

**907 KAR 4:030. Kentucky Children's Health Insurance Program Phase III Title XXI of the Social Security Act.**

RELATES TO: KRS 205.6481 – 205.6497, 211.461 – 211.466, 281.010(25), 304.5-040, 304.17A-005(8), (14), 42 C.F.R. 435.403, 440.230, 42 U.S.C. 1396, 1397aa

STATUTORY AUTHORITY: KRS 194A.030(2), 194A.050(1), 205.520(3), 205.6481-205.6497, 42 U.S.C. 1397aa

NECESSITY, FUNCTION, AND CONFORMITY: KRS 205.6485 authorizes the cabinet, by administrative regulations, to establish the Kentucky Children's Health Insurance Program (KCHIP) to provide health care coverage and other coordinated health care services to children of the Commonwealth who are uninsured and otherwise not eligible for health insurance coverage. This administrative regulation establishes the KCHIP Phase III eligibility criteria, quality assurance and utilization review, covered services, the approval process, grievance and appeal rights, and the requirements for delivery of health services for providers who wish to participate with the Commonwealth to provide health care coverage for KCHIP Phase III members through the provision of a separate health insurance program under Title XXI.

**Section 1. Definitions.**

- (1) "Cabinet" means the Kentucky Cabinet for Health and Family Services or its designee.
- (2) "Child" means an individual under the age of nineteen (19) years.
- (3) "Creditable coverage" is defined by KRS 304.17A-005(8)(a)1-3 and 5-10.
- (4) "Department" means the Department for Medicaid Services or its designee.
- (5) "Excepted benefits" is defined by KRS 304.17A-005(14).
- (6) "Health insurance" is defined by KRS 304.5-040.
- (7) "KCHIP" means the Kentucky Children's Health Insurance Program in accordance with 42 U.S.C. 1397aa through 42 U.S.C. 1397jj.

**Section 2. Eligibility Criteria.**

- (1) A child shall be eligible for KCHIP Phase III if the child:
  - (a) Is a resident of Kentucky meeting the conditions for determining state residency under 42 C.F.R. 435.403;
  - (b) Is an alien who meets the requirements established in 907 KAR 20:005;
  - (c) Is not an inmate of a public institution or a patient in an institution for mental diseases;
  - (d) Is not eligible for Medicaid pursuant to 907 KAR 20:005 or 907 KAR 20:100; and
  - (e) Is a targeted low-income child as defined in 42 U.S.C. 1397jj(b) who:
    1. Has family income that does not exceed 213 percent of the federal poverty guidelines updated annually in the Federal Register by the United States Department of Health and Human Services under the authority of 42 U.S.C. 9902(2);
    2. Does not have creditable coverage and may be covered by excepted benefits;
    3. Provides to the department the information required in Section 4(4) of this administrative regulation;
    4. Meets the continuing eligibility requirements established in 907 KAR 20:010, Section 2; and
    5. Meets the relative responsibility requirements established in 907 KAR 20:040.
- (2)
  - (a) Eligibility for KCHIP Phase III shall be determined by the department.
  - (b) Upon receipt of the eligibility information established in subsection (1) of this section, the department shall determine if a child is eligible for benefits pursuant to 42 U.S.C. 1396 or 1397bb.

Section 3. Covered Services.

- (1) Health services shall be considered as medically necessary in accordance with:
  - (a) 907 KAR 3:130; and
  - (b) 42 C.F.R. 440.230.
- (2) Covered services shall exclude:
  - (a) EPSDT special services as established in 907 KAR 11:034, Section 7;
  - (b) Human service transportation delivery as defined by KRS 281.010(25) and as required by 603 KAR 7:080; and
  - (c) Locally authorized medical transportation as established in 907 KAR 1:060, Section 4.
- (3) The amount and duration of benefits covered by KCHIP Phase III shall be as established in Title 907 KAR excluding the services identified in subsection (2) of this section.
- (4) A medical service shall be covered through KCHIP Phase III if the individual is determined eligible for KCHIP benefits in accordance with Section 2 of this administrative regulation.
- (5) Preventive and remedial public health services shall be provided to KCHIP Phase III members in accordance with 907 KAR 1:360.
- (6) KCHIP Phase III shall be the payor of last resort.

Section 4. KCHIP Phase III Approval Process. The following information shall be required from a child or responsible party for KCHIP Phase III enrollment:

- (1) A child's demographics that shall include:
  - (a) Name;
  - (b) Address;
  - (c) Sex;
  - (d) Date of birth;
  - (e) Race; and
  - (f) Social Security number;
- (2) Monthly gross earned income, if any, of a parent and a child for whom information is being submitted, an employer type and address, if any, and frequency of income;
- (3) The name and address of a health insurance provider who currently provides creditable coverage;
- (4) The creditable coverage policy number, policy holder's name, Social Security number, and individuals covered by the plan;
- (5) Unearned income, if any, received weekly, biweekly, bimonthly, quarterly, or annually;
- (6) The name and age of a child or disabled adult for whom care is purchased in order for a parent or responsible person to work; and
- (7) The signature, date, and telephone number of the person submitting the information for a child.

Section 5. Provider Participation Requirements. A provider's enrollment, disclosure, and documentation for participation in KCHIP Phase III shall meet the requirements established in:

- (1) 907 KAR 1:671; and
- (2) 907 KAR 1:672.

Section 6. Complaint, Grievance and Appeal Rights.

- (1) If dissatisfied with an action taken by the cabinet, the child, the child's parent, or the child's guardian shall be entitled to a complaint, grievance, or appeal with the cabinet to be conducted in accordance with:
  - (a) 907 KAR 1:560; or

- (b) 907 KAR 1:563.
- (2) If a service is provided by a managed care organization, a dispute resolution between a provider and a child, the child's parent, or the child's guardian shall be in accordance with:
  - (a) KRS 211.461 through 211.466; and
  - (b) 907 KAR 17:010.
- (3) A KCHIP Phase III eligible child or a responsible party shall be informed in writing of the right to and procedures for due process by the cabinet:
  - (a) At the time information to obtain KCHIP Phase III approval is submitted;
  - (b) If there is a change in eligibility status; or
  - (c) As required by federal and state laws.

Section 7. Quality Assurance and Utilization Review. The department shall evaluate the following on a continuing basis:

- (1) Access to services;
  - (2) Continuity of care;
  - (3) Health outcomes; and
  - (4) Services arranged or provided as established in 907 KAR Chapter 17.
- (26 Ky.R. 1879; eff. 6-12-2000; 43 Ky.R. 1080, 1775; eff. 5-5-2017; Crt eff. 12-6-2019.)