

Aged, Blind and Disabled Manual Policy Manual Number: 115.035	Section: Categories of Eligibility Chapter: Katie Beckett
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KATIE BECKETT

Legal Authority: Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982; Family Opportunity Act of 2005; 42 CFR 435.225; Tenn. Code Ann. § 71-5-164; TennCare III Medicaid Section 1115 Demonstration

1. Policy Statement

The Katie Beckett program provides medical assistance to children under age 18 with disabilities or complex medical needs who live at home and do not otherwise qualify for Medicaid due to their parents' income or resources. Parent to child deeming is waived so that parents' income and resources are not counted in determining the child's eligibility. Katie Beckett Part A and B enrollment is subject to the availability of state appropriations.

2. Katie Beckett Groups

a. Katie Beckett Part A (Institutional Level of Care Group)

Children are potentially eligible for Katie Beckett Part A if they qualify for care in a medical institution and would qualify for Supplemental Security Income (SSI) but for their parents' income or resources. Children enrolled in Katie Beckett Part A receive full TennCare Medicaid benefits and up to \$15,000 of specified Home and Community Based Services (HCBS) wraparound services.

b. Katie Beckett Part B (Diversion Group)

Katie Beckett Part B is for children with disabilities or complex medical needs who qualify for care in a medical institution or are at risk of institutionalization. Children enrolled in Katie Beckett Part B receive up to \$10,000 of services, including specified HCBS through the Department of Disability and Aging (DDA), but do not receive full TennCare Medicaid benefits.

c. Katie Beckett Continued Eligibility Group

The Katie Beckett Continued Eligibility Group is for children who are enrolled in TennCare Medicaid, are losing eligibility, and would qualify to enroll in Katie Beckett Part A, but for whom there is no Katie Beckett Part A slot available. Children enrolled in the Katie Beckett Continued Eligibility Group receive full TennCare Medicaid benefits.

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3. Non-Financial Eligibility Requirements

Children eligible in a Katie Beckett group must meet all non-financial eligibility requirements.

- a. **Age:** A child must be under age 18. Children enrolled in Katie Beckett Part A or the Katie Beckett Continued Eligibility Group may remain enrolled for up to 12 months following their 18th birthday if they have a pending application for SSI or their SSI application is in appeal status.
- b. **Level of Care (LOC):** A child must be determined by the Long-Term Services and Supports (LTSS) Unit to qualify for the following LOC:
 - i. Katie Beckett Part A: Care in a medical institution
 - ii. Katie Beckett Part B: Care in a medical institution or at risk of institutional placement.
 - iii. Continued Eligibility Group: Care in a medical institution.
- c. **Citizenship:** A child must be a U.S. citizen, U.S. national, or eligible non-citizen.
- d. **Enumeration:** A child must possess and provide a valid Social Security Number (SSN) or proof of application for an SSN, unless they meet an exception.
- e. **State Residence:** A child must be a resident of Tennessee.
- f. **TennCare Medicaid Eligibility:** A child must be ineligible for any other TennCare Medicaid or TennCare Standard category.
- g. **Private or Employer-Sponsored Insurance:** For Katie Beckett Part A, a child must be enrolled in or obtain private or employer-sponsored insurance that provides minimum essential coverage, in accordance with 45 CFR 156.110(a). Private or employer-sponsored insurance may also be referred to as Third Party Liability (TPL).
- h. **Slot Status:** Children must be granted a slot in order to be enrolled in Katie Beckett Part A or Katie Beckett Part B.

4. Requirement to Purchase and Maintain Health Insurance

Parents must obtain private or employer-sponsored insurance for children who do not have insurance upon enrollment in Katie Beckett Part A. Children who do not have private or employer-sponsored insurance and are enrolled in Katie Beckett Part A before October 1st of the current year will have until February 15th of the next year to be enrolled in and submit proof of insurance. Children who do not have private or employer-sponsored insurance and are enrolled in Katie Beckett Part A after October 1st of the current year will have until February 15th of the year following the next year to be enrolled in and submit proof of insurance.

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a. Hardship Exception for Premium Assistance

A hardship exception for premium assistance can only be requested if a child does not have private or employer-sponsored insurance when the child is first enrolled in Katie Beckett Part A. A hardship is considered to exist if:

- i. The cost of the child's portion of available private or employer-sponsored insurance, including the cost of coverage for the parent when the parent is required to purchase health coverage in order to obtain coverage for the child, exceeds 5% of the family's Modified Adjusted Gross Income (MAGI); or
- ii. The family's MAGI is less than 400% of the Federal Poverty Level (FPL) and the child does not have access to employer-sponsored insurance through either parent's employer.

A family who meets hardship criteria must still purchase health insurance for the child but may be granted premium assistance to help cover the child's portion of the cost of insurance. For more information on premium assistance see section 8.

b. Loss of Health Insurance

Children enrolled in Katie Beckett Part A who lose their private or employer-sponsored insurance will have 60 days to be enrolled in and submit proof of other insurance. A hardship exception for premium assistance is not available to children who have lost insurance but had private or employer-sponsored insurance at the time of enrollment in Katie Beckett.

5. Financial Eligibility Requirements

Financial eligibility for the Katie Beckett COE is determined using Institutional Medicaid rules. Parent to child deeming of income and resources does not apply.

a. Eligibility Determination Group (EDG)

Financial eligibility is determined based on an EDG size of one. The only EDG member included is the applicant.

b. Income Limit

The income of the child must be no more than 300% of the SSI Federal Benefit Rate (SSI-FBR).

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c. Resource Limit

The child's resources must not exceed \$2,000.

6. Example Budget

Susie Smith, an eight-year old, lives in the household with her mom, stepdad, and two siblings. Susie is disabled but does not qualify for SSI due to her family's income and resources. The household is over the income limit for all Medicaid categories and does not have enough medical bills to meet a spenddown. Susie receives \$300 month in child support and has no resources. She is covered under her father's insurance at work.

Income Budget Calculation		
Unearned Income		\$ 300.00
Irregular Unearned Income Disregard	+	N/A
In-Kind Support and Maintenance	+	N/A
Ineligible Spouse's Deemed Unearned Income	+	N/A
Ineligible Parent's Deemed Income	+	N/A
General Deduction (\$20)	-	N/A
Child Support Disregard	-	N/A
Widow/Widower Entitlement Disregard	-	N/A
DAC Entitlement Disregard	-	N/A
COLA Disregard	-	N/A
Total Net Unearned Income	=	\$ 300.00
Self-Employment Income		\$ 0.00
Earned Income	+	\$ 0.00
Irregular Earned Income Disregard	-	N/A
Student Earned Income Exclusion	-	N/A
Ineligible Spouse's Deemed Earned Income	+	N/A
Remaining General Deduction	-	N/A
Earned Income Deduction	-	N/A
Impairment Related Work Expense	-	N/A
½ Deduction	-	N/A
Blind Work Expense	-	N/A
Total Net Earned Income	=	\$ 0.00
Total Countable Income (Total Net Unearned Income + Total Net Earned Income)	=	\$ 300.00
Qualified Income Trust	-	N/A
Net Countable Income		\$ 300.00
Income Test Limit		\$ 2,349.00

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Income Test Result	PASS
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The above budget is current as of January 2020.

Susie meets nursing facility LOC and has been granted a Katie Beckett Part A slot. Susie is eligible for Katie Beckett Part A.

7. Katie Beckett Part A Premium Payment Requirement

a. General Rule

As a condition of enrollment and continued eligibility for Katie Beckett Part A, children whose families have income of more than 150% of the FPL may be required to pay a monthly premium. The child's premium is determined based on the family's income and household size, using the MAGI methodology. The premium is calculated on a sliding scale using the table below:

Household Income (MAGI)	Premium % of income for a household of two	Monthly premium
>150% - 250% FPL	1.5%	\$25
>250% - 300% FPL	2.5%	\$75
>300% - 400% FPL	3%	\$125
>400% - 500% FPL	4%	\$225
>500% FPL - No limit	5%	\$350 + \$70 for every 100% above 500%

The Katie Beckett Part A premium is reduced by the cost of the child's portion of employer-sponsored or private insurance. If the child's portion of employer-sponsored or private insurance (including the cost of coverage for the parent when the parent is required to purchase health coverage in order to obtain coverage for the child) equals or exceeds the child's monthly premium for Katie Beckett Part A, the child will not have a premium obligation for Katie Beckett Part A.

Example 1: Jacob Zimmerman lives in the home with his mother, father, and sister. The family's MAGI is \$10,000 a month. The FPL for a household of 4 for 2020 is \$2,184 a month. The family's household income is more than 400% of the FPL. Since the household income is between 400% and 500% of the FPL, the Katie Beckett Part A premium would be \$225 per month. However, Jacob has private insurance. The total cost of the family's private insurance is \$400 per month. Jacob's father is not required to obtain coverage for himself in order to obtain coverage for Jacob. Jacob's portion of insurance is calculated by dividing the total cost of the insurance by the number of household members covered under the insurance. Jacob's insurance is \$100 per month ($\$400/4 = \100). Jacob's monthly premium for Katie Beckett Part A is reduced by his portion of his family's private insurance. Jacob's monthly Katie Beckett Part A premium is \$125 per month ($\$225 - \$100 = \125).

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Example 2: Emily Cruz lives in the home with her mother, father, and 3 siblings. The family's MAGI is \$8,800 a month. The FPL for a household of 6 for 2020 is \$2,930 a month. The family's household income is more than 300% of the FPL. Since the household income is between 300% and 400% of the FPL, the Katie Beckett Part A premium would be \$125 per month. However, Emily has insurance through her mother's employer. The total cost of the family's insurance is \$375 per month. Emily's mother is required to purchase insurance for herself in order to obtain coverage for Emily. Emily's portion of insurance, including the cost of coverage for her mother, is calculated by dividing the total cost of the insurance by the number of household members covered under the insurance and multiplying by 2. Emily's insurance is \$125 per month ($\$375/6 = \$62.50 \times 2 = \125). Emily's monthly premium for Katie Beckett Part A is reduced by her portion of her family's insurance. Emily's monthly Katie Beckett Part A premium is \$0 per month ($\$125 - \$125 = 0$). Emily does not have a Katie Beckett Part A premium obligation.

b. Initial Premium Payment

The first month's Katie Beckett Part A premium, along with electronic automatic payment arrangements for subsequent premiums, must be received before children who have a premium obligation can be enrolled in Katie Beckett Part A. The first month's premium is due 60 days from the date the notice is mailed informing the household of the Katie Beckett Part A premium obligation amount. If the first month's premium is not received within 60 days of the notice, the child will be denied for Katie Beckett Part A. The Katie Beckett Part A program slot will not be held unless a timely appeal is filed. If a timely appeal is filed, the Katie Beckett Part A program slot will be held until the conclusion of the appeal process.

c. Non-Payment of Premiums

After the initial Katie Beckett Part A premium payment is made, ongoing premium payments must be made via automatic bank draft on the first of each month. If all or part of a premium is more than 30 days in arrears, an advance notice of suspension will be sent and program benefits for Katie Beckett Part A will be suspended if the premium is not paid. If all or part of premium payments are more than 60 days in arrears, an advance notice of program termination for non-payment of premiums will be sent. If the premium payments in arrears are paid in full before the effective date of termination, program benefits will return to active status back to the date they were suspended. If the premium payments in arrears are not paid in full before the effective date of termination, the child will be disenrolled from Katie Beckett Part A.

An appeal may be filed regarding the premium amount calculated or premium payments made. If an appeal is filed after the date of suspension, benefits will remain in suspended status pending the appeal but will be retroactively reinstated if resolved in the enrollee's favor. A child who no longer qualifies for Katie Beckett Part A due to non-payment of premiums will be disenrolled from TennCare only after also being determined ineligible for all open TennCare categories. If the child

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later reapplies for Katie Beckett Part A, all arrearages and the first month's premium must be paid in advance for the child to be re-enrolled in Katie Beckett Part A.

8. Premium Assistance

If a family meets the requirements of a hardship exception, the family may receive premium assistance to help with the cost of the child's private or employer-sponsored insurance, including the cost of coverage for the child's parent when the parent must purchase health coverage in order to obtain coverage for the child. See Hardship Exception for Premium Assistance in section 4.a. Premium assistance will begin from the date the premium assistance is authorized or the date the individual enrolls in and pays their initial private or employer-sponsored insurance premium, whichever is later.

Assistance with premium payments is limited to the lesser of:

- a. The amount by which the child's portion of the family's monthly private or employer-sponsored insurance premium exceeds the child's Katie Beckett Group Part A premium; or
- b. The amount by which the lowest cost silver-level child-only plan in the highest rating region in Tennessee offered through the Federally Facilitated Marketplace (FFM).

Effective 01/01/2025, the lowest cost silver-level child-only plan in the highest rating region in Tennessee offered through the FFM is \$348 per month.

If the child's monthly Katie Beckett Part A premium equals or exceeds the child's portion of private or employer-sponsored insurance or the lowest cost silver-level child-only plan in the highest rating region in Tennessee offered through the FFM, whichever amount is less, the premium assistance amount is \$0.

Example: Ryan White lives with his parents and 2 siblings. The family's MAGI is \$7,500 a month. The FPL for a household of 5 for 2020 is \$2,557. Since the family's MAGI is less than 400% of the FPL, and Ryan does not have access to insurance through either of his parent's employer and was not enrolled in private insurance when he was enrolled in Katie Beckett Part A, Ryan meets the conditions for hardship and may receive premium assistance to help cover the cost of insurance. The cost of private insurance for the family is \$600 a month. Ryan's portion of the insurance is \$120 ($\$600/5 = \120). Since the household income is between 250% and 300% of the FPL, his Katie Beckett Part A Premium is \$75 per month. Ryan is eligible for \$45 per month in premium assistance ($\$120 - \$75 = \$45$).

9. Katie Beckett Effective Date

a. Katie Beckett Part A

- i. For children who do not have a Katie Beckett Part A premium obligation, Katie Beckett Part A begins on the date the case is approved in the eligibility determination system.

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- ii. For children who have a Katie Beckett Part A premium obligation, Katie Beckett Part A begins on the date the initial premium payment is received in full, along with automatic electronic payment arrangements for ongoing premiums.

b. Katie Beckett Part B

Katie Beckett Part B begins on the date of application or the date all eligibility requirements are met, whichever is later.

c. Katie Beckett Continued Eligibility Group

Katie Beckett Continued Eligibility Group begins on the date of transition from TennCare Medicaid.

10. Redetermination

Financial eligibility and level of care are redetermined annually for children enrolled in any part of the Katie Beckett program. DDA is responsible for completing the annual redetermination for children enrolled in Katie Beckett Part B. Families must report changes during the eligibility period that affect a child's eligibility for services. Families of children enrolled in Katie Beckett Part A are not required to report changes in family income that may impact a child's Katie Beckett Part A premium until the next redetermination.

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Version History

Revision Date	Section	Section Title	Page Number(s)	Reason for Revision	Reviser
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01.04.2022	4.; 8.	Requirement to Purchase and Maintain Health Insurance; Premium Assistance	2; 7	Policy Clarification	TN
02.01.2023	8.	Premium Assistance	7	Non-Substantive Change	SA
01.02.2024	8.	Premium Assistance	7	Non-Substantive Change	CE
08.01.2024	2.b. 10.	Katie Beckett Part B Redetermination	1; 7	Non-Substantive Change	BP
01.02.2025	8.	Legal Authority; Premium Assistance	1; 6	Non-Substantive Change	CE