

Families and Children Manual	Section: Categories of Eligibility
Policy Manual Number: 015.060	Chapter: TennCare Standard

TENNCARE STANDARD

Legal Authority: Tenn. Comp. R. & Reg's. Chapter 1200-13-14; March 2014 Amendment to the TennCare II section 1115 Demonstration Project; Tenn. Comp. R. & Reg's. Chapter 1200-13-20

1. Policy Statement

Children under age 19 who are losing TennCare Medicaid eligibility will be reviewed for TennCare Standard eligibility. TennCare Standard is available to children losing TennCare Medicaid eligibility, whose family income is at or below 211% of the Federal Poverty Level (FPL) or are determined to be medically eligible, and who meet all other non-financial eligibility requirements. Children may only gain TennCare Standard eligibility when they are terminated from a TennCare Medicaid category in a process known as Medicaid Rollover.

Children under age 19 are not eligible to roll over into TennCare Standard if their TennCare Medicaid benefits were either:

- a. Based on presumptive eligibility; or
- b. For Emergency Medical Services (EMS) for undocumented and/or ineligible aliens.

2. Definitions

Medically Eligible: TennCare Standard Medically Eligible individuals are children under age 19 who meet all of the following criteria:

- a. Are losing TennCare Medicaid;
- b. Have no insurance or access to insurance;
- c. Have Eligibility Determination Group (EDG) income above 211% of the FPL; and
- d. Have a qualifying medical condition that would have prevented them from getting health insurance prior to the Affordable Care Act (ACA).

Medically Eligible (ME) Packet: A multi-page document that must be completed regarding the child applicant's physical or mental health, if there is no existing encounter data. Corroborating verification from the physician or mental health provider must be provided.

Qualifying Medical Condition: A medical condition which is included among a list of conditions established by TennCare and will render a qualified uninsured applicant medically eligible.

Tax Filing Threshold: An annual income amount set by the Internal Revenue Service that determines whether an individual is required to file income taxes. The threshold varies by age, marital status and the number of tax dependents claimed.

Uninsured: For the purpose of TennCare Standard eligibility, an uninsured person is a child under age 19 losing Medicaid with no insurance or access to insurance, and whose EDG income is at or below 211% of the FPL.

Families and Children Manual	Section: Categories of Eligibility
Policy Manual Number: 015.060	Chapter: TennCare Standard

3. Application Procedures

a. TennCare Medicaid Closures based on Reported Changes

New applicants are not eligible for TennCare Standard. Individuals are only eligible for this category if they are losing TennCare Medicaid eligibility and rollover into TennCare Standard. When a reported change results in closing of the current TennCare Medicaid category, and ineligibility in any other category, processing for TennCare Standard as a Medicaid Rollover is required even if the child is not technically eligible. Although an actual application is not required, the individual must provide all required verifications to gain eligibility for TennCare Standard.

TennCare Standard rollover does not occur if:

- i. The individual requested his TennCare Medicaid closure;
- ii. TennCare Medicaid is closed because the individual left the state;
- iii. TennCare Medicaid closure is due to death; or
- iv. TennCare Medicaid closure is due to the child becoming eligible for SSI Medicaid.

4. Co-Pay Responsibility

a. General Rule

TennCare Standard enrollees with income at or above 100% of the FPL pay co-pays for most TennCare covered services. Co-pays for pharmacy benefits for covered name brand and generic drugs are required for individuals with co-pay responsibility.

b. Aggregate Cost-Sharing Cap

There are limitations on the amount of co-pays TennCare Standard children and their TennCare family members are obligated to pay. The aggregate cost-sharing cap is calculated by combining the TennCare cost sharing for all TennCare family members who have TennCare cost-sharing obligations, and may not exceed 5% of the family's annual income, prorated to a quarterly equivalent.

Family income will be calculated using the Modified Adjusted Gross Income (MAGI) methodology, and the family will be assigned to the corresponding income band to determine the standardized aggregate cap. The following income bands and corresponding aggregate annual caps will be used:

Income Band	Poverty Levels	Standardized Annual Aggregate Cap
1	0 – 99%	NA
2	100 – 149%	5% of the amount that corresponds to 100% FPL
3	150 – 199%	5% of the amount that corresponds to 150% FPL

Families and Children Manual	Section: Categories of Eligibility
Policy Manual Number: 015.060	Chapter: TennCare Standard

4	200 – 249%	5% of the amount that corresponds to 200% FPL
5	250 – 299%	5% of the amount that corresponds to 250% FPL
6	300 – 349%	5% of the amount that corresponds to 300% FPL
7	350 – 399%	5% of the amount that corresponds to 350% FPL
8	400 – 449%	5% of the amount that corresponds to 400% FPL
9	500 – 599%	5% of the amount that corresponds to 500% FPL
10	600% and over	5% of the amount that corresponds to 600% FPL

c. Enrollee Responsibility

Families of TennCare Standard children are responsible for tracking their own incurred cost-sharing obligation including keeping copies of receipts or similar documentation, and notifying TennCare when they believe they have reached their cap for a particular calendar quarter. The quarterly cap amount is provided to the family when a child becomes eligible for TennCare Standard.

5. Non-Financial Eligibility Requirements

Children eligible for TennCare Standard must meet all non-financial eligibility requirements. Additional information about each condition of eligibility is available in the Non-Financial Eligibility chapters.

- a. Age:** TennCare Standard is only available for children under age 19 who are losing TennCare Medicaid eligibility.
- b. Citizenship:** A child must be a U.S. Citizen, U.S. National or eligible non-citizen.
- c. Enumeration:** A child must provide a valid Social Security number, unless they meet an exception.
- d. State Residence:** A child must be a resident of the State of Tennessee.
- e. Child Support Cooperation:** A child is not required to agree to cooperate with Child Support Services. If the parent of a child who is applying for benefits refuses to cooperate, the child will not be penalized and will be reviewed for eligibility in this category.
- f. TennCare Medicaid Eligibility:** The child must be losing eligibility and no longer eligible for any TennCare Medicaid category. At renewal, children are still considered to be “losing eligibility” during the redetermination reconsideration period. See the *Redetermination* policy regarding the reconsideration period.

Families and Children Manual	Section: Categories of Eligibility
Policy Manual Number: 015.060	Chapter: TennCare Standard

6. Access to Insurance

a. Changes under the Affordable Care Act

To be eligible for TennCare Standard, a child must not have health insurance or access to health insurance in the group health insurance market. Health insurance market reforms under the ACA will affect an individual's ability to access insurance in the group market. However, the state is required by law to maintain all existing TennCare categories that cover children until September 30, 2019.

Note: Insurance policies offered on the Federally Facilitated Marketplace (FFM) are for the individual and small group insurance market. If an individual has purchased health insurance through the Exchange, then he is insured. However, for the purpose of TennCare Standard eligibility, the State does not consider the ability to purchase health insurance through the Exchange as access to insurance.

b. Current Access to Insurance Policy

i. In order to be eligible for TennCare Standard, an individual must:

1. Not have insurance or access to insurance in the group health insurance market; or
2. Have a qualifying medical condition that would have made the individual uninsurable prior to the ACA. If the individual has a qualifying medical condition, she must also not have insurance or access to insurance.

ii. Common Issues Related to Access to Insurance Policy

1. Children with Non-Custodial Parents:
 - a. A child for whom a non-custodial parent is court-ordered to provide health insurance but does not, does not have access to insurance; or
 - b. A child whose non-custodial parent has access to health insurance but does not add the child to his policy does not have access to insurance.
2. If a stepparent in the home has health insurance and could cover his stepchild but does not, it is not considered access to insurance.
3. If health insurance offered by a college to its students is comprehensive coverage, a student is considered to have access to health insurance.
4. If a parent begins a new job and his employer-offered health insurance will not start for a specified time period, the children would be considered to not have access to health insurance for the specified time period.

Families and Children Manual	Section: Categories of Eligibility
Policy Manual Number: 015.060	Chapter: TennCare Standard

7. Financial Eligibility Requirements

a. Eligibility Determination Group

The TennCare Standard category uses MAGI methodology to determine EDG size. Tax filer rules are for applicants who file taxes or are claimed as tax dependents. Non-filer rules are for those applicants that do not file taxes, are not claimed as tax dependents, or meet a tax dependent exception. Refer to the *Eligibility Determination Group for MAGI* policy regarding application of MAGI EDG size for this category.

Note: If sibling income is over the tax filing threshold it is included in the applicant's budget, but if under the threshold it is removed as income to the applicant budget which is a change for this category.

b. Income Standard

For children that do not have access to insurance, the income standard for TennCare Standard is at or below 211% of the FPL.

For children with qualifying medical conditions and who are uninsured, the income standard is above 211% of the FPL.

c. Income Methodology

TennCare Standard uses MAGI methodology to determine countable and excluded income.

d. Resources

There is no resource test for TennCare Standard.

e. Budget

Ms. Franklin's 8 year old child is losing TennCare Medicaid. The child is being evaluated to determine eligibility for TennCare Standard. Ms. Franklin is employed with a Net Countable Earned Income of \$2,640. She did not claim any deductions on her tax return. The following example budget is based on an EDG size of 2 and determines eligibility with an Income Test Limit of \$2,856.

Ms. Franklin's Net Countable Income is under the Income Test Limit, \$2,856. The MAGI 5% Deduction is not applied because the Total Net Countable Income is under the Income Test Limit for the TennCare Standard category.

Income Budget Calculation		
Net Countable Self-Employment Income		\$ 0.00
Net Countable Earned Income		\$ 2,600.00
Before/Pre-tax Contribution Deductions	-	\$ 10.00
Remaining Countable Earned/Self-Employment Amount	=	\$ 2,590.00

Families and Children Manual	Section: Categories of Eligibility
Policy Manual Number: 015.060	Chapter: TennCare Standard

Net Countable Unearned Income	+	\$ 50.00
Countable Earned and Unearned Income	=	\$ 2,640.00
1040 Deduction	-	\$ 0.00
MAGI 5% Deduction	-	\$ 0.00
Net Countable Income	=	\$ 2,640.00
Income Test Limit		\$ 2,856.00
Gap Filling Amount	-	\$.00
Total Net Countable Income	=	\$ 2,640.00
Income Test Result		PASS

The above budget is current as of March 2017.

f. Medically Eligible

When a reported income change causes an enrollee's EDG income to exceed 211% FPL, the child will be reviewed for TennCare Standard eligibility as Medically Eligible. See the *TennCare Standard Medical Eligibility* policy.

g. Grandfathered Eligibility

There are individuals in TennCare Standard that have "grandfathered" eligibility. This refers to children enrolled in TennCare Standard since December 31, 2001, who have family incomes at or below 211% FPL and who have not purchased insurance even if they have access to it. Once an individual loses eligibility in this category, they are no longer considered to have this grandfathered eligibility status.

Families and Children Manual	Section: Categories of Eligibility
Policy Manual Number: 015.060	Chapter: TennCare Standard

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