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| Families and Children Manual | Section: Categories of Eligibility |
| Policy Manual Number 015.055 | Chapter: Transitional and Extended Medicaid |

TRANSITIONAL AND EXTENDED MEDICAID

Legal Authority: 42 CFR 435.112; 42 CFR 435.115; 408(a)(11)(A), 1902(e)(1)(A), 1925 and 1931(c)(2) of the Social Security Act; Medicare Access and CHIP Reauthorization Act of 2015 (Pub. L. 114-10); TennCare II Medicaid Section 1115 Demonstration; Tenn. Comp. R. & Regs. 1200-13-20

1. Transitional Medicaid (TM)

a. TM Overview

Prior to implementation of the Patient Protection and Affordable Care Act (ACA), TM was an extension of Medicaid eligibility for individuals who were eligible in the Aid to Families with Dependent Children-Medicaid Only (AFDC-MO) TennCare Medicaid category, but who had lost eligibility due to increased earnings or work hours. Upon implementation of the ACA, the AFDC-MO category no longer exists, but states continue to be required to provide TM to eligible individuals.

Enrollees who are potentially eligible for TM benefits include individuals who were eligible for TennCare Medicaid who would have been eligible for the AFDC-MO category prior to the ACA changes. This includes individuals in the Caretaker Relative COE as well as their spouses and children. The state will use the current Caretaker Relative income standard to identify individuals in the Caretaker Relative COE who may be eligible for TM. Given that the state eliminated the deprivation requirement and no longer reviews whether a parent or caretaker relative is underemployed, an increase in work hours will no longer cause an individual to lose eligibility. The increase in income related to increased work hours may, however, affect eligibility.

b. TM Policy Statement

TM is authorized for enrollees who lose eligibility in the Caretaker Relative due to increased earnings, or children who have a parent or caretaker eligible for TM, and whose household income prior to losing eligibility was at or below the current Caretaker Relative income standard. Eligible parents or caretaker relatives must have been eligible for and receiving benefits in the Caretaker Relative COE for at least 3 out of the 6 months immediately preceding the month of ineligibility. Eligible individuals receive 12 months of Medicaid, known as the TM certification period.

c. Individuals Potentially Eligible for TM

TM is available for the following individuals:

i. Parent/Caretaker Relatives

TM benefits are provided to parents and caretaker relatives who lose Caretaker Relative eligibility when all of the following conditions are met:

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1. The individual was eligible and enrolled in the Caretaker Relative COE for at least 3 of the last 6 months immediately preceding the month eligibility was lost;
2. Loss of eligibility is due to an increase in earnings; and
3. The parent or caretaker relative continues to have a dependent child in the home.

Note: If an individual is receiving TM, and their spouse is included in the household, then the spouse is eligible for TM for the remainder of the eligible spouse's certification period.

ii. Children

TM benefits are provided to children when all of the following conditions are met:

1. The child's lives with a parent or caretaker relative was previously eligible and enrolled in the Caretaker Relative COE with income under the Caretaker Relative income standard for at least 3 of the previous 6 months, but lost eligibility due to an increase in earnings and is eligible for TM; and
2. The child is not eligible in a Mandatory Child COE

Note: Mandatory Child COEs do not include children eligible in a Medically Needy COE.

d. TM Non-Financial Eligibility Requirements

All other non-financial eligibility requirements of the relevant Caretaker Relative or mandatory Child COE must continue to be met.

e. Addition of Members to the TM Certification Period

The following individuals may be eligible for and enrolled in TM for the remainder of the caretaker relative's TM certification period when ineligible in a Caretaker Relative or mandatory Child COE:

- i. A child who loses eligibility in a mandatory Child COE;
- ii. A child who is born or adopted into the household;
- iii. A child returning home after a period of absence; or
- iv. A spouse of the parent or caretaker relative who returns to the home and previously had Caretaker Relative eligibility.

Example: A mother who is currently eligible for and receiving TM benefits adopts a child. The child is not eligible in any mandatory Child COE. The newly-adopted child is eligible for TM for the remainder of the mother's TM certification period.

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2. Extended Medicaid (EM)

a. EM Overview

Prior to implementation of the ACA, EM was an extension of Medicaid eligibility for individuals who were eligible in the AFDC-MO TennCare Medicaid category, but who had lost eligibility due to an increase in child or spousal support. Upon implementation of the ACA, the AFDC-MO category no longer exists, but states continue to be required to provide EM to eligible individuals.

Enrollees who are potentially eligible for EM benefits include individuals who were eligible for TennCare Medicaid who would have been eligible for the AFDC-MO category prior to the ACA changes. This includes subsets of individuals in the mandatory Child and the Caretaker Relative COEs. The state will use the current Caretaker Relative income standard to identify individuals in the Caretaker Relative and mandatory Child COEs who may be eligible for EM. Given that child support is not countable income under the MAGI methodology, EM will be provided only for individuals who lose eligibility due to increased spousal support.

b. EM Policy Statement

EM is authorized for enrollees who lose eligibility in the Caretaker Relative or mandatory Child COEs due to an increase in spousal support, and whose household income prior to losing eligibility was at or below the current Caretaker Relative income standard. Eligible individuals must have been eligible for and have receiving benefits in the appropriate COE for at least 3 out of the 6 months immediately preceding the month of ineligibility. Eligible individuals will receive 12 months of Medicaid, known as the EM certification period.

c. Individuals Potentially Eligible for EM

EM is available for the following individuals:

i. Parent/Caretaker Relatives

EM benefits are provided to parents and caretaker relatives who lose Caretaker Relative eligibility when all of the following conditions are met:

1. The individual was eligible and enrolled in the Caretaker Relative COE for at least 3 of the last 6 months immediately preceding the month eligibility was lost;
2. Loss of eligibility is due to an increase in spousal support; and
3. The parent or caretaker relative continues to have a dependent child in the home.

Note: If an individual is receiving EM, and their spouse is included in the household, then the spouse is eligible for EM for the remainder of the eligible spouse's certification period.

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ii. Children

EM benefits are provided to children when all of the following conditions are met:

1. The child lives with a parent or caretaker relative who was previously eligible and enrolled in the Caretaker Relative COE with income under the Caretaker Relative income standard for at least 3 of the previous 6 months, but lost eligibility due to an increase in spousal support; and
2. The child is not eligible in a Mandatory Child COE.

Note: Mandatory Child COEs do not include children eligible in a Medically Needy COE.

d. EM Non-Financial Eligibility Requirements

All other non-financial eligibility requirements of the relevant Caretaker Relative or mandatory Child COE must continue to be met.

e. Addition of Members to EM Certification Period

The following individuals may be eligible for and enrolled in EM for the remainder of the caretaker relative's EM certification period when ineligible in a Caretaker Relative or mandatory Child COE:

- i. A child who loses eligibility in a mandatory Child COE;
- ii. A child who is born or adopted into the household;
- iii. A child returning home after a period of absence; or
- iv. A spouse of the parent or caretaker who returns to the home and previously had Caretaker Relative eligibility.

Example: At renewal, a child is found to be no longer eligible for Deemed Newborn and ineligible for any other Mandatory Child COE. His mother has been eligible for EM for 3 months. The child is eligible for the remaining 9 months of his mother's EM certification period.

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