



## COMBINED MEDICAID 304-1 Health Coverage Overview

**Supersedes:** FMA 307-1 (01/01/07); MA 305-1 (01/01/07)

**Reference:** 42 CFR 433.136, .137-.140, .145-.148; ARM 37.82.101, .424, 37.85.407

**Overview:** As a condition of the adult's eligibility, all adult Medicaid clients and parents/adult caretakers in child-only Medicaid households must cooperate with the Third Party Liability (TPL) Unit regarding trauma questionnaires, by providing health insurance information to be used to identify legally liable third parties for Medicaid payable services and by maintaining group health insurance that has been determined to be cost-effective through HIPPS. When a questionnaire regarding a specific injury is sent to a Medicaid recipient, the requested information from the questionnaire must be submitted as directed on the questionnaire within the specified time frame. If the information is not received within the time frame, the TPL Unit will enter the appropriate system non-compliance.

Health insurance information must be provided for all Medicaid clients during the application and redetermination processes, or upon specific request. Cooperation in providing health insurance information may include establishing paternity, pursuing medical support or payments, and cooperation in identifying and providing information to assist the agency in pursuing any liable third parties. All current health insurance must be entered into the eligibility system, regardless of who pays the premiums, unless otherwise noted.

Adult Medicaid clients and 18 year olds who are not living with a parent/specified caretaker loses or is denied Medicaid eligibility until:

1. The TPL unit receives the completed trauma questionnaire.
2. Health insurance information is provided to the requestor (which may be the OPA, TPL Unit or CSED) or
3. The individual re-enrolls in cost-effective group health insurance (typically at the next open enrollment period).

When the Medicaid client is a child, the following adults lose Medicaid eligibility due to non-cooperation until the required information is provided:

1. The child's parent residing in the same household as the child, regardless of whether the parent is receiving Medicaid under the same coverage group as the child;

2. The child's specified caretaker relative (who is not the child's parent) when they are receiving Medicaid only because they are the child's specified caretaker relative.

**Children will not lose Medicaid eligibility based solely on the responsible adult failing to comply with these requirements. However, children may lose Medicaid eligibility due to the reduced household size when the adult is in non-compliance. Children who lose eligibility due to the reduced household size are not eligible for HMK. NOTE:** Eligibility staff members do not need to pursue health insurance TPL information from SSI cash assistance recipients. TPL information for these individuals is processed through Central Office.

**INDEMNITY INSURANCE POLICIES:**

Indemnity insurance policies pay based on a specific event occurring rather than general insurance policies that pay for a wide range of illness and medical needs (e.g., pays \$50 per day while the insured is hospitalized, pays \$600 if a medical doctors treats the insured for an accident-related injury).

Medicaid does not consider indemnity policies to be TPL. These policies are not entered on the system, and premiums are not used to reduce the spend down. Indemnity policy payments are considered income to the recipient in the month received rather than being considered a reimbursement or TPL.

**NOTE:** If the recipient has a history of receiving indemnity payments and the payments are expected to continue, or if any payment can be anticipated, it may be necessary to adjust future income (see 501-1).

**Effective Date:** July 01, 2016