



HCP Eligibility Policy No. 2001-05-14	RE: Crowd Out
POLICY MEMO	KEESM: 2742
FROM: Nialson Lee	OTHER:
Program(s): Title XXI (HealthWave)	

On March 30, 2001, Governor Bill Graves signed Senate Bill No. 29 into law. This bill removed the provisions for 6 months of ineligibility for HealthWave due to the voluntary termination of comprehensive health insurance, commonly known as “crowd-out”. The new HealthWave legislation became effective the day it was published in the Kansas Register; however, the policy could not be implemented until it was approved by the Health Care Financing Administration (HCFA). Approval has now been received from HCFA. Because this new provision was intended to take effect immediately, this memo shall be used for purposes of implementation.

As such, no application processed on or after May 14, 2001 shall be denied if health insurance coverage was voluntarily dropped without good cause, as long as the family meets all other eligibility requirements. KEESM section 2742, “Period of Ineligibility for Voluntarily Dropping Health Insurance Coverage,” is obsolete effective May 14, 2001. This policy will be reflected in the July 1, 2001 revision of KEESM. Please note that KEESM section 2741, “Uninsured Status” is not affected by this policy. Children must still be uninsured to qualify for Title XXI.

The question on the application regarding the termination of health insurance will remain on the application. In order to comply with HCFA guidance, the agency will use this information to track the number of people who have been approved for HealthWave who would previously have been denied under the provisions of KEESM section 2742. This tracking will take place at the Healthwave Clearinghouse. Also, if a request for prior medical coverage is made, information regarding whether or not coverage ended in the past three months will be needed so that the appropriate information can be entered on the MMIS TPL screen.

This policy shall only be applied to any application processed on or after May 14, 2001. Periods of ineligibility due to crowd-out which were established prior to May 14, 2001 shall no longer be considered when processing applications on or after this date.

NL:ddb