

TennCare Policy Manual	Section: Contractors
Policy No: CON 08-002 (Rev. 6)	Date: June 30, 2020

## Assignment of Newborns, Coverage and Billing

### Purpose

The purpose of this document is to explain TennCare policy with respect to eligibility of newborns, assignment of newborns to managed care organizations (MCOs), and billing for services provided to newborns.

### Policy

Newborns may apply for TennCare like any other potential enrollee. There are some circumstances, however, in which newborns may be eligible for TennCare without an application. Specifically, infants born to mothers who are eligible for and receiving TennCare Medicaid at the time of birth are deemed automatically eligible for TennCare. Infants' births should be promptly reported to TennCare in order to effectuate their enrollment into TennCare.

As a general rule, newborns are assigned to the same MCOs as the ones in which their mothers are enrolled. This policy describes the financial responsibilities of MCOs in instances of "misaligned newborns" (i.e., newborns who are initially assigned to MCOs different from their mothers').

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

#### 1.1 TennCare Medicaid Newborns with Medicaid-eligible Mothers Who are Enrolled in TennCare

Infants born to a mother who is eligible for and receiving (enrolled in) TennCare Medicaid at the time of birth automatically qualify for TennCare Medicaid beginning on the date of the child's birth. The birth of the baby must be reported to TennCare in order for the child to be enrolled. This reporting can occur by telephone or online through TennCare Connect, or online through TennCare Access for healthcare providers. Children born to mothers who are ineligible non-citizens and have been found by TennCare to qualify for reimbursement of emergency services are also included in this coverage group.<sup>1</sup> Infants who are eligible for TennCare by virtue of their mother's enrollment in TennCare Medicaid on the date of the child's birth are sometimes referred to as "deemed newborns." The effective date of eligibility is always the child's date of birth.

A deemed newborn may remain eligible for Medicaid for a period of up to one year, regardless of changes in circumstances, unless:

- (i) The child dies;
- (ii) The child ceases to be a Tennessee resident; or
- (iii) The child's representative requests a voluntary termination of Medicaid eligibility.

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<sup>1</sup> Under federal regulation, all labor and delivery is considered an "emergency" service for purposes of payment for services provided to women who are ineligible non-citizens. See 42 C.F.R. § 440.255(c)(1),

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

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

If a newborn's mother is enrolled in TennCare Standard, the child will not be deemed eligible for TennCare. The child must apply for TennCare and be determined eligible in his own right in order to qualify for TennCare.

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

### **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 Social Security enumeration process to conclude. A child's birth should always be reported to TennCare as promptly as possible. If a child's birth is reported to TennCare before the child's permanent SSN is available, the report will trigger the issuance of a pseudo-SSN.

However, newborns must be enumerated by age one before they can be approved in any other TennCare category.

### **2.2 Assignment of Newborns to MCOs**

TennCare's general policy is that a newborn is assigned to the same MCO 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 MCO to which her child is assigned.

Since there are multiple avenues to enrollment in the TennCare program, it is possible that a newborn could be inadvertently assigned to an MCO that is different from his mother's—Instances of such "misaligned newborns" can be reduced by the prompt reporting of births by new mothers to TennCare.

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<sup>2</sup> See CMS State Health Official Letter # 09-009 (August 31, 2009).

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## **Section 3: Payment Policies**

### **3.1 General Policy**

An MCO 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. MCOs have the option of paying for services provided to the infant during the first 30 days of life under the mother's SSN.

TennCare generally issues an individual identification number for a newborn when his eligibility is added to the state's Medicaid management information system. In cases where an infant is born to an ineligible non-citizen mother, TennCare immediately issues a separate Medicaid eligibility identification number for the child upon notification of his 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>3</sup>

### **3.2 Specific Policies Regarding Misaligned Newborns**

- a. In cases of misaligned newborns, the MCO in which the mother is enrolled at the time of delivery will ultimately be responsible for the coverage and payment of all MCO-covered services provided to the newborn, beginning at birth. In other words, the MCO in which the newborn child is correctly enrolled will be his mother's MCO, and that MCO is responsible for the coverage and payment of TennCare-covered services provided to the newborn child for the full period of eligibility.
- b. The MCO 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 MCO in cases such as these.
- c. When a misaligned newborn is moved to another plan, the MCO in which the newborn was first enrolled (first plan) may submit a request for reimbursement with supporting documentation to the MCO to which the newborn child has been moved (second plan) within 120 days from date on which the first plan is notified that the newborn was enrolled in the second plan. Upon receipt of a timely request by the first plan, the second plan will 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 having been moved to the second plan.

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<sup>3</sup> See CMS State Health Official Letter # 09-009 (August 31, 2009).

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- i. Such reimbursement should equal the actual amount expended by the first plan.
- ii. The second MCO agrees that, should the second MCO fail to reimburse the first MCO 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 MCO and use them to reimburse the first MCO. Per the respective MCOs' contracts with TennCare, in the event that an MCO fails to reimburse the first MCO 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 MCO and the first MCO agree that TennCare shall be held harmless by both MCOs for actions taken by TennCare to resolve the dispute.

### **3.3 Specific Policies Regarding Misaligned Newborns**

No financial transactions between the Division of TennCare and either MCO shall involve recoupment of payments made to any provider of services to the newborn. Rather than recouping from providers, the second MCO should repay the first MCO for the any payments the first MCO made to providers on behalf of a misaligned newborn who was ultimately enrolled in the second MCO. Such a transaction balances out the issues between the two MCOs and is transparent to the provider.

### **PROCEDURES FOR REPORTING BIRTHS OF TENNCARE-ELIGIBLE INFANTS**

Instances of misaligned newborns can be reduced by promptly reporting the births of TennCare-eligible infants to TennCare.

Parents or guardians may report the birth of the child through TennCare Connect:

- Online – <https://tenncareconnect.tn.gov/services/homepage>
- Telephone – 1-855-259-0701
- Fax – 855-315-0669
- Mail –  
TennCare Connect  
P.O. Box 305240  
Nashville, TN 37230-5240

Participating healthcare providers can also facilitate member reporting through the TennCare Access online portal.

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Although TennCare-eligible newborns are not required to have a Social Security number, parents or family representatives should take steps to ensure that the newborn is enumerated for Social Security purposes before the child's first birthday in order for the child to be able to apply for continued coverage after his first birthday. For newborns, a hospital staff member may provide the mother, family member, or family representative an SS-5 Form to complete for the purpose of assigning a Social Security number to the newborn.

## Offices of Primary Responsibility

Member Services

Managed Care Operations

## References

### Federal Materials

42 C.F.R. § 435.117 on deemed newborn children

<https://www.ecfr.gov/current/title-42/section-435.117>

CMS State Health Official Letter # 09-009 (August 31, 2009)

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

### State Materials

TennCare Rule 1200-13-20-.07(5) on deemed newborns

<https://publications.tnsosfiles.com/rules/1200/1200-13/1200-13.htm>

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Revision 1: 06/16/10: MC  
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Revision 3: 06/28/12: PMD  
Revision 4: 06/30/14: AB  
Revision 5: 01/26/15: SB  
Hyperlinks Updated: 06/22/15: AY  
Revision 6: 06/30/20: AB