

Health Care Finance and Administration	Section: CoverKids
Policy Manual Number: 025.005	Subject: CoverKids

## **COVERKIDS**

**Legal Authority:** 42 CFR 457.310; 42 CFR 457.315; 42 CFR 457.320; 42 CFR 457.330; 42 CFR 457.348; 42 CFR 457.535

### **1. Overview of the CoverKids Program**

CoverKids is Tennessee's Children's Health Insurance Program (CHIP). CHIP is authorized by Title XXI of the Social Security Act. Similar to Medicaid, CHIP is jointly-financed and administered by the federal and state governments.

Beginning 1/1/16, CoverKids will no longer use the term HealthyTNBabies.

### **2. Policy Statement**

CoverKids is available to children who are under age 19, not eligible for TennCare Medicaid, whose household income is at or below 250% of the Federal Poverty Level (FPL) based on household size, and who meet all non-financial eligibility requirements.

CoverKids is available to unborn babies of pregnant women not eligible for TennCare Medicaid, whose household income is at or below 250% of FPL based on household, and who meet all non-financial eligibility requirements.

### **3. Coverage Period**

Children under age 19 determined eligible for CoverKids receive coverage for 12 continuous months regardless of any change in income unless a child is determined eligible in a TennCare Medicaid category.

Pregnant women remain eligible for CoverKids benefits through a 60 day postpartum period because of the program's global payment methodology. The 60 day postpartum period is automatic and applicable to all pregnant women who have applied, been determined eligible for and received CoverKids benefits with an effective date on or before the end of the pregnancy. The post-partum coverage period is applied regardless of any change in household income. The postpartum period is applied regardless of how the pregnancy ends.

### **4. Newborns**

CoverKids benefits are deemed available to infants not eligible for TennCare Medicaid when the infant's mother has CoverKids eligibility at the time of birth. The infant's eligibility begins the date of delivery and continues through the end of the mother's 12 month continuous eligibility period.

TennCare Medicaid benefits are available for infants born to a CoverKids enrollee with household income at or below 195%. Eligibility begins the date of birth.

Health Care Finance and Administration	Section: CoverKids
Policy Manual Number: 025.005	Subject: CoverKids

## 5. Co-Pay Responsibility

CoverKids enrollees may be required to pay co-pays for covered services and pharmacy benefits. Individuals with verified American Indian/Alaskan Native status receive additional cost-sharing benefits.

## 6. Non-Financial Eligibility Requirements

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

- a. **Age:** A child must be under age 19.
- b. **Citizenship:** A child must be a U.S. Citizen, U.S. National or eligible non-citizen. The unborn child of a pregnant woman is presumed to be a U.S. citizen, regardless of the citizenship or immigration status of the mother.
- c. **Enumeration:** An individual eligible to receive a Social Security Number (SSN) must possess and provide a valid SSN or proof of application for an SSN, unless he or she meets an exception. See *Enumeration* policy.
- d. **State Residence:** The individual must be a resident of Tennessee.
- e. **Pregnancy:** HCFA accepts self-attestation of pregnancy at application or as a reported change, unless HCFA has information that is not reasonably compatible with such attestation. If HCFA has information that is not reasonably compatible with an attested pregnancy, HCFA will contact the individual and may request written medical verification of the pregnancy.
- f. **Primary Health Insurance:** CoverKids must be the individual's only health insurance plan. If the applicant is a pregnant woman with health insurance, she may eligible for pregnancy benefits if her health insurance does not cover pregnancy related care.

## 7. Financial Eligibility Requirements

### a. Household Composition

Household composition for CoverKids uses MAGI methodology. It is possible for household members to have different household sizes when determining eligibility. When determining household size for a pregnant woman, the pregnant woman is counted as herself plus the number of children she is expected to deliver. When determining household size for other applicants in the household, the pregnant woman is counted as one person. For additional information regarding household size, see the *Household Composition for MAGI*

Health Care Finance and Administration	Section: CoverKids
Policy Manual Number: 025.005	Subject: CoverKids

policy.

**b. Income Standard**

Individuals must have income at or below 250% FPL.

**c. Budget Overview**

**i. Total Gross Income Computation (for each household member)**

Household Member's Total Countable Income is the total countable income for each individual.

Question 1: Is the household member a child or tax dependent? Yes or No

Question 2: Is the household member's income below the tax threshold? Yes or No

*These two questions determine whether the household member's income will be included in the Total Net Income Computation (iii.3). If both answers are yes and the individual is a child/tax dependent of their parent (natural, adopted or step), the Total Gross Income for that individual is \$0.*

Total Gross Income, when applicable, is used in the Modified Adjusted Gross Income Computation.

**ii. Modified Adjusted Gross Income Computation (for each household member)**

Total Gross Income  
 - Legally Obligated Alimony  
 - Student Loan Interest Paid  
 - Other Expenses  
 = Modified Adjusted Gross Income

**iii. Total Net Income Computation (for household)**

Modified Adjusted Gross Income (total of included household members' MAGI)  
 5% Disregard of FPL (5% FPL, based on household size and converted to a dollar amount, is deducted if the applicant's MAGI is greater than the CoverKids Income Standard)  
 = Total Net Income

Is Total Net Income less than or equal to the CoverKids Income Standard (based on household size)? If Yes, Pass. If No, Fail.

Health Care Finance and Administration	Section: CoverKids
Policy Manual Number: 025.005	Subject: CoverKids

**d. Budget Example**

The following budget is based on a household with a ten-year-old child that lives with his 30- year-old mother. This budget determines eligibility for the child. The household size is two. The TennCare Medicaid income standard for a ten year old child with a household of two is \$1,766 (133% FPL). The child is not eligible for TennCare Medicaid. The child is eligible for CoverKids. A 5% disregard is not applied because it would not make the child eligible for TennCare Medicaid and because the child is eligible for CoverKids without a 5% disregard.

<b>Total Gross Income Computation</b>	<b>Child</b>	<b>Mother</b>
Household Member's Total Countable Income	\$ 0.00	\$3,000.00
Is the household member a child/tax dependent	Yes	No
Is income below the tax threshold?	Yes	No
<b>Total: Gross Income</b>		\$3,000.00
<b>Modified Adjusted Gross Income Computation</b>		
Total Gross Income	\$ 0.00	\$3,000.00
Legally Obligated Alimony	\$ 0.00	\$ 0.00
Student Loan Interest Paid	\$ 0.00	\$ 0.00
Other	\$ 0.00	\$ 0.00
<b>Modified Adjusted Gross Income</b>	<b>\$ 0.00</b>	<b>\$3,000.00</b>
<b>Total Net Income Computation</b>		
Modified Adjusted Gross Income	\$3,000.00	
5% Disregard of FPL	\$ 0.00	
<b>Total: Net Income</b>	<b>\$3,000.00</b>	
CoverKids Income Standard (Household size 2)	\$3,319.00	
<b>Income Eligibility Determination</b>	<b>PASS</b>	

The above budget is current as of January 2015.

**8. Resource Test**

There is no resource test for CoverKids applicants.

Health Care Finance and Administration	Section: CoverKids
Policy Manual Number: 025.005	Subject: CoverKids

Document Title	CoverKids				
First Published	12.3.14				
Revision History					
Revision Date	Section	Section Title	Page Number(s)	Reason for Revision	Reviser
2.1.16	1	Overview of the CoverKids Program	1	Policy Change	NF
	2	Policy Statement	1	Policy Change	
	3	Coverage Period	1	Policy Change	
	4	Newborns	1	Policy Change	
	5	Co-Pay Responsibility	2	Policy Change	
	6	Non-Financial	2	Policy Change	
9.6.16		Legal Authority	1	Citation Update	JH