ACA/Family Medicaid 201-13
Family Transitional Medicaid

Supersedes: FMA 201-9, 02/01/2019

Reference: 42 CFR 435.112; ARM 37.82.101, .701; P.L. 100-485; and P.L. 103-194

Overview: ACA Transitional Medicaid (TMA) may be provided to parents, specified caretaker relatives, and children for up to 6 consecutive months following closure of non-medically needy ACA Medicaid (ACA PCR, ACA Adult Medicaid, and ACA Adult), when closure was due to a qualifying event. TMA coverage is available for all family members who are included in the assistance unit. There are no resource or income limits for TMA coverage. **NOTE:** TMA coverage is not available to any family who fraudulently received Family coverage during the six months prior to the beginning of the TMA period. Fraud must be determined by a court of law. If the household fails to report income timely, it is not fraud. It will be necessary to determine when, if the change had been reported timely, the TMA period would have begun and adjust the 6 months of TMA accordingly.

QUALIFYING ADULT: A qualifying adult includes those individuals whose needs and income were included in the assistance unit in the eligibility determination of ACA PCR, ACA Adult Medicaid, and ACA Adult at the time the case closed/became medically needy.

QUALIFYING CHILD: A qualifying child is one who:

1. Is under age 19;
2. Meets U.S. citizenship, U.S. National or qualified alien status and:
    a. Was included in the ACA PCR, ACA Adult Medicaid, and ACA Adult household and related as child/stepchild or other related within 5th degree of kinship (niece/nephew, grandchild) at the time the case became medically need/closed; or
    b. Is a dependent child receiving Supplemental Security Income (SSI).

QUALIFYING EVENT: To be eligible for TMA, the family must have:

1. Received non-medically needy ACA Medicaid in Montana during three of the previous six months prior to the case closing/becoming medically needy and

case closed/became medically needy due to a new or increased earned income to the household; AND

2. At least one qualifying child remains in the household, and
3. Not be eligible for any other type of Medicaid assistance.

Upon ACA PCR, ACA Adult, and ACA Adult Medicaid closing/becoming medically needy due to a qualifying event, notify the family via appropriate system notice of TMA eligibility.

CONTINUING COVERAGE: TMA coverage continues for 6 consecutive months as long as:

1. There is a qualifying child in the home;
2. The family maintains Montana residency;
3. The parent/specified caretaker relative cooperates with:
   a. Program Compliance Medicaid reviews and
   b. TPL (HIPPS, Trauma Questionnaires, providing health insurance information and insurance questionnaires). If the parent/specified caretaker relative fails to cooperate with program compliance or TPL; they will be disqualified by entering appropriate data on either the '*Person Compliance*' or '*Health Coverage Compliance*' Web page. The children's Medicaid is not closed due to the parent/specified caretaker relative's failure to cooperate. **NOTE:** If income decreases significantly during the TMA eligibility period, it is good customer service to notify the family of potential ACA Medicaid coverage. This could allow for an additional TMA period should income increase again. CHIMES will automatically test for this coverage.
   and
4. Reporting requirements are met.

EXAMPLES (QUALIFYING EVENT):

1. A family starts receiving unearned income that causes their ACA PCR, ACA Adult, and ACA Adult Medicaid case to become medically needy. As this was the result of new or increased unearned income, this is not a qualifying event and the family is not eligible for TMA.
2. Household consists of mom, mom's two children, and mom's boyfriend (not father of the children). The household does not include the boyfriend. Mom and boyfriend get married; his income causes mom's ACA Medicaid case to become medically needy/close. The is no TMA eligibility for any household member as the closure was not due to a qualifying event. Closure was due to adding the boyfriend (now the spouse) and subsequently counting his income. CHIMES will automatically test eligibility for children under other programs through an exparte review.
3. Household consists of mom and her child. The absent father returns to the home. When he is added to the case, his income causes closure. No household

member is eligible for TMA, Closure is not due to a qualifying event. Closure is due to adding a person (the father) and subsequently counting his income. The father was not a part of the household; therefore, the household's income did not increase.

4. Dad and two children have received non-medically needy ACA Medicaid for 5 months. Dad gets a raise, and the total countable income closes the ACA coverage. Because there was a qualifying event (increase in household's earned income), all family members are eligible for TMA. **NOTE:** If the case has been opened as medically needy, an increase in dad's income would not be a qualifying event because he would not have been a member of the household. The increase in income would result in an increase in the spend down.
5. Household consists of mom, dad, and their daughter and they have been receiving non-medically needy ACA Medicaid for 7 months. Dad is not eligible because he cannot prove citizenship/alien status (he is included in the filing unit because he is the spouse, his income is pulled in regardless of tax filing). Dad gets a job, and his earned income causes ACA Medicaid to become medically needy. Because dad is a required filing unit member who would have been included in the assistance unit if citizenship/alien status could be verified, mom and their daughter are TMA eligible, but dad is not.

REPORTING REQUIREMENTS:

TMA households are subject to regular ten-day change reporting requirements. Job loss, with or without good cause, during the TMA 6-month period will not affect ongoing TMA coverage. Income changes reported during the TMA period only need to be verified if the family is requesting other Medicaid coverage (such as ACA), as there is no income limit for TMA. Decreased income may make some household members eligible for other types of assistance.

Example:

Mom, dad and two children are eligible for TMA. Dad reports a decrease in income that makes the two children eligible for HMK Plus, but the parents remain over income for an adult ACA program, so they remain on TMA, and the children move to HMK Plus.

If there is a change and the children are no longer eligible for HMK Plus they can transition back to TMA for the remainder of the eligibility period.

CHANGES IN HOUSEHOLD COMPOSITION-MEMBER LEAVES:

If the TMA household contains two parents, and one parent leaves the household with a qualifying child and another qualifying child remains in the household, evaluate for continued TMA eligibility for both households.

Example: The household contains mom, dad, and two qualifying children. Dad leaves with one child. Evaluate both households for continued TMA eligibility. If both households continue to meet requirements, each household continues to be TMA

eligible. Create a task to close the “new” TMA case at the end of the original 6-month eligibility period.

If one of the parents leaves and there is only one child, the parent with the child included in their assistance unit remains eligible for TMA.

CHANGES IN HOUSEHOLD COMPOSITION-NEW MEMBER/NEWBORN:

Individuals who return to or enter the home during the TMA period will be added to TMA if their needs and income would have been taken into account in determining ACA Medicaid eligibility. These include:

1. A child born or adopted after ACA PCR, ACA Adult, and ACA Adult Medicaid benefits are terminated but who would have been included in the assistance unit had them been born/adopted prior to closure,
2. A child who returns home whose needs would have been included in the assistance unit had they returned prior to closure,
3. A natural/adoptive/stepparent who returns to the home.

Added individuals will be eligible for the remainder of the Transitional period.

AUTO CLOSURE:

CHIMES will automatically close the TMA case effective the end of the 6months and send a closure notice. **NOTE:** It is very important that all cases not be in a pending status to ensure that this process works correctly.

An exparte review should be completed prior to the effective date of closure and a task will be created. CHIMES will automatically recalculate eligibility once TMA has closed, but additional information/documentation may be required (i.e. current income verification). The worker will need to send the appropriate notice requesting this information/documentation. Please follow the exparte business process in the PAUG.

TERMINATION OF BENEFITS:

If Transitional benefits are terminated for either an individual or household, provide timely and adequate notice. If the eligibility case manager has enough information to finalize eligibility for another Medicaid coverage group, the coverage should be opened without further information being requested, unless there is a premium involved. If an individual is eligible for ACA Adult Medicaid program (ACA Adult or ACA Adult-Medicaid) with a premium, please check with the individual to make sure they want to pay for their coverage.

If more information is needed, the eligibility case manager must immediately notify the household of what is needed and when it is due. If the information is provided prior to the effective date of closure, a new application is not required to open additional coverage. If the required information isn’t provided until after the effective date of closure, a new application **must** be completed.

Example: TMA eligibility for the Snow household ends effective 09/30/2025. The eligibility case manager sends timely notice of closure, other possible coverage and a list of needed information on 09/05/2025. On 09/9/2025, the family provides the requested information. The case worker enters the correct information and opens the appropriate program(s) if eligible. If the Snow's hadn't provided the requested information until 10/01/2025 or later, the case worker would have to require a new application.

EFFECTIVE DATE: 11/01/2025