



Policy Memo	
KDHE-DHCF POLICY NO: 2017-05-01	From: Jeanine Schieferecke
Date: May 31, 2017	KFMAM: KFMAM Revision #15
RE: Summary of Changes for Revision #15	Program(s): All Family Medical Programs

Purpose, Background and Reason for Change of the Kansas Family Medical Assistance Manual (KFMAM)

The purpose of this document is to identify the changes which have been included in the KFMAM effective June 1, 2017. The manual was updated with policy changes that were implemented for the family medical programs with various effective dates. Policy Implementation memos for these changes may be found in the KFMAM. Manual changes are outlined below.

Section 1000 – Administrative Information

This section includes information about the program administration, such as program descriptions, rights and responsibilities, and the application process.

- 1210.04 Subsection of Rights and Responsibilities - Rights of Applicant/Recipient** – This section has been updated with a minor wording change that has no impact on its meaning.
- 1300 Prudent Person** – This section has been updated with a minor wording change that has no impact on the policy.
- 1310.01 Subsection of Prudent Person – Staff Responsibility** – This section was removed as it included references to potential resources which do not impact Family Medical programs. Section 1310.02 has been renumbered to be 1310.01.
- 1310.02 Subsection of Prudent Person – Staff Responsibility** – Section 1310.03 has been renumbered and is now 1310.02.

- 1320** **Simplified Eligibility** – Section 1321 was combined with 1320. More clarity was added to the definition of Simplified Eligibility.
- 1320.01** **Subsection of Simplified Eligibility** – Due to the renumbering of 1321 to 1320, section 1321.01 was renumbered to 1320.01. The reference to a ‘form’ was also changed to the more broad term of ‘application’.
- 1320.02** **Subsection of Simplified Eligibility** – The subsections of 1320 were reordered to better organize the content. Section 1321.03 was renumbered to 1320.02.
- 1320.03** **Subsection of Simplified Eligibility** – Due to the renumbering of 1321 to 1320, section 1321.04 was renumbered to 1320.03.
- 1320.04** **Subsection of Simplified Eligibility** – Due to the renumbering of 1321 to 1320, section 1321.02 was renumbered to 1320.04.
- 1321** **Subsection of Simplified Eligibility** – This section has been removed as it was combined with section 1320.
- 1321.01** **Subsection of Simplified Eligibility** – Due to the renumbering of 1321 to 1320, section 1321.01 was renumbered to 1320.01
- 1321.02** **Subsection of Simplified Eligibility** – Due to the renumbering of 1321 to 1320, section 1321.02 was renumbered to 1320.04.
- 1321.03** **Subsection of Simplified Eligibility** – Due to the renumbering of 1321 to 1320, section 1321.03 was renumbered to 1320.02.
- 1321.04** **Subsection of Simplified Eligibility** – Due to the renumbering of 1321 to 1320, section 1321.04 was renumbered to 1320.03.
- 1321.05** **Subsection of Simplified Eligibility** – This section has been combined with 1330.
- 1322** **Sources of Verification** – This section was moved to be included with the new Verifications section. It has been renumbered to section 1331.
- 1322.01** **Documentary Evidence** – Due to the renumbering of 1322 to 1331, section 1322.01 was renumbered to 1331.01.
- 1322.02** **Collateral Contacts** – Due to the renumbering of 1322 to 1331, section 1322.02 was renumbered to 1331.02.
- 1322.03** **Third Party Resources** – This section has been removed as the use of third party resources as a source of verification has been incorporated into the Tiered verification policy.

- 1322.04** **Discrepancies** – The content in this section has been combined with new section 1340: Discrepancies and Questionable Information.
- 1323** **Responsibility for Obtaining Verification** – This section was moved to be included with the new Verifications section. It has been renumbered to section 1332.
- 1323.01** **Subsection of Responsibility for Obtaining Verification** – This section has been combined with the new section 1332.
- 1324** **Documentation** – This section has been moved to 1350. Requirements for documentation have been clarified.
- 1325** **Verification Provisions** – This section has been removed and replaced with the new Verification section.
- 1325.01** **Mandatory Verification that Affects Eligibility For Program Benefits** – This section has been removed. Content has been reorganized into section 1333.
- 1325.02** **Mandatory Verification that Affects Program Benefits** – This section has been removed. Content has been reorganized into section 1333.
- 1325.03** **Self-declaration of Income** – This section has been removed and replaced with the new Verification section.
- 1326** **Verification of Questionable Information** – The content in this section has been combined with new section 1340: Discrepancies and Questionable Information.
- 1326.01** **Household Composition** – This section has been removed. Content simplified in new section 1340.
- 1326.02** **Citizenship** – This section has been removed. Content simplified in new section 1340.
- 1330** **Verification** – This is a new section created to encompass all of the Verification requirements.
- 1330.01** **Tier 1: Payer Interfaces** – This is a new section to include the policy for Tier 1 verification sources.
- 1330.02** **Tier 2: Automatic Interfaces** - This is a new section to include the policy for Tier 2 verification sources.
- 1330.03** **Tier 3: Research** - This is a new section to include the policy for Tier 3 verification sources.

- 1330.04 Tier 4: Request for Information** - This is a new section to include the policy for Tier 4 verification sources.
- 1331 Sources of Verification** – This section was updated to comply with current verification sources. This section was renumbered from section 1322.
- 1331.01 Documentary Evidence** – This section was updated with more applicable examples of documentary evidence. This section was renumbered from section 1322.01.
- 1331.02 Collateral Contacts** – This section was renumbered from section 1322.02.
- 1331.03 Self Attestation** – This is a new section to include all policies related to when a self-attestation is used as a form of verification.
- 1332 Responsibility for Obtaining Verification** – This section was updated to comply with current policy. Clarification was also added in regards to eligibility staff having the responsibility of determining the amount of income to be budgeted when all other sources of verification are unavailable. This section was renumbered from 1323.
- 1333 Mandatory Verification** - This is a new section which outlines the policies for what information must be verified in order to provide medical assistance.
- 1333.01 SSN** – This is a new section which outlines the applicable verification requirements for an SSN.
- 1333.02 Citizenship and Identity** – This is a new section which outlines the applicable verification requirements for citizenship and identity of U.S. citizens.
- 1333.03 Non-citizenship status** – This is a new section which outlines the applicable verification requirements for non-citizens.
- 1333.04 Income** – This is a new section which outlines the applicable verification requirements for income.
- 1333.05 Medical Expenses** – This is a new section which outlines the applicable verification requirements for medical expenses.
- 1340 Discrepancies and Questionable Information** – This is a new section that was written using information previously contained in 1322.04 and 1326. These sections have been combined and clarified.
- 1350 Documentation** – This is a new section that was written from content previously contained in 1324. Policy has been clarified.

- 1401** **General Information – Subsection of Application Process/General Information** – This section has been updated to expand on the definition of an application. Also updated to include who must be included on an application.
- 1402** **How to Apply** – This section has been updated to modify the names of the applications used and the location where applications are processed.
- 1403** **Application Date** – This section has been updated to remove references to DCF access points and to add clarification to the application date for faxed applications. The application date of a faxed application shall be considered as received when the fax arrives in the office based on the date and timestamp of the Image Now system.
- 1404.03** **Filing for Individuals through the Federal Health Insurance Marketplace** – This is a new section that explains the policy for accepting applications that were initially filled through the Marketplace.
- 1404.04** **Universal Access** – This section has been removed. Content has been moved to 1406.
- 1405** **Withdrawing the Application** – This section contains content that was previously contained in 1404.03.
- 1405.01** **Pregnant Women** – This section has been removed. Content has been moved to 1407.01.
- 1405.02** **All Other Medical Applications** – This section has been removed. Content has been moved to 1407.02
- 1406** **Universal Access** – This section contains content that was previously contained in 1404.04. The content of this section was updated to clarify how DCF assists with the collection of applications for medical assistance. The application date is not based on when an application is received at a DCF location.
- 1406.01** **Approval – Subsection of Case Disposition** – This section has been removed. Content has been moved to 1410.01.
- 1406.02** **Denial – Subsection of Case Disposition** – This section has been removed. Content has been moved to 1410.02.
- 1406.03** **Pending – Subsection of Case Disposition** – This section has been removed. Content has been moved to 1410.03.
- 1407** **Time in Which Application is to be Processed and Case Disposition** – This section contains content that was previously in 1405.

- 1407.01 Pregnant Women** – This section contains content that was previously in 1405.01.
- 1407.02 All Other Medical Applications** – This section contains content that was previously in 1405.02.
- 1408 Presumptive Eligibility** – This section has been updated with information about all presumptive eligibility programs offered.
- 1408.01 Qualified Hospitals and Qualified Entities** – This section was updated to explain the differences between a Qualified Hospital and a Qualified Entity.
- 1408.02 Qualified Hospital/Entity Responsibilities** – This section has been updated to reflect the responsibilities of participating hospitals and entities.
- 1408.03 KanCare Eligibility Clearinghouse Responsibilities** – This section has been updated to reflect the responsibilities of the Clearinghouse.
- 1408.05 Period of Presumptive Eligibility** – This section has been updated to explain the period of presumptive eligibility that applies to the various programs.
- 1409 Expedited Medical Service for Pregnant Women Program** – This section contains content that was previously in 1407.
- 1409.01 Subsection of Expedited Medical Service for Pregnant Women Program** – This section contains content that was previously in 1407.01.
- 1409.02 Subsection of Expedited Medical Service for Pregnant Women Program** – This section contains content that was previously in 1407.02. A reference to a KAECSES processing issue was also removed.
- 1410 Disposition of Applications** – This section was updated with content that was previously in 1406.
- 1410.01 Approval** – This is a new section that contains content that was previously in 1406.01.
- 1410.02 Denial** – This is a new section that contains content that was previously in 1406.02. Policy has also been updated to refer to a 15-day pending notice requirement.
- 1410.03 Pending** – This is a new section that contains content that was previously in 1406.03.
- 1411 Provisions Specific to Medical Eligibility** – This section was updated to remove references to a KAECSES process.
- 1411.01 Subsection of Provisions Specific to Medical Eligibility** – This section was removed as it included KAECSES processes that are no longer applicable.

- 1411.02** **Subsection of Provisions Specific to Medical Eligibility** – This section was removed as it included KAECSES processes that are no longer applicable.
- 1412** **Termination of Assistance** – This section was updated to remove policy references that were not applicable to medical programs.
- 1413** **Reinstatement of Assistance** – This is a new section that includes the policy for reinstating coverage after discontinuance.
- 1420** **Written Notice of Case Action** – This section was updated to include a reference to change in a cost share as requiring a notice of case action.
- 1421** **Notice of Action** – This section was updated to remove policy references that were not applicable to family medical programs.
- 1423.08** **Subsection of Adequate Notice Only** – This section was updated to remove a reference to a KAECSES program code.
- 1501** **Request for a Hearing** – This section was updated to indicate that a fair hearing may be requested orally.
- 1501.01** **Subsection of Request for a Hearing** – This section was updated to clarify who can request a fair hearing on behalf of an individual. Individuals allowed to request a fair hearing on behalf of an applicant/recipient are being limited to those who may file an application on behalf of the applicant/recipient. In addition, only individuals authorized by a court of appropriate jurisdiction may request a fair hearing or represent a deceased individual in a fair hearing action.
- 1502** **Time Period for Requesting a Hearing** – This section was updated to clarify the date of request for a fair hearing.
- 1503** **Continuation of Benefits** – This section was updated to include references to a fair hearing being requested orally.
- 1503.01** **Subsection of Continuation of Benefits** – This section was updated to remove references to DCF.
- 1504.01** **Subsection of Client’s Rights Related to a Fair Hearing** – This section was updated to include references to a fair hearing being requested orally.
- 1505** **Responsibility of the KanCare Clearinghouse** – This section was updated to clarify to remove reference to DCF processing family medical applications. Clarification was also added about the requirement to notify the applicant/recipient of the circumstances under which eligibility be continued or reinstated during an appeal.

- 1505.01 Standard Procedures** – This section was updated to include procedures related to oral requests for a fair hearing.
- 1505.02 Agency Conference** – This section was updated to remove references to DCF.
- 1505.05 Dismissal of Fair Hearings** – This section was updated to remove references to DCF.
- 1507 Fair Hearing Decision and Request for Review** – This section was updated to remove references to DCF.
- 1601 Case Records** – This section was updated to include additional information about how case records are maintained with KEES and the imaging system.
- 1601.01 Order of the Material in the Family Case Records** – This section was removed as it is no longer applicable.
- 1601.02 Correspondence** – This section was renumbered to 1601.01. Additional information was added about KEES correspondence.
- 1602 Disposition of Obsolete Case Record Material** – This section was updated to remove reference to case record material that is not relevant to family medical programs.
- 1603 Voter Registration** – This section was updated to reflect the current process.
- 1700 Delivery of Medical Cards** – This section was updated to reflect the current process.

Section 2000 – General Eligibility Requirements

This section includes information about both general and specific eligibility requirements for each of the MAGI medical programs. Changes have been made to address eligibility requirements related to ACA, continuous eligibility policies, and premium penalties.

- 2010.02 Not Legally Incapacitated, a subsection of Act in Own Behalf** – This section was updated with the individuals who may apply on behalf of another person who is not legally incapacitated. This includes policies implemented previously as part of the Affordable Care Act.
- 2010.04 Applicants for Pregnant Woman coverage** – This section was updated to include the additional individuals who may apply on behalf of a pregnant woman.

- 2011** **Minors, a subsection of Act in Own Behalf** – This section was updated to include the ability of a tax filer to apply for medical assistance for a minor that is being claimed as a tax dependent.
- 2011.01** **Subsection of Minors** – This section was updated to remove policy references that were not applicable to family medical programs.
- 2045.07** **Reasonable Opportunity to Provide Documentation** – This is a new section that includes the policy of providing a reasonable opportunity period to U.S. citizens while their citizenship is verified.
- 2047** **Documentation of Legal Status** – This section was updated with the policies for verification of non-citizenship status.
- 2047.01** **Reasonable Opportunity for Non-Citizens** – This section was updated to provide instructions for how to provide a reasonable opportunity for a non-citizen while their non-citizenship status is verified. Previous content on this section was removed as it is no longer relevant to the current process.
- 2047.02** **Non-citizens Unable to Provide Documentation** – This section was updated to remove content that was no longer relevant to family medical programs.
- 2047.04** **Unable to Verify through KEES** – This is a new section that provides direction to send an inquiry to KDHE Policy if guidance is needed when verifying non-citizenship status. Previous content in this section was removed as it is no longer relevant to the current process.
- 2050** **Residence** – This section was updated based on modifications to the residence policy that occurred as part of the Affordable Care Act.
- 2100** **Child in Family** – This section was updated to clarify the definition of a child and when a child must be residing in the home. Additional information was removed as it was not applicable to family medical programs.
- 2110.05** **Subsection of Living with a Caretaker** – This section was updated to remove content that is no longer relevant to family medical programs.
- 2130** **Minor Parent** – This section was updated with information about who can apply on behalf of a minor parent.
- 2200** **General Program Information for MAGI** – This section was updated to incorporate the definition of MAGI and the medical programs which are covered by MAGI methodologies.

- 2211.01 Subsection of Categorically Needy** – This section was updated to include the current Federal Poverty Level limits for the mandatory groups.
- 2222 Family Medical Coverage** – This section was updated to remove references to KAECSES program codes.
- 2222.01 General Eligibility Requirements** – This section was updated to include a new link to the MAGI budgeting unit provisions.
- 2222.02 Financial Eligibility** – This section was updated to remove income disregards and TANF program rules, which are no longer applicable to the Family Medical Programs.
- 2222.03 Coverage Limitation** – This section was updated to include a reference to Policy Memo 2014-11-01 which imposed a temporary suspension of the application of penalties for failing to cooperate with Child Support Services.
- 2223 Family Medical Programs Hierarchy** – This section was updated to remove the prior references to the medical programs hierarchy and now includes a reference to the hierarchy which is contained in KEES and controlled by system rules.
- 2230 Transitional Medical Coverage (TransMed)** – This section was updated with a minor wording change that has no impact on the policy.
- 2230.01 Eligibility Requirements** – This section was updated to combine the content from two previous sections, General Eligibility Requirements and Other Eligibility Requirements. Content that was previously included in 2230.02 has been included in this section and the requirements have been updated to reflect current policies.
- 2230.02 Establishing TransMed for Other Household Members** – This section was updated to include new policy for how to provide TransMed coverage to household members of the initially qualifying individual. Content previously in this section was merged with 2230.01.
- 2230.03 Reacting to Changes During TransMed** – This section was updated to include content that was previously contained in 2230.04. Additional information has been added to clarify how to process changes that may occur in a family while receiving TransMed coverage. Previous content in this section regarding ‘establishing the TransMed coverage period’ has been removed as it is no longer relevant to the program rules.
- 2230.04 Individuals Leaving or Entering the Home** – This section was been removed. Content was moved to 2230.03.
- 2240 Four Month Extended Medical** – This section has been updated to remove references to KEESM that are not applicable to this program.

- 2240.01 Eligibility Requirements** – This section was updated to include all of the requirements applicable to the Extended Medical program. Previous content was removed as it is no longer applicable to this program.
- 2240.02 Establishing Extended Medical for Other Household Members** – This section was updated to include new policy for how to provide Extended Medical coverage to household members of the initially qualifying individual. Previous content was removed as it is no longer applicable to this program.
- 2240.03 Reacting to Changes During Extended Medical** – This section was updated to include new policy for how to process changes that may occur in a family while receiving Extended Medical coverage. Previous content was removed as it is no longer applicable to this program.
- 2271.01 Subsection of Medicaid Poverty Level Eligibles** – This section was updated with the current Federal Poverty Level limit.
- 2271.02 Subsection of Medicaid Poverty Level Eligibles** – This section was updated with the current Federal Poverty Level limit.
- 2271.03 Subsection of Medicaid Poverty Level Eligibles** – This section was updated with the current Federal Poverty Level limit, references to the MCHIP population and removed references that are no longer applicable.
- 2280 Medicaid Financial Eligibility** – This section was updated to include the applicable policies for the MAGI determination as required by the Affordable Care Act.
- 2300 Continuous Eligibility for Pregnant Women** – This section was updated to include the policies related to the continuous eligibility policies for all pregnant women. Other minor wording changes and the removal of KAECSES program codes also occurred with this change.
- 2301 Postpartum Period for Pregnant Women** – This section was updated to remove references to KAECSES program codes and policies that are not applicable to family medical programs.
- 2310 Continuous Eligibility for Medicaid Adults and Children** – This section was updated to modify the policies used for continuous eligibility for adults and children. Continuous eligibility periods will not always align with other household members.
- 2311 Continuous Eligibility Period** – This section was updated with a minor wording change that has no impact on the policy.
- 2311.01 Subsection of Continuous Eligibility Period** – This section was updated with a minor wording change that has no impact on the policy.

- 2311.07 Subsection of Continuous Eligibility Period** – This section was updated to remove the requirement that an individual must cooperate with a review that may occur prior to the end of the continuous eligibility period. Content in 2311.08 has now been moved to 2311.07.
- 2311.08 Subsection of Continuous Eligibility Period** – This section was updated due to a numbering change. Content in 2311.09 has now been moved to 2311.08.
- 2311.09 Subsection of Continuous Eligibility Period** – This section was updated due to a numbering change. Content in 2311.10 has now been moved to 2311.09.
- 2311.10 Subsection of Continuous Eligibility Period** – This section was updated due to a numbering change. Content in 2311.11 has now been moved to 2311.10.
- 2311.11 Subsection of Continuous Eligibility Period** – This section has been removed. Content was moved to 2311.10
- 2312 Changes in Coverage during a Continuous Eligibility Period** – This title for this section has been changed to accommodate the new continuous eligibility policies.
- 2312.01 Extending Continuous Eligibility** – This section was updated to include the situations where we will allow a change in coverage within the CE period and the CE period may be potentially extended.
- 2312.02 Subsection of Extending Continuous Eligibility** – This section was updated to include situations where we will allow a change in coverage within the CE period but will NOT extend the CE period.
- 2320 Continuous Eligibility Medicaid Newborns** – This section was updated to expand the list of Medicaid categories that a pregnant woman could be receiving to allow her newborn to be automatically eligible for Medicaid.
- 2320.01 Providing Medicaid Coverage to Newborn Children of Mothers in Foster Care** – This is a new section that is including the policy for how to provide Medicaid coverage to newborn children of mothers receiving Foster Care medical.
- 2340.02 Adding an Individual to a Plan** – This section was updated to make changes to terminology and update policy related to continuous eligibility periods.
- 2350 Medical Needy Coverage Related to Children and Pregnant Women** – This section was updated to make changes to terminology and remove references to KAECSES program codes.

- 2350.01** **Age** – This section was updated to clarify that age is not a factor for Medically Needy for pregnant women.
- 2350.02** **Income and Resource Methodologies** – This section was updated to make changes to terminology.
- 2350.03** **Medically Needy Postpartum Medical Coverage** – This section was updated with content previously held in 2352.03
- 2351** **MA** – This section was removed. Content simplified and combined with section 2350 and subsections.
- 2352** **Pregnant Women (MA PW)** – This section was removed. Content simplified and combined with section 2350 and subsections.
- 2352.01** **Pregnant** – This section was removed. Content simplified and combined with section 2350 and subsections.
- 2352.02** **Income and Resource Methodologies** – This section was removed. Content simplified and combined with section 2350 and subsections.
- 2352.03** **Postpartum Medical Coverage** – This section was removed. Content moved to 2350.03.
- 2400** **General Program Information for the Children’s Health Insurance Program (CHIP)**
This section was updated with new Federal Poverty Limits, changes in terminology, and update to the effective date of CHIP coverage.
- 2411.03** **Subsection of Insured Status** – This section was updated with changes in terminology.
- 2413** **Waiting Period for Voluntarily Dropping Health Insurance Coverage** – This section was updated with new Federal Poverty Limits. The list of exceptions for terminating health coverage was expanded.
- 2420** **Access to State Employee Insurance for Title XXI** – This section was removed as it is no longer eligible for CHIP coverage.
- 2430** **Ineligibility for Medicaid** – This section was updated to remove references to KAECSES program codes and processes.
- 2440** **Premium Requirement for CHIP** – This section was updated with new Federal Poverty Limits. Updates also include changes to the premium billing process.

- 2440.01 Impact on Eligibility** – This section was removed. The content in the premium policies section was reorganized to accommodate the new policies.
- 2440.02 Premium Changes** – This section was removed. The content in the premium policies section was reorganized to accommodate the new policies.
- 2440.03 Premium Refunds and Adjustments** – This section was removed. The content in the premium policies section was reorganized to accommodate the new policies.
- 2440.04 Fees and Collections of Unpaid Premiums** – This section was removed. The content in the premium policies section was reorganized to accommodate the new policies.
- 2441 Premium Delinquency** – This is a new section which outlines the policies related to CHIP premium delinquencies and applying a premium penalty for failure to pay premiums.
- 2441.01 Penalties and Penalty Statutes** – This is a new section which explains the four statuses of the penalty period.
- 2442 Impact on Eligibility for Current Recipients** – This is a new section which explains the impact on coverage when a current recipient becomes delinquent on CHIP premiums.
- 2442.01 Impacts of Payments on the Penalty Period** – This is a new section which explains the activity which may occur when a payment is made for a person who is in a penalty period.
- 2443 Impact on Eligibility for Former Recipients** – This is a new section which explains the impact on coverage when a former recipient is delinquent on CHIP premiums and applies for CHIP coverage.
- 2443.01 Impacts of Payments on the Penalty** – This is a new section which explains the activity which may occur when a payment is made for a former recipient who is in a penalty status.
- 2444 Collection of Past Due Premiums** – This is a new section which explains collection procedures and how payments are applied to the accounts.
- 2444.01 Fees and Collections of Unpaid Premiums** – This is a new section which addresses fees that may be assessed to the consumer and the potential for an account to be referred to state debt set off.
- 2445 Premium Changes** – This is a new section which explains how a change which occurs during a continuous eligibility period may impact a premium obligation.

- 2446** **Premium Refunds and Adjustments** – This is a new section which explains how we react to adjustments that need to be made to a premium obligation.
- 2451** **Continuous Eligibility for CHIP** – This section was updated to make changes to terminology and update policy related to continuous eligibility periods.
- 2452** **CHIP Continuous Eligibility Period** – This section was updated to clarify the start of the CHIP CE period.
- 2452.07** **Subsection of CHIP Continuous Eligibility Period** – This section was updated to remove the requirement that an individual must cooperate with a review that may occur prior to the end of the continuous eligibility period. Content from 2452.08 was moved to 2452.07.
- 2452.08** **Subsection of CHIP Continuous Eligibility Period** – Content from 2452.09 was moved to 2452.08.
- 2452.09** **Subsection of CHIP Continuous Eligibility Period** – This section was updated to move some of the content to 2452.08.
- 2453** **Changes in Coverage During a Continuous Eligibility Period** – This section was updated to refer to 2312 for additional information about the changes that may impact a CE period for CHIP individual.
- 2453.01** **Subsection of New Continuous Eligibility Period** – This section was been removed.
- 2453.02** **Subsection of New Continuous Eligibility Period** – This section was removed.
- 2460.02** **Adding a Child to a Plan** – This section was updated to make changes to terminology and update policy related to continuous eligibility periods.
- 2470** **Other Issues** – This section was updated to indicate the effective date of CHIP coverage and to reference the ability to provide retroactive CHIP coverage during a review reconsideration period.
- 2480** **Financial Methodologies for CHIP** – This section was updated to include the updated Federal Poverty Limit and references to how the financial determination is completed.
- 2501** **Subsection of Other Newborn Issues** – This section was updated to reference the continuous eligibility provisions when adding a newborn to an existing plan.
- 2502** **Subsection of Other Newborn Issues** – This content from 2503 was moved to 2502. Content was also updated to incorporate policies related to CHIP newborn coverage.
- 2503** **Subsection of Other Newborn Issues** – This section was removed.

- 2510** **Pregnant Women** – This section was updated to remove references to DCF processing family medical programs.
- 2530** **Third Party Resources** – This section was updated to remove references to DCF processing family medical programs.
- 2531** **Subsection of Third Party Resources** – This section was updated to indicate that an applicant is not required to provide information of third party resources as a condition of eligibility. If partial information is received, a partial referral will be submitted to the MMIS fiscal agent.
- 2531.01** **Subsection of Third Party Resources** – This section was updated to refer to KFMAM Forms for the Medical Subrogation referral form for Injury.
- 2531.02** **Subsection of Third Party Resources** – This section was updated to refer to KFMAM Forms for the Medical Subrogation referral form for Adoption.

Section 3000 – MAGI Budgeting Units

This section includes a complete update of content from assistance planning rules used prior to the implementation of the ACA to the new Individual Budgeting Unit rules.

- 3000** **MAGI Budgeting Units** – This title for this section was updated.
- 3100** **MAGI Budgeting Units** – This section was updated with new policy regarding using MAGI budgeting units to determine the household size used for eligibility determinations.
- 3110** **Filers** – This section was updated to include rules for budgeting units when the individual is a tax filer or part of a tax filing household.
- 3110.01** **Mandated Members** – This section was removed.
- 3110.02** **Optional Members** – This section was removed.
- 3110.03** **Excluded Members** – This section was removed.
- 3120** **Non-Filers** – This section was updated to include rules for budgeting units when the individual does not file taxes or is part of a household that does not file.
- 3120.01** **Subsection of Assistance Planning for Medicaid Poverty Level and CHIP** – This section was removed.

- 3120.02 Subsection of Assistance Planning for Medicaid Poverty Level and CHIP** – This section was removed.
- 3120.03 Subsection of Assistance Planning for Medicaid Poverty Level and CHIP** – This section was removed.
- 3120.04 Subsection of Assistance Planning for Medicaid Poverty Level and CHIP** – This section was removed.
- 3120.05 Subsection of Assistance Planning for Medicaid Poverty Level and CHIP** – This section was removed.
- 3120.06 Subsection of Assistance Planning for Medicaid Poverty Level and CHIP** – This section was removed.
- 3130 Individuals Claimed as a Dependent** – This section was updated to include rules for how to create budget units for individuals that are claimed as a tax dependent.
- 3130.01 Subsection of Additional Assistance Planning** – This section was removed.
- 3130.02 Subsection of Additional Assistance Planning** – This section was removed.
- 3130.03 Subsection of Additional Assistance Planning** – This section was removed.
- 3140 Inclusion of the Spouse** – This section was updated to explain how spouses are included in the budgeting units.
- 3150 IBU for a Pregnant Woman** – This section was updated to indicate how budget units are determined for pregnant women.
- 3200 Additional IBU Provisions** – This is a new section to include additional information about Individual Budgeting Units.
- 3200.01 Subsection of Additional IBU Provisions** – This is a new section to include additional information about Individual Budgeting Units.
- 3200.02 Subsection of Additional IBU Provisions** – This is a new section to include additional information about Individual Budgeting Units.
- 3200.03 Subsection of Additional IBU Provisions** – This is a new section to include additional information about Individual Budgeting Units.
- 3200.04 Subsection of Additional IBU Provisions** – This is a new section to include additional information about Individual Budgeting Units.

Section 5000

This section includes significant changes to reflect the income guidelines for MAGI programs.

- 5000** **Income Guidelines** – This section was updated to include information about the MAGI budgeting methodology.

- 5110.02** **Subsection of General Guidelines** – This section was updated to make changes to terminology.

- 5110.03** **Subsection of General Guidelines** – This section was updated to make changes to terminology.

- 5110.04** **Subsection of General Guidelines** – This section was updated to include content that was previously in 5110.06. Information previously in this section was removed as it is no longer relevant to the income guidelines.

- 5110.05** **Subsection of General Guidelines** – This section was removed as it is no longer relevant to the income guidelines.

- 5110.06** **Subsection of General Guidelines** – This section was removed as it is no longer relevant to the income guidelines.

- 5110.07** **Subsection of General Guidelines** – This section was removed as it is no longer relevant to the income guidelines.

- 5200** **Unearned Income** – This section was updated to remove information that is no longer applicable to MAGI income budgeting methodologies.

- 5220** **Countable Unearned Income** – This section has been updated to include all types of countable unearned income for MAGI programs. This section and subsections were organized to include all types of countable unearned income, in alphabetical order.

- 5220.01** **Annuities Income**

- 5220.02** **Contract Sales**

- 5220.03** **Dividends**

- 5220.04** **Insurance Payments**

- 5220.05** **Interest**

- 5220.06** **Lottery/Gambling Winnings**

5220.07 **KPERS**

5220.08 **Native American Tribal Disbursements**

5220.09 **Oil Royalties/Mineral Rights**

5220.10 **Pensions**

5220.11 **Per Capita**

5220.12 **Railroad Benefits**

5220.13 **Rental Income**

5220.14 **Retirement**

5220.15 **Social Security**

5220.16 **Spousal Support**

5220.17 **Trust Income**

5220.18 **Unemployment Compensation**

5220.19 **Veteran's Pensions**

5300 **Earned Income** – The earned income was previously held in 5400 and has been updated and reorganized in 5300.

5310 **Earned Income Payments** – This section was updated with the reorganization.

5310.01 This section was removed as it is no longer applicable to the reorganization of earned income information.

5310.02 This section was removed as it is no longer applicable to the reorganization of earned income information.

5310.03 This section was removed as it is no longer applicable to the reorganization of earned income information.

5310.04 This section was removed as it is no longer applicable to the reorganization of earned income information.

5310.05 This section was removed as it is no longer applicable to the reorganization of earned income information.

5311 Regular Earned Income

5311.01 This section was removed as it is no longer applicable to the reorganization of earned income information.

5311.02 This section was removed as it is no longer applicable to the reorganization of earned income information.

5311.03 This section was removed as it is no longer applicable to the reorganization of earned income information.

5311.04 This section was removed as it is no longer applicable to the reorganization of earned income information.

5311.05 This section was removed as it is no longer applicable to the reorganization of earned income information.

5312 Irregular Earned Income – This section was updated with the reorganization.

5313 Intermittent Earned Income – This section was updated with the reorganization.

5320 Countable Earned Income – This section has been updated to include all types of countable earned income for MAGI programs. Wages are listed first and the remaining earned income types are in alphabetical order. Content previously held in this section regarding contract labor has been removed as it is no longer relevant to the MAGI budgeting methodology.

5320.01 Wages

5320.02 Bonus and Commission Income

5320.03 Garnished or Diverted Wages

5320.04 Military Pay

5320.05 Overtime

5320.06 Tip Income

5320.07 Wages Withheld/Salary Advances

5320.08 Work Program/Training

5330 Self-Employment – This section has been updated with new methodology for budgeting self-employment income

- 5330.01 Subsection of Self-employment income** – This section has been updated with new methodology for budgeting self-employment income
- 5330.02 Subsection of Self-employment income** – This section has been updated with new methodology for budgeting self-employment income
- 5330.03 Subsection of Self-employment income** – This section has been updated with new methodology for budgeting self-employment income
- 5330.04 Subsection of Self-employment income** – This section has been updated with new methodology for budgeting self-employment income
- 5400 Exempt Income** – This section has been updated to include all types of exempt income for MAGI programs. The section content provides specific criteria for when this type of income is considered to be exempt. Information is organized alphabetically according to the primary income types in KEES. Subtypes in KEES are listed as subsections of the individual exempt income sections. All content previously held in 5400 and subsections has been removed.
- 5401 Child Support**
- 5402 Disability**
- 5403 Earnings** – Note: Any earnings from strike pay and blood plasma sales are exempt.
- 5404 Educational Income**
- 5405 Government Payments**
- 5405.01 Adoption Assistance Subsidy**
- 5405.02 Cash Assistance**
- 5405.03 Disaster/Emergency Assistance**
- 5405.04 Energy Assistance/LIEAP**
- 5405.05 Executive Volunteer Programs**
- 5405.06 Food Stamps**
- 5405.07 Foster Care and Permanent Custodianship**
- 5405.08 Foster Grandparents**

- 5405.09 HUD Payments/Housing Assistance
- 5405.10 Independent Living Payments
- 5405.11 Older American Act Payments
- 5405.12 Refugee Resettlement Funds
- 5405.13 Senior Health Aids/Companions
- 5405.14 Tax Refunds/Rebates/Credits
- 5405.15 Gate Money
- 5406 Insurance Payments
- 5406.01 Life and Burial Insurance Payments
- 5406.02 Repair and Replacement
- 5407 Interest and Dividends
- 5408 Loans, Gifts, and Contributions
- 5408.01 Loans
- 5408.02 Social Fundraising Accounts
- 5409 Native American Income
- 5410 Reimbursements
- 5411 Social Security
- 5411.01 SSI
- 5411.02 Social Security Death Benefits
- 5412 Veteran's Income
- 5413 Work Program/Training
- 5413.01 Workforce Investment Act (WIA)
- 5413.02 Vocational Rehab (VR)

- 5430 **Miscellaneous Exempt Income** – All of the following sections are considered as miscellaneous exempt income and should be coded as such in KEES.
- 5431 **Agent Orange**
- 5432 **Allocated Income**
- 5433 **Crime Victims Fund**
- 5434 **Family Subsidy**
- 5435 **Holocaust Survivors**
- 5436 **Hostile Fir Pay/Combat Pay**
- 5437 **Individual Development Accounts**
- 5437.01 **Subsection of Individual Development Accounts**
- 5437.02 **Subsection of Individual Development Accounts**
- 5437.03 **Subsection of Individual Development Accounts**
- 5437.04 **Subsection of Individual Development Accounts**
- 5437.05 **Subsection of Individual Development Accounts**
- 5437.06 **Subsection of Individual Development Accounts**
- 5438 **In-Kind Income**
- 5439 **Japanese Aliens**
- 5440 **Lump Sums**
- 5440.01 **Subsection of Lump Sums**
- 5440.02 **Subsection of Lump Sums**
- 5440.03 **Subsection of Lump Sums**
- 5440.04 **Subsection of Lump Sums**
- 5441 **Ministerial Housing Allowance**

- 5442 **Monies Withheld Voluntarily or Involuntarily**
- 5442.01 **Subsection of Monies Withheld Voluntarily or Involuntarily**
- 5442.02 **Subsection of Monies Withheld Voluntarily or Involuntarily**
- 5443 **Radiation Exposure**
- 5444 **Rehabilitation Services Payments**
- 5445 **Relocation Assistance**
- 5446 **Renal Dialysis**
- 5447 **Ricky Ray Hemophilia Act Fund**
- 5448 **Shared Living**
- 5449 **Susan Walker v. Bayer**
- 5450 **Trust for a VA Child**
- 5451 **Vendor Payments**
- 5500 **Exempt Income** – This section previously included all information about exempt income types. All sections and subsections have been removed.

Section 6000

This section includes information about the MAGI income budgeting methods, income standards and eligibility periods.

- 6000 **Budgeting of Income** – This section was updated to remove content that was repeated elsewhere in the manual.
- 6110 **Prospective Budgeting** – This section was updated to reflect MAGI income budgeting methods.
- 6111 **Regular Earned or Unearned Income** – This section was updated to remove references to income deductions.
- 6112 **Irregular Earned or Unearned Income** – This section was updated to remove references to income deductions. Also, the term representative income was removed as this is no longer applicable to MAGI income budgeting.

- 6112.01 Subsection of Irregular Earned or Unearned Income** – This section was updated to remove references to deductions and representative income.
- 6112.02 Subsection of Irregular Earned or Unearned Income** – This section was updated to remove references to deductions and representative income.
- 6112.03 Subsection of Irregular Earned or Unearned Income** – This section was updated to remove references to deductions and representative income.
- 6113 Irregular and Intermittent Income** – This section was updated to remove references to deductions and prior medical budgeting.
- 6113.01 Subsection of Irregular and Intermittent Income** – This section was updated to reflect how income is budgeted when an income change is reported.
- 6114 Irregular Income in the Month of Application** – This section has been removed as the policies are no longer relevant to MAGI income budgeting.
- 6120 Current Month Budgeting Methods** – This section has been updated to explain the methods of income budgeting in the current month.
- 6121 Using a Confirmed/Payer Source** – This section was updated with information about Tier 1 income sources.
- 6122 Reasonable Compatibility** – This section includes information about the reasonable compatibility test for earnings.
- 6123 Full Month Budgeting Method** – This section explains how income is budgeted when a full month of verification is available.
- 6124 Partial Month Budgeting Method** – This section explains how income is budgeted when a partial month of verification is available.
- 6130 Prior Medical Budgeting Method** – This section explains how income is budgeted when determining eligibility for the prior medical period.
- 6131 No Reported Changes** – This section explains the method of budgeting prior medical income when no changes have occurred from the current month income.
- 6132 Reported changes - Income** – This section explains the method of budgeting prior medical income when changes have occurred in the prior period.
- 6132.01 Use of KDOL Wages** – This section was updated with information about when KDOL wages can be used to budget income from the prior period.

- 6132.02 Actual Income** – This section was updated with information about when the actual income budgeting method is used to budget income from the prior period.
- 6133 Reported Changes – Household** – This section explains how to address reported changes in the household composition that have occurred in the prior period.
- 6134 Discrepant or Inconsistent Information** – This section explains how to address situations where discrepant or inconsistent information is discovered for the prior period.
- 6200 Self-employment Income Budgeting** – This section was updated to include the methods by which self-employment income is budgeted.
- 6210 Tax Return Filed** – This section has been updated to explain how to budget income for self-employment when a tax return has been filed. Previous content in this section has been removed.
- 6211 Tax Return Not Filed or Does Not Contain Full Year’s Earnings** – This section has been updated to address the method of budgeting self-employment income when a tax return has not been filed. Previous content in this section has been removed.
- 6212 Need for New Estimate/Average Based on Changes In Income** – This section was updated to include information on how to address a situation where the consumer indicates their tax return is not representative of the current business income.
- 6212.01** This section has been removed.
- 6212.02** This section has been removed.
- 6212.03** This section has been removed.
- 6212.04** This section has been removed.
- 6212.05** This section has been removed.
- 6213 Income Producing Cost Deduction** – This section has been removed.
- 6213.01 Subsection of Income Producing Cost Deduction** – This section has been removed.
- 6213.02 Subsection of Income Producing Cost Deduction** – This section has been removed.
- 6213.03 Subsection of Income Producing Cost Deduction** – This section has been removed.
- 6213.04 Subsection of Income Producing Cost Deduction** – This section has been removed.
- 6213.05 Subsection of Income Producing Cost Deduction** – This section has been removed.

- 6213.06 Subsection of Income Producing Cost Deduction** – This section has been removed.
- 6213.07 Subsection of Income Producing Cost Deduction** – This section has been removed.
- 6213.08 Subsection of Income Producing Cost Deduction** – This section has been removed.
- 6213.09 Subsection of Income Producing Cost Deduction** – This section has been removed.
- 6220 Wages from a Business** – This section was updated with information about how to budget wages that a business owner pays themselves. Content previously in this section has been removed.
- 6221 Deductions for MA CM** – This section has been removed.
- 6221.01 Subsection of Deductions for MA CM** – This section has been removed.
- 6221.02 Subsection of Deductions for MA CM** – This section has been removed.
- 6221.03 Subsection of Deductions for MA CM** – This section has been removed.
- 6223 Deductions for MA Spenddown, Medicaid Poverty Level and CHIP programs** – This section has been removed.
- 6230 Capital Gains** – This section was updated with information about how capital gains are counted as income.
- 6311 Eligibility Periods for Medical Programs** – This section was updated with to remove references to DCF processing and include a reference to the effective date of eligibility for CHIP newborns.
- 6311.01 Current Eligibility Periods** – This section was updated to remove references to KAECSES program codes.
- 6311.02 Prior Medical Eligibility** – This section was updated to remove references to KAECSES program codes and update links.
- 6410 Medical Program Standards** – This section was updated to remove references to KAECSES program codes.
- 6410.02 Standards in the Medically Needy Program** – This section was updated to remove old assistance planning rules and remove references to KAECSES program codes.
- 6510 Need** – This section was updated to remove reference to KAECSES processing.

- 6511** **Financial Eligibility in the Medicaid Poverty Level and CHIP Program** – This section was updated to remove references to KAECSSES program codes.
- 6512** **Financial Eligibility in the Medically Needy Program** – This section was updated to remove references to KAECSSES program codes.
- 6512.01** **Allowable Expenses** – This section was updated to remove references to old assistance planning rules.
- 6513** **Meeting a Spenddown** – This section was updated to further clarify how a spenddown is met.
- 6513.01** **Eligibility Staff Responsibility** – This is a new section which explains the staff responsibility for determining the appropriate spenddown base period and spenddown amount.
- 6513.02** **MMIS Responsibility** – This is a new section which explains the role of the MMIS in the spenddown process.
- 6513.03** **Beneficiary Billed Claim** – This is a new section which explains how an expense may be applied to a spenddown when the provider is not able to directly bill for it.
- 6513.04** **Spenddown Met** – This is a new section which explains what occurs when a spenddown has been met.
- 6513.05** **Changes in Spenddown Amount and Status** – This is a new section which changes may impact a spenddown.
- 6514** **Establishing Financial Eligibility in the TransMed Program** – This section includes content previously held in 6514.02.
- 6514.01** This section has been removed.
- 6514.02** This section has been removed.
- 6514.03** This section has been removed.
- 6515** **Establishing Financial Eligibility in the Extended Medical Program** – This section includes content previously held in 6514.03.
- 6520** **Continuing Financial Eligibility** – This section was updated to remove references to KAECSSES program codes and to update terminology.

Section 7000

This section includes policies relative to reporting changes and processing reviews.

- 7120 **Household Responsibility to Report Changes After Approval** – This section was updated to remove references to KAECSES processing.
- 7140 **Processing Reported Changes** – This section was updated to include policy about processing an income change when reported at the time of a request to add a new individual.
- 7230 **Whereabouts of Recipient Unknown** – This section was updated to add clarification about discontinuing coverage for continuously eligible individuals when their whereabouts are unknown. Only non-pregnant continuously eligible adults shall be discontinued in these circumstances.
- 7300 **Transfer of Assistance** – This section was removed.
- 7301 **Pending Applications** – This section was removed.
- 7302 **Open Cases** – This section was removed.
- 7302.01 **Sending County's Responsibilities** – This section was removed.
- 7302.02 **Case Instructions** – This section was removed.
- 7302.03 **Program Instructions** – This section was removed.
- 7320 **Receiving County Responsibility** – This section was removed.
- 7321 **Receiving County's Responsibilities** – This section was removed.
- 7322 **Closed Cases** – This section was removed.
- 7330 **Reviews** – This section has been updated to include the new review policies and procedures.
- 7330.01 **Super Passive Reviews** – This is a new section which explains super passive reviews.
- 7330.02 **Passive Reviews** – This is a new section which explains passive reviews.
- 7330.03 **Pre-Populated Reviews** – This is a new section which explains pre-populated reviews.
- 7331 **Notice of Expiration** – This section was moved from 7333. Content previously in this section has been removed.

- 7332 **Review Process for Other Family Medical Programs** – This section has been removed.
- 7333 **Notice of Expiration** – This section was removed.
- 7410 **Application, subsection of Client requirements for Timeliness** – This section has been updated to reflect current policies regarding the requirement to complete a review form.
- 7410.01 **Using an Application Form as a Review** – This section has been updated to indicate when an application form can be used in place of a review form.
- 7411 **Information/Verification** – This section has been updated to address the review reconsideration period.
- 7421 **Passive Review Responses** – This is a new section which explains how to process a response to a passive review.
- 7431 **Failure to Act** – This section has been updated to explain the review reconsideration period that exists if the consumer fails to provide their review or requested information for processing.
- 7441 **Frequency of Reviews** – This section was updated to simplify the policy statements.
- 7441.01 **Subsection of Frequency of Reviews** – This section was updated to indicate that the review period for a case is set to match the earliest CE period of an individual on that case.
- 7441.02 **Subsection of Frequency of Reviews** – This section has been removed.

Section 8000

This section has been thoroughly updated and reorganized to reflect appropriate terminology for Overstated and Understated Eligibility. This section has also been updated to reflect how corrections to incorrect eligibility shall be made and methods by which claims and payments are made against overstated eligibility. Descriptions of each section are not included. Only major sections are outlined below.

- 8000 **Incorrect Coverage**
- 8100 **Understated Eligibility**
- 8110 **Understated Eligibility**

- 8111 Situations Requiring Correction of Understated Eligibility
- 8112 Timely Billing
- 8113 Situations not requiring correction of understated eligibility
- 8200 Time Frame
- 8210 Time Frame
- 8211 Erroneous Denial
- 8212 Erroneous Termination
- 8300 Overstated Eligibility and Claims
- 8310 Types of Claims
- 8312 Agency Error
- 8313 Client Error
- 8314 Fraud Error
- 8320 Claim Not Required
- 8330 Time Frames
- 8340 Computing the Claim
- 8341 No Eligibility
- 8342 CHIP Premiums
- 8343 Spenddowns
- 8351 Establishing Claims and Repayment Agreements
- 8360 Collecting the Claim
- 8361 Collecting Claims
- 8362 Methods of Collection
- 8363 Fraud Claims

8364 **Claims Discharged Through Bankruptcy**

8370 **Terminating Claims**

8371 **Transferring Claims**

8380 **Compromising Claims**

8400 **Determination of Fraud**

8410 **Definition of Fraud**

8420 **Medical Assistance Penalties**

8430 **Fraud Referral**

8440 **Fraud Unit Referrals**

8460 **Fraud Unit Referral**

8481 **Applying the Disqualification Penalty**

8500 **Fraud Recovery**

8520 **Reversed Disqualifications**

CONCLUSION

For questions or concerns related to this document, please contact one of the KDHE Medical Policy Staff listed below.

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Questions regarding any KEES issues are directed to the KEES Help Desk at KEES.HelpDesk@ks.gov