for the coverage or payment of any TennCare-covered services provided, except as described below, during the period of incorrect plan assignment, and **TennCare has no liability** for payment of the fixed administrative rate or payments for covered services to the MCC in cases such as these.
- c. When a **misaligned infant is moved to another plan, the MCC in which the newborn child is first enrolled (first plan) may submit supporting documentation to the MCC to which the newborn child is moved (second plan) and the second plan would reimburse the first plan within thirty (30) days of receipt** of such properly documented request for reimbursement, **for the amount expended on behalf of the child prior to the child's eligibility having been moved to the second plan.**
  - i. Such reimbursement should equal the actual amount expended by the first plan.
  - ii. The second MCC agrees that, should the second MCC fail to reimburse the first MCC the actual amount expended on behalf of the newborn within thirty (30) calendar days of receipt of a properly documented request for payment, TennCare is authorized to deduct the amount owed from any funds due the second MCC and use them to reimburse the first MCC. **Per the respective MCCs' contracts with TennCare, in the event that a Contractor fails to reimburse the first MCC the actual amount expended on behalf of the newborn within thirty (30) calendar days of receipt of a properly documented request for payment, TennCare may assess liquidated damages.** Should it become necessary for TennCare to intervene in such cases, both the second

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<sup>6</sup> CMS: State Health Official Letter, SHO # 09-009, CHIPRA # 5, dated August 31, 2009.

MCC and the first MCC agree that TennCare shall be held harmless by both MCCs for actions taken by TennCare to resolve the dispute.

### **3.3 Provider Payments**

*No financial transactions between the Bureau of TennCare and either MCC shall involve recouping of payments made to any provider of services to the newborn.* Rather than recouping from providers, the second MCC should repay the first MCC for the payment the first MCC made to the provider. Such a transaction balances out the issues between the two MCCs and is transparent to the provider.

#### **PROCEDURE:**

Parents or family representatives must take steps to ensure that the newborn infant is enumerated for Social Security purposes so that he will not fail the TennCare technical eligibility requirement that every enrollee have a valid Social Security number.

For newborns, a hospital staff member may provide the mother, family member or family representative an SS5 Form to complete for the purpose of assigning a Social Security number to the newborn. DHS is allowed to bypass the requirement that the newborn be enumerated if there is verification that an SS5 Form has been completed.

#### **NECESSARY FORMS:**

Form SS-5 (application for SSN)

#### **REFERENCE DOCUMENTS:**

##### **Federal Materials**

42 C.F.R. § 435.910

[http://edocket.access.gpo.gov/cfr\\_2010/octqtr/pdf/42cfr435.910.pdf](http://edocket.access.gpo.gov/cfr_2010/octqtr/pdf/42cfr435.910.pdf)

42 C.F.R. § 435.916

[http://edocket.access.gpo.gov/cfr\\_2010/octqtr/pdf/42cfr435.916.pdf](http://edocket.access.gpo.gov/cfr_2010/octqtr/pdf/42cfr435.916.pdf)

42 C.F.R. § 440.255(c)(1)

[http://edocket.access.gpo.gov/cfr\\_2010/octqtr/pdf/42cfr440.255.pdf](http://edocket.access.gpo.gov/cfr_2010/octqtr/pdf/42cfr440.255.pdf)

Centers for Medicare and Medicaid Services (CMS) State Health Official Letter, SHO # 09-009, CHIPRA # 5, dated August 31, 2009

<https://www.cms.gov/smdl/downloads/SHO083109b.pdf>

##### **State Materials**

###### Waiver

“TennCare II” Waiver (*Medicaid section 1115 demonstration* (July 1, 2010-June 20, 2013), Special Term and Condition (STC) #40 – <http://www.tn.gov/tenncare/forms/approvalmaterials.pdf>

## Rules

### *DHS*

- DHS Rule 1240-3-2-.02(2)(i) (Coverage of the Categorically Needy).
- DHS Rule 1240-3-3-.02(10) (Technical Eligibility Factors)

<http://www.tn.gov/sos/rules/1240/1240-03/1240-03.htm>

### *TennCare*

- TennCare Rule 1200-13-13-.02(1)(c) and (2)(a) (Eligibility).
- TennCare Rule 1200-13-13-.03(a)(4) and (b)(1) (Enrollment, Reassignment and Disenrollment with Managed Care Contractors).
- TennCare Rule 1200-13-14-.02(2)(b) (Eligibility).

<http://www.tn.gov/sos/rules/1200/1200-13/1200-13.htm>

### Managed Care Organization (MCO) Contractor Risk Agreements (CRAs)

- *Middle Tennessee MCO CRA* (Through Amendment 8 – July 1, 2011)  
<http://www.tn.gov/tenncare/forms/middletnmco.pdf>
- *East and West CRA* (Through Amendment 5 – July 1, 2011)  
<http://www.tn.gov/tenncare/forms/eastwestmcocontract.pdf>

### **OFFICES OF PRIMARY RESPONSIBILITY:**

#### TennCare Bureau—

- TennCare Solutions Unit (TSU)
  - To process appeals.
- Office of Managed Care Operations
  - To update and maintain MCO CRAs and to oversee MCO activities.
- Department of Human Services (DHS)
  - To make eligibility determinations on application and at time of renewal.
  - Enumeration.
- Information Systems
  - To properly enter and maintain applicant/recipient information.

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